ANNUAL REPORT

Celtic plc Year Ended 30 June 2015

CONTENTS

CHAIRMAN'S STATEMENT } Ian Bankier

SUMMARY OF THE RESULTS

Operational Highlights

Winner of the SPFL Premiership

Winner of the Scottish League Cup

Participated in the UEFA Europa League, qualifying for the round of 32 stage, playing 7 home European matches (2014: 6)

29 home matches played at Celtic Park (2014: 28)

Successful hosting of the Commonwealth Games Opening Ceremony and SFA International matches

New commercial sponsorship agreements with New Balance and Dafabet

Completion of the highly acclaimed Celtic Way and Stadium Branding

Financial Highlights

Group revenue decreased by 21.1% to £51.08m

Operating expenses decreased by 11.1% to £53.27m

Exceptional costs of £0.74m (2014: £4.66m)

Gain on sale of player registrations of £6.77m (2014: £17.05m)

Loss before taxation of £3.95m (2014: profit of £11.17m)

Year-end net cash at bank of £4.72m (2014: £3.83m)

Investment in football personnel of £9.42m (2014: £8.07m)

"The model is designed to protect the Club from the inherent unpredictability of football"

These results, which show an operating loss of £3.6m compared to a profit of £11.8m last year, reflect two key factors. First, lower contribution from the sale of player registrations, and second, diminished income from competing in the UEFA Europa League competition. The lower contribution from the disposal of player registrations was as a result of the Board deciding to retain certain registrations to aid and enhance value for the football operations.

The Board remains committed to ensuring that the medium and long-term future of the Club, and the Company, is secured. Having regard to the environment in which we continue to operate, the Board's belief in a self- sustaining financial model has not waivered. We believe that there is no other sensible way to operate. The model is designed to protect the Club from the inherent unpredictability of football. Although the Board is very disappointed not to have secured qualification for the Group Stages of the UEFA Champions League for season 2015/16, that failure does not put at risk the continued operation of the Club. We are confident that our model provides a platform for improved financial performance in the year to 30 June 2016.

The Club's strength and stability off the pitch allows us to give full support to the Football Manager in securing his transfer targets, whilst at the same time continuing to invest in the Youth Academy that will develop our young players for the first team. Disappointed at the outcome of the Champions League qualifier, we look forward with optimism to the season ahead. We wholeheartedly support Ronny Deila and his support staff as they strive to make Celtic stronger on the pitch.

Meanwhile, the Club remains engaged and represented in the Scottish and European game. Peter Lawwell, our Chief Executive, has recently been re-elected on to the board of the European Club Association. In addition, for the forthcoming season Peter remains a member of the board of the Scottish FA and the Association's Professional Game Board. Our Financial Director, Eric Riley, remains a member of the board of the Scottish Professional Football League for the season ahead. Our representation at these levels gives us the facility to continue to explore ways in which the football environment in which we operate can be enhanced.

It is important in the context of this short statement that I should note the achievements of Celtic FC Foundation, which upholds and promotes the charitable principles and heritage of Celtic Football Club. The Foundation is now involved in more educational, community and charitable work than at any time in the Club's history. The Foundation assists those who face challenges, both at home and abroad, in Health, Equality, Learning and Poverty (HELP) and, on behalf of the Board, I congratulate all those involved, whether it be by giving their time or their money, or both, to support the Foundation.

The success of Celtic is dependent on the ongoing support of our colleagues, fans, sponsors, partners and shareholders; the Board is grateful for that support and is committed to promoting and maintaining that success for future generations.

Ian P Bankier, Chairman
11 September 2015

CHIEF EXECUTIVE'S REVIEW

Peter Lawwell

The year to 30 June 2015 was a period of transition for Celtic. Ronny Deila's first season as manager had successes, with Celtic winning the double of the Scottish Premiership and League Cup and progressing to the last 32 of the UEFA Europa League, as well as disappointments, most notably in failing to qualify for the UEFA Champions League Group Stages and losing in the semi final of the Scottish Cup.

Off the pitch, it was also a challenging year. Our decision not to transfer certain player registrations during the period, together with failure to progress in the UEFA Champions League, have had a significant impact on revenues and profits.

Our core strategy remains focussed on a football operation with a self sustaining financial model and relies upon: the youth academy; player development; player recruitment; management of the player pool; and sports science and performance analysis, to deliver long term sustainable football success. The Board reviews our strategy on an ongoing basis and, having regard to the environment in which we play, considers that it will continue to deliver stability, growth and success for Celtic. Notwithstanding the decline in revenues and profits, at the end of the financial year our cash at bank position had increased slightly to £4.72m (2014: £3.83m). This is essential given the challenges of operating in the Scottish football environment and our fluctuating cash requirements during the year to come. Celtic has strong foundations upon which to build.

Last season, the Club won the SPFL Premiership, finishing 17 points ahead of closest rivals Aberdeen, and beat Dundee United in the Scottish League Cup Final. But for losing in the semi-final against Inverness, we may also have gone on to compete in the Scottish Cup Final, coming close to a domestic treble in Ronny Deila's first season in charge. The margins in football are very thin and games can turn on a single incident. Initial results in Europe were disappointing, exiting the UEFA Champions League before the group stage against NK Maribor. In the UEFA Europa League, however, our performances and results improved, leading to qualification from our group. Our performances against Inter Milan were very promising.

It is particularly pleasing to note that our Youth Academy, which is so important to the ethos of the Club, enjoyed another successful year. Our teams experienced domestic successes, including the U17's League and winning both the Youth Cup and the Glasgow Cup against Rangers. Our Development Squad also participated in the inaugural Premier League International Cup, gaining vital experience against the best academies in the English Premiership and Europe. Although the development of the players is paramount, the team performed very well and were unlucky to lose to Manchester City in the quarter finals.

During the year we were delighted to see the continued emergence of first team players from the Academy squads, like Callum McGregor, Eoghan O'Connell, Liam Henderson and Kieran Tierney, which is vital to the future success of the Club. The development of the partnership between the Academy and St. Ninian's High School is a cornerstone of the Youth Academy as we combine the development of talent on the pitch and in the classroom with the target of producing Champions League players with the skills to progress in football and in life.

The redevelopment of Celtic Park and surrounding areas was completed in time for the Opening Ceremony of the Glasgow 2014 Commonwealth Games. I am sure that all Celtic supporters shared my pride as Celtic and our great stadium were broadcast around the world. We are continuing to build on that exposure and the addition of the new Paradise wrap around Celtic Park over the summer has raised the stadium to a new level, creating a truly iconic structure.

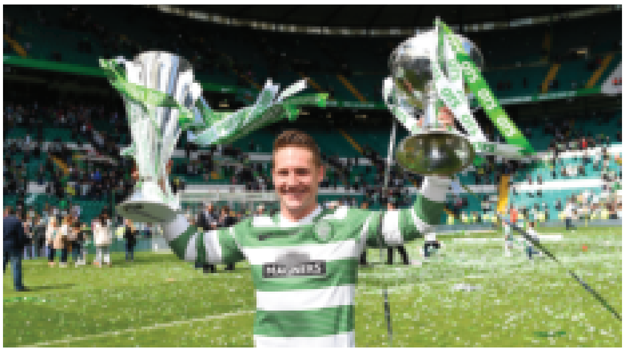
The Board and I shared the disappointment of our supporters, football management team, players and all involved with the Club at the poor result in Malmo. Ronny and his coaching team are continuing to build their team and the Board will continue to support them in the transfer market and in the development of the football operation generally. The Board's commitment remains to re-invest every penny received back into the Club for the longer term. Ronny is delighted with the development of the squad in the January and summer transfer windows, with his primary signing targets acquired. Our squad mixes exciting young players, both from our Academy and from across Scotland and Europe, with experienced internationals. As Ronny develops his players and creates our team, we look forward to the forthcoming season with confidence.

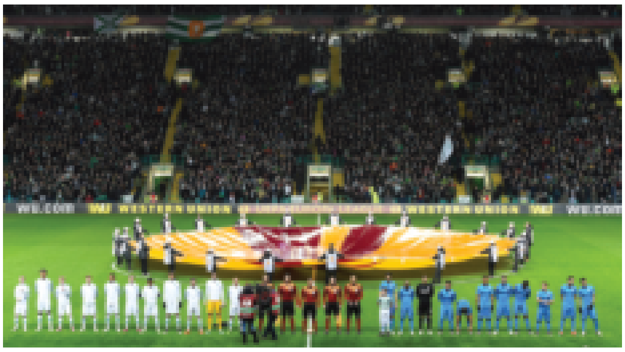
My colleagues at the Club and I are dedicated to creating a world class football club. Everything that we do, we do to achieve the best for Celtic. Charity forms a fundamental aspect of the club that we aspire to create. Charity lies at the very heart of Celtic; it is part of our DNA. I am delighted to say that the Club and its supporters do more now than we ever have done for charitable purposes, most notably Celtic FC Foundation, which continues to grow from strength to strength and to inspire all those involved with it. The continued commitment of our supporters, shareholders and partners is crucial; I thank you for that commitment, which we will do all that we can to repay.

Our objectives this year remain success in all three domestic competitions and in the UEFA Europa League, playing creative and exciting football. We will continue to build on the foundations that have been laid and focus on qualification for the group stages of the UEFA Champions League, which is where this great club belongs.

Peter Lawwell, Chief Executive
11 September 2015

“I am sure that all Celtic supporters shared my pride as Celtic and our great stadium were broadcast around the world”





STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 30 June 2015.

STRATEGY AND BUSINESS MODEL

The Group's objective is to create a world class football club.

Our strategy and business model for growth is focused on three key areas:

- Core Business – football operation with self sustaining financial model, relying upon: youth academy; player development; player recruitment; management of the player pool; sports science and performance analysis; and football success.
- Development of the Celtic Brand, incorporating the Celtic Park Masterplan and the development of international revenues.
- Improvement in the football environment in which Celtic plays, and representation within football governance and administration at domestic and European level.

THE BUSINESS REVIEW

The principal activity of the Group is the operation of a professional football club, with related and ancillary activities. The principal activity of the Company is to control and manage the main assets of the business whilst the majority of operating activity is carried out by a subsidiary, Celtic FC Limited. As a result, both of these companies are managed and controlled as a single entity in order to achieve the objectives of the Group.

The Group is organised into 3 main operating divisions being
1) Football and Stadium Operations
2) Merchandising and
3) Multimedia and Other Commercial Activities
The financial results of these divisions are reported in note 3 to the Financial Statements. Football and stadium operations includes all revenue and costs in relation to all football operations, ticket office, stadium and youth development. Merchandising includes all retail, wholesale and mail order activities. Multimedia and other commercial activities include all other revenue generating departments.

The operation of a professional football club encompasses a wide range of activities including: football operations and investment; operation of the Celtic FC Youth Academy; match ticketing; merchandising; partner programmes, marketing and brand protection; multimedia; stadium operations, facilities and property; catering and hospitality; public relations and supporter relations; and human resources.

KEY PERFORMANCE INDICATORS

The Group monitors performance against the following key performance indicators:

- Football success
- Match attendance statistics
- Sales performance per division
- Wage and other costs
- Capital expenditure
- Profit and cash generation
- Shareholder value

The Group operates with a 5 year plan which is updated and reviewed on an annual basis. A detailed budget is prepared and approved by the Directors in advance of each trading year. The budget identifies all the key performance areas noted above. The actual performance of the Group is then monitored against the budget with particular emphasis against the key performance indicators as noted above.

Monthly management accounts are prepared highlighting performance against budget and the prior year, detailing analysis of sales performance and total cost control including total labour costs and capital expenditure.

Actual and forecast performance is fully considered at the regular Board meetings linking back to profit and cash generation as well as total shareholder value. Management meetings are held to discuss actual and forecast performance with future action agreed accordingly. On a weekly basis, performance is noted on a series of key performance indicators including divisional sales and match attendance analysis. In addition, a number of key indicators are monitored on a daily basis at certain times of the year, including cash and share price.

A review of performance of the Group, particularly in relation to football success and match attendance statistics, and a review of the sales performance, wage and other costs, capital expenditure and profit and cash generation of each operating division is outlined in this Strategic Report, under the sub headings which follow, as appropriate.

FOOTBALL AND STADIUM OPERATIONS

FOOTBALL SUCCESS: FOOTBALL OPERATIONS AND INVESTMENT

After the achievements of last season, 2014/15 provided further success for Celtic on the field of play. From the appointment of our new football management team led by Ronny Deila in June 2014, we have embarked upon a period of transition, with the implementation of new ideas, methods and processes. Under the leadership of Ronny, along with Assistant Manager John Collins, First Team Coach John Kennedy and their backroom team, the Club won the Scottish Premiership title for the fourth season in a row. Celtic were also victorious against Dundee United in the Scottish League Cup Final at Hampden, and only narrowly missed out on the domestic treble with a semi-final defeat at the hands of Inverness Caledonian Thistle in the Scottish Cup.

2014/15 was the second season of the Scottish Premiership, part of the newly formed Scottish Professional Football League after the merger of the Scottish Premier League and the Scottish Football League in June 2013. On 2 May 2015, Celtic clinched the title when a 5-0 victory over Dundee at Celtic Park was followed by nearest rivals Aberdeen's defeat at Tannadice. Celtic eventually finished the season with 92 points, 17 ahead of Aberdeen, representing a successful first domestic campaign for the new management team.

There were other encouraging signs as the new regime developed a dynamic, energetic style of play, with a number of young players acquitting themselves admirably and enhancing their reputations.

In Europe, we were disappointed to exit the Champions League during the qualifying stages, however, we qualified for the round of 32 in the UEFA Europa League, just missing out 4-3 on aggregate to Inter Milan despite performing admirably over two legs.

Leigh Griffiths was Celtic's top scorer in the league with 14 goals, whilst Stefan Johansen was voted the Scottish PFA Players' Player of the Year and Craig Gordon picked up the equivalent Scottish Football Writers' award.

Further changes to the playing squad took place during the 2014/15 season. The transfer of players such as Fraser Forster and Tony Watt in the summer transfer window in 2014 resulted in significant transfer fees for the Club. We remained active in the transfer market with the arrival of Jason Denayer and John Guidetti on loan from Manchester City, Serbian International Stefan Scepovic, the former Dundee United pairing of Stuart Armstrong and Gary Mackay-Steven, and the signing of goalkeeper Craig Gordon reflecting our continuing strategy of investment in quality players. We continued to enhance our blend of youth and experience, while a number of other players have progressed from the youth academy, most notably Liam Henderson, Darnell Fisher and Callum McGregor this year. In addition, we were delighted to secure contract extensions for key players including Kris Commons and captain Scott Brown. The prudent management of the player pool remains a key part of our strategy.

At the very highest level of football, player earnings and transfer fees remain at prohibitive levels and the gulf with major European nations continues to widen. The new television deal in England highlights the challenges facing Celtic in a tough domestic market. Consequently, attracting quality new players remains very challenging, although the Club was delighted to secure the services of Dedryck Boyata from Manchester City, Nadir Ciftci from Dundee United, Saidy Janko from Manchester United, Belgian goalkeeper Logan Bailly, Scottish under 21 internationals Scott Allan and Ryan Christie and Croatian under 21 international Jozo Simunovic during the summer 2015 transfer window, as well as English under 21 international Tyler Blackett from Manchester United on loan. At the same time, Teemu Pukki, Amido Balde, Wakaso Mubarak, Aleksandar Tonev, John Guidetti, Lukasz Zaluska, Adam Matthews, Jackson Irvine, Dylan McGeogh and Virgil Van Dijk left the club and we wish them all well with their new clubs.

We remain committed to the strategy of careful use of our financial resources, whilst continuing our efforts to strengthen the first team squad and develop young, high-potential talent.

Our Training Centre at Lennoxtown continues to offer numerous benefits, helping to ensure that players are recruited, developed and supported in the most professional, progressive but cost effective way possible. Investment continues in the infrastructure, providing first class people, resources, systems and facilities and thereby offering the greatest opportunity for ongoing football success.

FOOTBALL SUCCESS: YOUTH ACADEMY

Having previously won the SPFL U20 League five times in a row, season 2014/15 saw Celtic's Development Squad play their home matches at Greenock Morton, finish the season as runners-up to a resurgent Aberdeen in the league but end up convincing winners of the Youth Cup, beating Rangers 5-2 in the Hampden Final.

In the English Premier League International Cup, Celtic finished top of their section, ahead of Villarreal, Everton and Sunderland. The team lost narrowly in the quarter finals to eventual winners, Manchester City.

Eoghan O'Connell, Liam Henderson and Kieran Tierney all played in first team competitive matches during the year, with a host of other Academy players, including Joe Thomson and Aiden Nesbitt, representing the first team in friendly matches.

The U17s won their league, qualifying for the UEFA Youth League, and they also won the prestigious Glasgow Cup, beating Rangers 2-0 in the Final. A number of players from this group appeared regularly in the Development Squad and also represented their country.

Our Academy also benefits from the ongoing investment in quality coaches and use of the facilities and expertise available at our Training Centre at Lennoxtown. Several members of our Development Squad and U20 team have stepped up to the senior squad this year, including Kieran Tierney, Calum Waters and Jamie Lindsay, and we plan to continue this policy.

Our School Partnership with St Ninian's High School continued to flourish, with 58 Academy players attending on a daily basis, and another 22 full time players attending one day per week. From the school group we had 36 playing International football with Scotland and the Republic of Ireland.

The Junior Academy continues to expand and with our U11s and U12s playing in Club Academy Scotland fixtures, we now have U7s, U8s, U9s and U10s playing matches every weekend against opposition teams that are 2 age groups older to test their abilities. Our Development Centres now have players as young as 5 participating regularly. The players in the Junior Academy concentrate on technique developing their first touch, skills, dribbling and passing within an enjoyable environment.

Willie McStay was appointed as Head of Academy Scouting during season 2014/15. His remit is to consolidate and improve our scouting structure with better coverage throughout Scotland and Ireland.

In each of the last two seasons, we have had around a dozen players out on loan from the Development Squad to gain experience of first team football at other clubs. For season 2015/16, we will continue with this strategy of developing young players by lending them out to other clubs to seek to bridge the gap between Academy and first team football.

Celtic Development Pools Limited, which does not form part of the Group, remains the top football club lottery organisation in Britain and one of the most successful in the sector. Approximately £1.83m lottery chances were sold during 2014/15. Over £700,000 was donated to Celtic Football Club's Development Division for the purposes of Youth Development, while supporters from all over the country shared over £680,000 in prize money.

Celtic Development Pools' weekly 'Celtic Pool' continues to outperform similar football club, sporting and charitable lottery products in a challenging environment. Sales and marketing initiatives are continually updated in an effort to attract new members with a particular focus on increasing the direct debit membership. Door to door canvassing and telephone sales recruitment is also an important source of new business. The 'Score a Score' Rollover Prize continues to be popular with many larger prizes paid out during the season.

The 'Paradise Windfall' lottery, operated by Celtic Development Pools Limited during half-time at Celtic Park, continues to be a popular match day entertainment activity for the home supporters. Prize money of over £3.8m has been paid out to Celtic supporters at Celtic Park since the Windfall began in 1995 including £324,000 paid out last season. It continues to be the biggest and most successful match day lottery, and the prospect of winning the largest top cash prize in UK football has resulted in a consistently positive sales conversion rate.

MATCH ATTENDANCE STATISTICS: TICKET SALES

2014/15 was a successful season for Ticket sales. Almost 39,000 standard season tickets were sold with a value of more than £10.2m.

The European campaign contributed to home match ticket sales of over 263,000, with a value of over £5.1 million.

The Club continued to recognise the continued support of Season Ticket holders with a £100 reward to adult Season Ticket holders. The Club also continues to offer the popular concession season ticket prices of £50 for kids (Under 13), £105 for 13-16 year olds and £186 for 17-18 year olds for Season 15/16, while maintaining the student price of £199. Season ticket sales for the forthcoming season are encouraging.

STADIUM

During the course of the year, Celtic Football Club continued to enhance the close liaison through partnership working with the Glasgow City Council Safety Advisory Group for Sports Grounds, placing spectator safety as our highest priority. Spectator safety is of paramount importance and the Club continues to invest in this crucial area.

The training of colleagues responsible for public safety duties continued to be developed. The Club's Match day Safety Officers responsible for the management of spectator safety are fully qualified and accredited in compliance with Edition 5 of the Guide to Safety at Sports Grounds. In addition, match day safety stewards are also qualified in compliance with the 'Green Guide'. Protectevent stewards participate in an accredited training programme leading to an SVQ Level 2 in Event Stewarding. Further training focusing on service and customer care issues has been provided to our stewards to enhance the match day experience at Celtic Park.

Operations worked closely with colleagues in Stadium Management to progress the case for the installation of rail seats at Celtic Park. This was successfully granted at a meeting of the Safety Advisory Group of Glasgow City Council, held on Wednesday 10 June making Celtic Park the first football stadium in the United Kingdom to be given approval for 'safer standing'. It is intended that for Season 2016/17, rail seating accommodating 2600 spectators will be installed. The initiative is a significant investment intended to enhance spectator safety while meeting the needs of our fans.

During May 2015, Celtic Football Club was delighted to host 'Exercise Scottish Cup' in liaison with the West of Scotland Regional Resilience Partnership. The exercise was attended by Football Safety Officers from Clubs and their colleagues in the Emergency Services and tested stadia contingency plans to ensure the resilience of clubs to deal with major incidents. In addition, the Club continues to fully support the objectives of the Football Safety Officers Association Scotland in the promotion of safety standards for all those attending Scottish football fixtures.

FACILITIES AND PROPERTY

The focus continues, as always, to be on maintaining and operating the Stadium, Lennoxtown, Barrowfield and retail store sites with public safety being the primary consideration and particular emphasis on the match day operation.

Adherence to all regulatory inspections and compliance procedures maintains the benchmark and standards that any visiting authority would expect to find.

Our Procurement department reviews opportunities for greater financial efficiency regularly, and we will continue to ensure that the Facilities team provides a valuable service that would compare favourably to any Club operating at a similar scale.

Due to the Club hosting the opening ceremony of the Commonwealth Games, the pitch was replaced for the beginning of season 2014/15. Once again, throughout the year, the Grounds Staff have maintained the turf to a tremendous standard in order to comply with UEFA regulations.

The Club continues to support and enhance its IT infrastructure with the roll out of the stadium Wi-Fi system and improvements to payment card security for the ticketing side of the business. The IT department continues to support the business and match day operations.

This year has seen the purchase of the 'White House' located at our Lennoxtown Training Ground. Relevant surveys are taking place and plans are being developed with the view to provide accommodation facilities for both players and staff.

After securing the land around Celtic Park, new market driven development opportunities are now being considered. We are working closely with Glasgow City Council's Development and Regeneration Services and are keen to continue to participate in the regeneration of the Clyde Gateway Development.

CATERING AND HOSPITALITY

Celtic Park Events had an exceptional year, which started as the host venue for the Opening Ceremony of the 2014 Commonwealth Games. Over a 5-week period we provided 55,000 meals to the Commonwealth work force and Headline talents as well as providing 30 gallons of water to the stars of the opening ceremony, the Scottie Dogs.

Growth in conference business has developed through strengthened relationships with key agents and retention of corporate clients including SQA, NHS, Education Scotland and Virgin Media.

In addition to driving revenue through venue hire sales, the team have also utilised the public realm space in 2014/15, partnering with the Lawn Tennis Association to supply car parking and food and beverage options for attendees at the Davis Cup tie, which took place at the Emirates Arena.

A particular highlight of the year for the team was in hosting the delegates from the European Club Association throughout their visit to Scotland, including a meal and tour of Glengoyne distillery, logistical coordination and conference hosting in the Number 7 Suite.

We will continue our commitment to develop the venue and the public realm as a non-match day event destination.

The Number 7 Restaurant has continued to perform well for Sunday lunches, which remains our strongest dining day and in particular the introduction of Celebration and Tour & Dine packages to increase revenue have proven popular.

Stadium tours have continued to perform well with many visitors from all over the world sharing and enjoying the Celtic story.

The Player of the Year annual event held in the Thistle Hotel was well received, with 850 attendees on the night.

Domestically, maintaining income in the corporate and premium hospitality areas proved challenging, and we missed budget on both a seasonal and match-by-match basis.

However, sales in the Europa League were strong, boosted by the last 16 match at Celtic Park against Inter Milan.

Income was enhanced further by the two very successful Scotland International matches at Celtic Park.

Another highlight for the hospitality department was the League Cup Semi Final and League Cup Final packages, which both sold to capacity.

MERCHANDISING

Merchandising revenue for the year reached £11.68m, which was £1.84m down on last year. This decrease was mainly due to kit launch cycles and the loss of revenue generated by Champions League participation.

This year saw the end of a ten year partnership with Nike and the transition to a new kit supplier, New Balance. There were two kit launches in the year, a Nike Third kit in July 2014 and the New Balance Home kit at the end of May 2015.

The Home kit released at the end of May 2015 was well received. In addition, since the year end, an Away kit was released at the start of July 2015 and a European kit was released in August 2015.

This year saw the closure of the Sauchiehall Street and Inverness stores as their leases came to an end, with the strategy going forward to further develop Home Shopping opportunities as well as seeking to maximise the contribution of our existing retail outlets.

Home Shopping was brought back in house from May 2015 and the aim is to maximise revenue from this growth area, which provides an important platform to sell and engage with our customers.

MULTIMEDIA AND OTHER COMMERCIAL ACTIVITIES

CELTIC SOCCER ACADEMY

The Celtic Soccer Academy has the remit to help expand the Celtic brand internationally and develop new revenue opportunities using the Club's coaching expertise. It delivers a range of activity from weekly coaching in and around Glasgow to partnerships with clubs around the world that want to learn from Celtic's vast experience in developing youth players of the highest calibre.

Locally, the Club has expanded the number of weekly and holiday period coaching sessions available to the public as well as launching a Matchday Experience, where players can be coached prior to attending a home game. Furthermore, the end of season Play on the Park was extended to 2 days with hundreds of players following in the footsteps of their heroes and getting the chance to play at Celtic Park.

Internationally, growth in the last year has been very good. The International Club Partnership programme now has over 50 grassroots and professional clubs in 16 different countries including USA, Canada, Mexico, Venezuela, Ireland, Wales, Germany, Sweden, Holland, Italy, Malta, Saudi Arabia, Kuwait, India, Australia and New Zealand. In the United States there are 14 affiliated clubs across 11 states and in Ireland there are 19 clubs, all learning to play the Celtic way. The Club engages with approximately 20,000 young players through this initiative and the aim is to help them improve as players and to keep them as Celtic supporters for a lifetime.

PARTNER PROGRAMME

The Club continued its successful relationship with Magners during season 2014/15. Once again, Magners showed a commitment to supporting the charitable roots of the Club by generating over £12,500 for the Celtic Foundation.

Nike entered their final year as the Club's technical kit partner, and we thank them for an exceptional partnership, while Phoenix Honda remained as Celtic's car supplier and sponsor. Long-standing relationships with Ladbrokes, Coca-Cola and Powerade demonstrate the value of long-term partnerships for both Celtic and our partners.

The Club announced an exciting new partnership appointing New Balance as our new kit partner and sponsor for 2015/16. The 5-year agreement represents the biggest kit sponsorship deal in the Club's history and the partnership with New Balance aligns with our international growth aspirations giving a greater retail presence to the club via New Balance's extensive global network of retail outlets.

The Club has delivered a new long-term sponsorship revenue stream with Dafabet, an Asian Logic company. Dafabet's growing reputation in sport sponsorship and their focus on the Asian market highlights the strength of Celtic's global brand. As part of this new relationship, Celtic and Dafabet will launch the Club's first Chinese language website during season 2015/16.

Following the successful launch of the Celtic Family stand last season, 2015/16 will see BT Sport become the main sponsor of the Family Stand, which ensures the Club can continue to deliver exciting and unique match day experiences for our young hoops and parents alike.

New long-term partnerships with Fleet Alliance and Laurie Ross Insurance will deliver new products to the Celtic fan base while generating a new revenue stream for the Club. Partnership extensions have been confirmed with Radio Clyde and Sports Revolution.

Internationally, the Club continues to develop its commercial presence with a focus on securing commercial partners through increased brand profile and through Asia specific social media channels Sina Weibo and Kakoa Story.

Overall, the sponsorship landscape remains challenging; however, the Club continues to expand our partner programme and commercial revenue streams during a challenging period for Scottish Football.

MARKETING

Celtic's central marketing operation is key to the revenue generation of the Club's core commercial functions including match ticketing, catering and hospitality, events and merchandise sales across our retail operation.

Brand management is a core responsibility of the Marketing department. The value of the Club's commercial partnerships are enhanced by the marketing plans and activities developed in tandem with our sponsors. The global standing of Celtic's brand is further enhanced by the arrival of New Balance, the Club's first change in kit supplier for a decade. Celtic's global audience continues to grow across the Club's digital channels and this will undoubtedly be enhanced by the reach New Balance offers Celtic in International territories.

The value in brand equity this derives for Celtic is reflected in a further rise of three places to 34th in the annual report of the world's 50 most valuable football brands published by Brand Finance for 2014.

The Club was also proud to win the Award for Best Achievement in Marketing by the European Club Association in September in recognition of the achievement of developing Europe's first fully functioning, all stadium Wi-Fi network and accompanying matchday app, CelticLive. This has further enhanced the ways in which Celtic and the Club's commercial partners can engage with Celtic fans.

Most recently, the marketing department has led the design and rebranding of Celtic Park featuring a timeline of the club's greatest achievements alongside images of the club's most legendary players.

BRAND PROTECTION

The Club is ever vigilant in respect of rogue companies and individuals looking to divert income and traffic from official Club partnerships and channels. By protecting the brand on a worldwide basis, we continue to prevent unauthorised use by third parties, ensuring the Celtic brand remains a valuable Club asset and helping to combat the loss of revenue and reputation.

MULTIMEDIA

This season Multimedia has played a key role in staging live events, which enabled Celtic to shine on the World Stage, including the Commonwealth Games opening Ceremony, Scotland vs. Ireland, Scotland vs. England and Celtic vs. Inter Milan. Each of these occasions showcased Celtic Park as a world class venue and reinforced our brand credentials across the globe.

In addition, Celtic TV has continued to grow at pace and this season we completed the 18 month upgrade of the channel to HD for live matches. This has been a seismic shift in quality; in addition, we continued to broadcast over 60 matches live, including the Maestrio charity match, winter break friendly matches from Gran Canaria and the Glasgow Cup Final.

We have also continued our focus on digital transformation and audience growth this year, continuing to grow our audience on all our digital platforms. Key achievements in digital have been the launch of Sina Weibo (China), Kakao Story (Korea), Pinterest and Instagram and the creation of Spanish language content for our Facebook, Twitter and You Tube platforms.

PUBLIC RELATIONS

Once again, the Club experienced a high level of media interest and activity throughout the year across domestic and international football.

The Club's PR Department continued to achieve and manage a substantial level of high profile media coverage for a range of Club activities at a national level in 2014/15, including football, commercial, charitable and community events.

The PR Department also acts as an important liaison between the Club, its supporters and supporters' organisations, and manages a range of initiatives ensuring that the Club upholds its important social dimension.

SUPPORTER RELATIONS

During the year, our Supporter Liaison Officer has continued to meet and work with fans as well as the established supporters' groups including the Celtic Supporters Association, Affiliation of Celtic Supporters Clubs, AICSC, NAFCSC, CDCSC, Celtic Supporters Trust, CSWCSA and The Green Brigade. The Supporter Liaison Officer has been in attendance at all matches in European competition to provide information and assistance to our supporters. He has also attended supporter events throughout the UK, Ireland and the USA to address supporters, provide information on what is happening at Celtic Park, discuss future plans and identify how we can improve facilities and services.

Based on feedback received from fans, the Supporter Liaison Officer has put forward a range of proposals designed to enhance the fan experience when dealing with the Club. The Supporter Liaison Officer is available at Celtic Park for all fans and always welcomes the opportunity to meet and discuss all Celtic related issues.

The Supporter Liaison Officer hosted two Fan Forums during the year, providing an opportunity for fans to ask questions of the Club's senior executives as well as team manager Ronny Deila. It is planned that these meetings will continue in the future.

HUMAN RESOURCES

In November 2014, the Club made a commitment to consult with colleagues about raising the minimum hourly rate of permanent staff to at least £7.85/hour. This commitment was delivered and the increase was implemented with effect from 1 July 2015.

The Club has continued to support our community by offering work experience placements for school-aged children. We arranged for 30 pupils in the past year to participate in a structured and informative week-long placement.

Celtic was the first club in Scotland to appoint a dedicated Safeguarding Manager, back in March 2013, with a focus on the protection of all children and vulnerable adults working for and engaging with the Club – employees and fans alike. Best practice safeguarding policies, procedures, arrangements and training programmes are already in place at Celtic to ensure a safe environment for all, and we are constantly looking at ways to improve. The Club also places great importance on Health and Safety within the work place. Throughout the year, we have ensured that staff training receives top priority in this vital area.

Celtic remains the only professional football club in Scotland to hold the prestigious Investors in People award, having first been accredited in 2007. The Club put together an action plan following re-assessment in 2013, aimed at ensuring employee voices are heard and acted upon as we strive to be an employer of choice. This resulted in the launch of our Celtic Pride employee engagement and culture change initiative in 2014, which has already helped bring about a number of positive employee recognition, reward and development initiatives. Four key values were identified, which underpin the Club's employment principles: Inclusion, Integrity, Inspiration and Innovation.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group and that the Board considers are associated with running a professional football club such as Celtic are set out below.

There are many inherent uncertainties in professional football due to the nature of the game. These also are part of the attraction of the sport, with the unpredictability of match outcome being part of the entertainment factor. These risks are included within a risk matrix, which is regularly reviewed internally and with the Audit Committee on behalf of the Board, and updated as necessary.

The risk matrix evaluation identifies types of risk, the likelihood of the identified risk occurring, the potential impact it may have on the Group if it did occur, and the steps that have been or should be taken to reduce the likelihood of occurrence and mitigate the impact if it did occur. The individuals responsible for managing these risks are identified and the steps required to be taken are subject to internal audit verification.

Although the Company's operations are managed so as to reduce the likelihood of these events occurring and to mitigate their potential impact if they did occur, it is not possible to eliminate these risks entirely.

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

(i) *Player transfer market and wages*

Due to the application of football regulations the opportunity to acquire or dispose of player registrations occurs, subject to limited exceptions, only during 2 registration windows of specified duration each year. The time pressures that arise in the run-up to the closure of the windows can have an impact on the outcome of negotiations. Players are readily mobile, particularly when out of contract or nearing the end of their contracts, and have transferable skills and so the range of possible clubs willing to engage the player can be extensive, particularly where he is very talented. Changes in football managerial appointments can also influence player demand, with certain players, or styles of play, favoured by some managers more than others. Injuries and suspensions also affect player value and the willingness of clubs to release players for sale. The availability of players can change at very short notice. In addition, there is a risk that a change in football regulations, or the application of national laws to those regulations, may impact on the player registrations held by the Group.

Player wages are subject to market forces with wage levels in some countries, particularly in those leagues with lucrative broadcasting contracts, significantly exceeding those available in others.

Consequently, all transactions are affected by a series of variable factors, which result in the market being unpredictable.

(ii) *Season ticket revenues*

Significant revenue is derived from the sale of season tickets. External economic conditions can affect supporters' disposable income and there is a risk that the season ticket is treated as a dispensable luxury rather than a necessity. The quality of the team, the entertainment on offer, the level of success from preceding seasons, the opposition that the Club may face in the season, together with pricing all have an effect on purchasing decisions. Many of these factors are beyond the control of the Group.

(iii) *Matchday attendances*

Substantial income is derived from matchday ticket sales and the provision of various products and services on match days, including programmes, merchandising, hospitality and catering. Donations from Celtic Development Pools Limited, particularly in relation to a proportion of match day lottery ticket sales, are also important.

Poor football results, the nature and quality of opposition, and bad weather can lead to a drop in attendances. A perception that there are empty seats also affects the purchase of future season tickets in that supporters may elect to buy a match ticket when desired and run the risk of non-availability, rather than guarantee a seat by purchasing a season ticket.

(iv) *Revenues from broadcasting contracts and football competitions*

The Scottish Professional Football League sells domestic broadcasting rights centrally. The Group is entitled to a share of SPFL revenues determined by reference to league position. The value of broadcasting contracts can vary, although these are generally entered into for several years at a time and may be subject to conditions over which the Group has little, if any, control. Participation in other competitions, such as UEFA Champions League or UEFA Europa League, also leads to additional revenue being received. The extent of this revenue depends on the competition, the level of advancement in the relevant competition, whether there are any other Scottish participants, and the size of the Scottish domestic television market. The revenue available is dependent on participation and therefore determined on the basis of football results, which cannot be guaranteed.

(v) *Financial Risk*

At 30 June 2015, the Group has access to a debt facility of £19.6m provided by the Co-operative Bank plc. The composition and utilisation of the debt is outlined at Notes 24 and 29 to the Financial Statements. Given the current economic climate the availability and utilisation of such facilities is closely monitored.

The Group is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Group's business the financial risks that the Directors consider particularly relevant to the Company are credit risk, interest risk and liquidity risk.

Further information is provided in Note 29 to the Financial Statements as to how the Group addresses these risks.

Each of the headings mentioned is influenced significantly by factors beyond the control of the Group. Substantial increases in transfer fees or player wages, or significant decline in ticket sales or attendances, or in revenues from broadcasting and football competitions could have a detrimental impact on financial performance.

THE FINANCIAL REVIEW

BASIS OF PREPARATION AND ACCOUNTING POLICIES

As with last year, Celtic's Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The segmental reporting under IFRS included in Note 3 to the Financial Statements, is consistent with last year and identifies 3 key business segments: Football and Stadium Operations; Merchandising; and Multimedia & Other Commercial Activities.

The basis of preparation and details of the main accounting policies adopted by the Group are disclosed in Notes 1 and 2 to the Financial Statements. These policies have been consistently applied to both years presented.

FINANCIAL RESULTS

Celtic's financial results for the year to 30 June 2015 reflect the difficult domestic environment in which we operate and the comparison with the financial result for the year to 30 June 2014, emphasises the significance and impact of not participating in the group stage of the UEFA Champions League ("UCL").

The Group's reported loss of £3.95m demonstrates the financially demanding football sector in which we operate and reiterates the need for maintaining tight cost control and player development leading to revenues from the sale of player registrations.

Group revenue decreased by £13.66m, 21.1%, to £51.08m in spite of 29 home matches being played this season compared to 28 games last year. The decrease, in comparison to 2014, is largely the result of a reduction in match ticket income, lower TV rights income from UEFA receipts by participating in the UEFA Europa League ("UEL") in comparison to the UCL in season 13/14 in part offset by additional revenues generated by hosting the two Scotland Autumn International matches and the Commonwealth Games Opening Ceremony.

The retained loss for the year after exceptional operating expenses, amortisation of intangible assets, loss on disposal of property plant and equipment, gain on disposal of intangible assets, interest and tax amounted to £3.95m in comparison to a profit of £11.17m in 2014.

REVENUE

A summary of revenue per business segment is set out in Note 3 to the Financial Statements and a detailed analysis of performance of each operating division is given above. The major movements in revenue in comparison to last year are noted below.

Revenue from football and stadium operations decreased by £0.30m, 1.1%, to £27.97m mainly due to lower match ticket revenues (standard and premium match tickets) for both domestic and European competition offset by additional football income generated by qualification for the Europa League Round of 32 and hosting the two Scotland International matches with additional Stadium revenues being generated as a result of hosting the Commonwealth Games Opening Ceremony.

Merchandising reported a decrease in turnover of £1.84m, 13.6%, to £11.68m. During the year, we launched 2 new kits, including the new 2015 home kit by New Balance, which compared with 2 kit launches in the prior year. However with reduced match attendances and the anticipated change of kit supplier, sales volumes were reduced with lower revenues generated as Nike product was sold at reduced prices. In general, the retail market continues to be very challenging.

Multimedia and other commercial activities revenue saw a decrease of £11.51m, 50.2%, to £11.43m which was largely attributable to reduced television rights income due to participating in the UEL in comparison to the UCL in the prior year.

OPERATING EXPENSES

Total operating expenses (excluding exceptional operating expenses and asset transactions) have reduced over last year by £6.62m, 11.1%, to £53.27m, predominately due to a decrease in labour and cost of sales.

Total labour costs decreased by £4.50m, 11.9%, to £33.27m, largely due to reduced labour costs in football over the previous year. The reduction in football wage costs from last year is mainly due to a decrease in first team bonuses paid as a result of not qualifying for the UCL plus a reduction in base first team costs following the change in playing personnel during the summer of 2014.

The ratio of the total labour cost to turnover at 65.1% has increased from the 58.3% of last year. Wage inflation is an area of concern throughout the worldwide football industry, which will need to be carefully controlled. The Board recognises the need to maintain strict control over wage costs and this will continue to be closely monitored. On-going financial controls remain in place to ensure that labour costs are maintained at a manageable level, particularly in relation to revenues.

EXCEPTIONAL OPERATING EXPENSES

Exceptional operating expenses of £0.74m (2014: £4.66m) represent an impairment charge to intangible assets of £0.38m (2014: £4.09m) together with labour and other related costs of £1.00m (2014: £0.57m) offset by the reversal of a prior period impairment charge of £0.64m (2014: nil).

AMORTISATION OF INTANGIBLE ASSETS

Total amortisation costs at £7.31m represent an increase of £2.01m, 37.9%, in comparison to the previous year. This is due to the additional amortisation costs incurred as a result of the loan agreements for Wakasso, Tonev, Berget, Guidetti and Denayer which are all expensed within the year to 30 June 15.

PROFIT ON DISPOSAL OF INTANGIBLE ASSETS

The gain on sale of £6.77m (2014: £17.1m) reflects gains achieved in the sale of Fraser Forster and Tony Watt during the year.

LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

The loss on disposal of property, plant and equipment in the year of £0.10m relates to the disposal of the original artificial pitch at Lennoxtown in preparation for the installation of the new 4th generation pitch in July 2015. The loss on disposal of £0.10m in the previous year reflects the write-down of various assets including retail and catering kiosks.

FINANCE INCOME & COSTS

Total net finance costs for the year of £0.38m (2014: £0.67m) primarily reflects interest due on the Company's borrowing facilities with the Co-operative Bank together with the reclassification of Preference and CPO Share dividends as interest in accordance with the requirements of IFRS. In the current year, a notional interest charge is included as required under IFRS accounting, to reflect the notional finance income relating to long term player trading receivables.

TAXATION PROVISION

No provision for corporation tax is required in respect of the year ended 30 June 2015. The provisional tax computation for accounts purposes provides tax losses carried forward of approximately £16.40m (2014: £13.30m) and an available capital allowance pool of approximately £11.25m (2014: £10.74m).

The value of the deferred taxation not reflected in the financial statements of the Group was £3.28m (2014: £2.66m), which will be recovered to the extent of future taxable profits of the Group.

PROPERTY, PLANT AND EQUIPMENT

The additions to property, plant and equipment in the period of £1.54m (2014: £5.14m) are represented mainly by the significant work on stadium improvements including the highly acclaimed Stadium Branding, Health and Safety requirements, upgrade to the Access control, PA and Air Conditioning systems as well as the installation of the new 4G pitch at Lennoxtown.

INTANGIBLE ASSETS

The increase in the net book value of intangibles during the year to 30 June 2015 of £1.16m to £8.36m reflects the investment in football personnel of £9.42m less the amortisation charge of £7.31m, the impairment charge of £0.38m, the reversal of a prior period impairment charge of £0.64m and the net book value of disposals of £1.21m. The investment in football personnel is largely represented by the costs associated with the permanent acquisitions of Armstrong, Boyata, Duffy, Fasan, Mackay-Steven, Scepovic and Gordon and the loan signings of Berget, Tonev, Denayer, Guidetti and Wakaso.

There were several departures in the 2014 summer transfer window including Forster, Johnstone and Watt with Kayal and Twardzik leaving in the January 2015 transfer window.

INVENTORIES

The level of stockholding at 30 June 2015 of £2.10m compares to £1.70m reported last year. The increase in stock holding is due to the timing of the New Balance kit launches.

RECEIVABLES

The decrease in receivables from £17.26m in 2014 to £14.74m in the current year is primarily attributable to the receipt of amounts due in the current year for Wanyama and Hooper. As at June 2015, there was £10.65m outstanding in respect of player transfer fees in comparison to £12.51m in the prior year.

NON CURRENT LIABILITIES

The decrease in non-current liabilities from 30 June 2014 of £0.62m to £14.62m is the result of a reduction in our borrowing facility in accordance with the terms of the new banking agreement, a release of amounts related to onerous lease commitments offset by an increase in deferred incomes due greater than 1 year.

CURRENT LIABILITIES

The increase in current liabilities of £0.43m in the year to £27.85m largely reflects the amounts paid in relation to construction works around the stadium and a reduction in amounts due on player transfers offset by an increase in deferred income.

Income deferred less than one year at £12.71m compares to the £9.73m reported last year and reflects the cash received prior to 30 June 2015 in respect of the financial year ended 30 June 2016.

NET ASSETS AND FUNDING

Celtic has been consistent with prior years' reports under IFRS, which requires elements of the Preference Shares and the Convertible Preferred Ordinary Shares to be classified as debt and non-equity dividends to be classified as interest.

Net cash, excluding Preference Shares and the Convertible Preferred Ordinary Shares at 30 June 2015, is £4.72m (2014: £3.83m) and includes all bank borrowings offset by cash at bank and in hand.
The movement from 30 June 2014 is principally as a result of the cash generated from trading and the disposal of player registrations, some of which are subject to deferred consideration arrangements. These inflows are offset by capital expenditure in respect of tangible asset additions and instalments paid in respect of player acquisitions, including instalments due in respect of prior period purchases, together with dividend and interest payments.

Gains from the sale of players in the summer transfer window will assist with future funding requirements. An element of the funds from the transfer of these players post year-end will be received over the period to July 2017.

The Group has internal procedures in place to ensure efficient cash flow and treasury management in order to maximise return and minimise risks where appropriate. Details of the Group's financial instruments and debt profile are included in Notes 20, 21, 24 and 29 to the Financial Statements.

BANK FACILITIES

The banking facilities of the Group and Company for the year end 30 June 2015 are described in notes 24 and 29.

The lending agreement with the Co-operative Bank, effective as of 30 August 2014, has an initial combined borrowing facility of £20.40m which consists of a £6.00m revolving credit facility and £14.40m in long term loans.

The revolving credit facility bears interest at base rate plus 1.00% and will reduce by £0.50m in year one and a further £0.50m in year two. The facility will be repaid or reviewed after three years.

The long term loans will bear interest at London Inter-Bank Offered Rate plus 1.125%. The loans are floating rate loans and therefore expose the Group to cash flow risk. The loans are repayable in equal quarterly instalments of £0.05m from the commencement date until full repayment of £12.40m in July 2019. The Group has the option to repay the loans earlier than these dates without penalty. At 30 June 2015, the available borrowing on the long term loans is £14.1m.

The borrowing facility is secured over Celtic Park, land adjoining the stadium and at Westhorn and Lennoxtown.

CURRENT TRADING AND OUTLOOK

Progress in the major football competitions, particularly in Europe, continues to be a key influence in trading performance. Season 2014/15 overall was a successful year for Celtic despite missing out on the Champions' League group stages. We retained the Scottish Premiership title and achieved qualification for the last 32 of the Europa League after finishing second in the group stages of that competition. Despite the football success achieved, not participating in the lucrative group stages of the Champions League has significantly impacted the financial results for the year to 30 June 2015 with a loss of £3.95m reported. Despite these difficult trading conditions, cash flow management has delivered a year-end net cash at bank of £4.72m which is increased from the £3.83m reported last year. This provides a platform for further progress and investment.

We continue to operate in a challenging football environment in Scotland however, season ticket revenues and match ticket sales to date have been encouraging, although as ever future football results will influence the extent to which this can be sustained. Merchandise sales year to date, are ahead of the prior year with a greater emphasis on home shopping which is now managed internally. Additional revenue streams continue to be sought particularly in respect of new media, commercial markets and international opportunities where we look to maximise revenues and develop the Celtic brand. The above, together with on-going management of costs should enable us to maintain a sustainable business model.

Player trading continues to be a key part of our business model and this has been demonstrated in the summer transfer window, with significant funds being generated from the transfers of van Dijk and Matthews which has provided the platform for improved financial performance in the year to 30 June 2016.

Management of the player pool has been an increasingly important element of our business for a number of years. Our strategy to invest in the Lennoxtown football academy, together with the related support services, was designed to identify, recruit and develop players capable of playing in the Champions League. This strategy has been successful to date.

During the summer transfer window a number of new players were acquired and Adam Matthews and Virgil van Dijk were sold for sums well in excess of book value. Unfortunately, we lost in the final UCL qualifier against Malmo and as a result will now play in the group stages of the UEFA Europa League.

We continue to drive revenues and develop the Celtic brand at home and abroad, which together with the on-going management of costs and effective financial controls should maintain a sustainable financial model. The discipline of good financial management will continue and we will operate from a positional, comparative financial and football strength with exciting young players continuing to make a mark in the team and assisting with the generation of value within the squad itself.

The key Group objective clearly remains football success particularly in Europe as this will greatly assist revenue generation. However the funding of that success must recognise the financial constraints applicable to the organisation particularly as Celtic continues to play in the Scottish football environment and the challenges that presents.

The biggest on-going challenge facing the Board is the management of salary and transfer costs whilst achieving playing success with its consequent impact on financial results.

The development of a greater number of internally generated players through continued investment in youth development will assist in addressing such issues. As a result prudent management of the player pool is important in addition to incremental contribution from European success.

During the summer transfer window, we have further strengthened the first team squad with the registration of a number of new players, we look forward with optimism to further progress and success in the domestic competitions and the Europa League.

APPROVED ON BEHALF OF THE BOARD

Peter Lawwell, Chief Executive **Eric J Riley,** Financial Director
11 September 2015


MAGNERS

DIRECTORS' REPORT

The Directors present their report for the year ended 30 June 2015.

DIVIDENDS

Dividends were paid in cash on 1 September 2015 to those Preference Shareholders not participating in the scrip dividend reinvestment scheme. The record date for the purpose of the Preference Share dividend was 31 July 2015.

Mandates representing 1,176,420 Preference Shares are in place for the scrip dividend reinvestment scheme. Approximately £37,693 (2014: 43,618) of dividends for the financial year to 30 June 2015 will be reinvested. 50,090 new Ordinary Shares were issued under the scheme at the beginning of September 2015.

The scrip scheme was extended at the AGM in November 2014 until 21 November 2019.

The Directors do not recommend the payment of an Ordinary Share dividend.

The loss of £3.95m has been taken to reserves.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Strategic Report sets out the Business Review (page 5) and Future Developments (page 13). As the Company and its principal subsidiary are managed and controlled as a single entity, the business review and future developments reflect the performance of the Group. A separate review of the Company would not be meaningful and is therefore not presented.

EVENTS SINCE THE YEAR END

Since 30 June 2015, Celtic has acquired the permanent registrations of Scott Allan, Logan Bailly, Ryan Christie, Saidy Janko, Jozo Simunovic, Nadir Ciftci and the loan registration of Tyler Blackett . The registrations of Dylan McGeouch and Virgil Van Dijk were disposed of on a permanent basis, with those of Ryan Christie, Stuart Findlay, Darnell Fisher, Liam Henderson, Eoghan O'Connell placed on loan. Aggregate amounts involved are included in Note 30.

SHARE CAPITAL

Details of and changes to the Company's authorised and issued share capital are set out in Note 22 to the Financial Statements.

FINANCIAL INSTRUMENTS

Details and changes to the financial instruments used by the Group are included in Note 29 to the Financial Statements.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL

The Directors serving throughout the year and at 30 June 2015 and their interests, including those of connected persons, in the share capital of the Company were as follows:

	30 June 2015			1 July 2014		
Name	**No. of Convertible Preferred Ordinary Shares of £1 each**	**No. of Ordinary Shares of 1p each**	**No. of Convertible Cumulative Preference Shares of 60p each**	No. of Convertible Preferred Ordinary Shares of £1 each	No. of Ordinary Shares of 1p each	No. of Convertible Cumulative Preference Shares of 60p each
T Allison	84,875	3,357,505	-	84,875	3,357,505	-
I Bankier	-	30,000	-	-	30,000	-
D Desmond	8,000,000	32,772,073	5,131,300	8,000,000	32,772,073	5,131,300
P Lawwell	-	356,000	-	-	356,000	-
I Livingston	1,600	505	500	1,600	505	500
E Riley	8,000	78,305	5,000	8,000	78,088	5,000
B Wilson	-	3,000	500	-	3,000	500

No changes in Directors' shareholdings between 30 June 2015 and 11 September 2015 have been reported to the Company, except that on 4 September 2015 Eric Riley acquired a further 215 Ordinary Shares of 1p each under the Company's Scrip Dividend Reinvestment Scheme, taking his holding to 78,520 Ordinary Shares.

Details of agreements which may give rise to payments to executive directors are set out in the Remuneration Report. Brief biographical details of the Directors serving as at 30 June 2015 are as follows:

Thomas E. Allison (67) has been a non-executive Director since September 2001. He is Chairman of the Remuneration Committee and a member of the Nomination Committee. Mr Allison is the nominated Senior Independent Director. He is Chairman of Peel Ports Limited and a director of a number of other companies within the Peel Group. He is Chairman of Tulloch Homes Group Limited and an ambassador for The Prince and Princess of Wales Hospice in Glasgow.

Ian P. Bankier (63) was appointed to the Board as an independent non-executive director on 3 June 2011 and became Chairman on 14 October 2011. Mr Bankier is Executive Chairman of Glenkeir Whiskies Limited, a company he substantially owns. Glenkeir operates The Whisky Shop chain, which is the UK's largest specialist retailer of whiskies. He has been involved in the Scotch whisky industry for over 20 years having been Managing Director of Burn Stewart Distillers PLC and Chief Executive of CL World Brands Limited. Mr Bankier's formative career was as a solicitor and he was a partner in McGrigors for 15 years, where he specialised in corporate law. Mr Bankier is a member of the Remuneration Committee and chairs the Nomination Committee.

Dermot F. Desmond (65) has been a non-executive Director of the Company since May 1995. He is the Chairman and founder of International Investment and Underwriting (IIU), a private equity company based in Dublin. Through IIU, he has investments in a variety of start-up and established businesses worldwide, in the areas of financial services, technology, education, information systems, leisure, aviation, health and sport (including Celtic FC). He also promoted the establishment of a financial services centre in Dublin in 1986. Today more than 500 companies trade from the IFSC.

Peter T. Lawwell (56), Chief Executive, joined the Company in October 2003 from his position as commercial director with Clydeport plc. Previously he held senior positions with ICI, Hoffman-La-Roche and Scottish Coal. During the year Mr Lawwell served as a member of the Professional Game Board of the Scottish Football Association, the Board of the Scottish Football Association and the Board of the European Club Association.

Lord Livingston of Parkhead (51) was appointed to the Board as an independent non-executive director in October 2007 and chairs the Audit Committee. Lord Livingston was Minister of State for Trade and Investment until May 2015. He was Chief Executive of BT Group plc until September 2013, having also served as chief executive of BT Retail and as Group Finance Director. Lord Livingston has also previously been Group Finance Director of Dixons Group plc and a non-executive director of Ladbrokes plc (formerly Hilton Group plc). He qualified as a Chartered Accountant in 1987.

Eric J. Riley (58) is the Financial Director and joined the Company in August 1994. Mr Riley is a chartered accountant and has executive responsibility for operational areas of corporate strategy and finance. During the year Mr Riley served as a member of the Board of the Scottish Professional Football League Limited and was a member of the Finance Committee of the European Club Association. Following the year end, and after 21 years of dedicated service to the Company, Eric intimated his resignation as Financial Director, with effect from 31 December 2015. Eric will remain as a non executive director of the Company until 30 June 2016 and will continue thereafter as a director of The Celtic Football and Athletic Club Limited.

Brian Wilson (66) was appointed as a non-executive Director in June 2005. Formerly a Member of Parliament, Mr Wilson also held several ministerial posts during his political career. He is an experienced journalist and writer and a director of several private companies including Harris Tweed Hebrides Limited and Havana Energy Limited. In 2011, he was named UK Global Director of the Year by the Institute of Directors and is a Trade Ambassador for the UK Government.

POLICY ON APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The Nomination Committee reviews potential appointments to the Board and makes recommendations for consideration by the Board. Re-appointment of directors is not automatic. When a position becomes or is likely to become available, the Board, through the Nomination Committee, seeks high quality candidates who have the experience, skills and knowledge which will further the interests of the Company and its shareholders. The terms of reference of the Nomination Committee are published on the Company's website.

RETIREMENT, ELECTION, AND RE-ELECTION OF DIRECTORS

In accordance with the Articles of Association of the Company, Ian Livingston retires by rotation and, being eligible, offers himself for re-election.

Tom Allison, Dermot Desmond and Brian Wilson have each served more than 9 years as non-executive directors. The Company continues to be committed to high standards of corporate governance and in particular is committed to the ongoing assessment of the independence of the non-executive directors of the Company. Accordingly, given their length of service as directors, Tom Allison, Dermot Desmond and Brian Wilson each retires and offers himself for re-election.

The Board has reviewed the performance of each of these individuals and is satisfied that they continue to meet the high standards expected of Directors of the Company.

A statement as to the Board's view of the independence of Tom Allison, Dermot Desmond and Brian Wilson is set out at page 19 of this Report.

The Directors recommend that Tom Allison, Dermot Desmond, Brian Wilson and Ian Livingston be re-elected as Directors of the Company.

During the year the Company maintained liability insurance for its Directors and officers.

SUBSTANTIAL INTERESTS

In addition to the Directors' interests set out above, the Company has been notified or is aware of the following interests of over 3% in its issued Ordinary Share capital as at 10 September 2015:

Registered Holder	Ordinary Shares of 1p each	Percentage of Issued Ordinary Share capital
The Bank of New York (Nominees) Limited	15,419,030	16.60%
Christopher D Trainer	9,796,784	10.55%
James Mark Keane	5,909,847	6.36%

In addition to the Directors' interests set out above, the Company has been notified or is aware of the following interests of over 3% in the issued Convertible Preferred Ordinary Share capital as at 10 September 2015:

Registered Holder	Convertible Preferred Ordinary Shares of £1 each	Percentage of Issued Convertible Preferred Ordinary Shares
Telsar Holdings SA Depfyffer and Associes	1,600,000	12.14%
Hanom 1 Limited	625,000	4.74%
The Bank of New York (Nominees) Limited	500,900	3.79%

DONATIONS

The Group made direct charitable donations of £23,103 (2014: £15,187), which in both years was represented by the costs of hosting the Celtic FC Foundation (previously Celtic Charity Fund) annual dinner.

In addition, the Group continued to contribute in-kind support to Celtic FC Foundation, including use of stadium, management and administrative assistance together with a variety of items including match tickets, signed merchandise and stadium tours which were used for fundraising purposes.

GENERAL GROUP AND COMPANY POLICIES

Employee Communications

Colleagues at all levels are kept informed regularly of matters that affect the progress of the Company and Group and may be of interest. Press and media announcements are circulated throughout the business. Members of senior management also meet formally with employee representatives nominated by all business units to consult on business development, safety and operational matters.

The Group operates a detailed annual appraisal system for some regular employees. This provides the opportunity for feedback and comment. An annual bonus scheme is operated in conjunction with the appraisal system. Details of this are set out in the Remuneration Report.

Employment Policies

The Company and its subsidiaries are all equal opportunity employers and committed to positive policies in recruitment, training and career development for all colleagues (and potential colleagues) regardless of marital status, age, religion, colour, race, ethnic origin or disability. A registration is maintained with Disclosure Scotland.

Full consideration is given to applications for employment by disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing colleagues become disabled it is the Group's policy, where practical, to provide continuing employment under similar terms and conditions and to provide training and career development. Jobcentre Plus has endorsed the Club's the right to use the "Positive about Disabled People" logo.

Investors In People status continues, following the Club's re-accreditation in December 2013, with good practice in relation to pregnant employees also commended through the Tommy's accreditation.

Social Responsibility

The Company is proud of its charitable origins and operates policies designed to encourage social inclusion.

Waste paper and materials are recycled where possible and efforts are being made to reduce paper use and energy and water consumption through the use of more efficient printers, improved system controls and monitoring.

HEALTH AND SAFETY

All companies within the Group operate strict health and safety regulations and policies. The requirements of the Green Guide on Safety at Sports Grounds (5th Edition) are adhered to, and the Company obtains its Safety Certificate each year from Glasgow City Council only after rigorous testing and review. Celtic seeks to achieve consistent compliance at all levels with the Health and Safety at Work etc Act 1974 and associated regulations.

Senior executives meet regularly with employee representatives under the auspices of a Health and Safety Steering Group and with an independent external expert. The Steering Group is charged with day-to-day monitoring of health and safety and working practices and the creation and implementation of risk assessments throughout the business. Training is provided throughout the year on health and safety issues.

Accident statistics are collated and reported at management, executive and Board meetings.

INFORMATION SUPPLIED TO THE AUDITOR

So far as each of the Directors is aware at the time the annual report is approved:

1. there is no relevant audit information of which the Company's auditor is unaware; and

2. each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

At the Annual General Meeting on 21 November 2014, BDO LLP were re-appointed as auditor to the Company.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report. In addition, Note 29 to the Financial Statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources available to it, together with established contracts with a number of customers and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the continuing uncertain economic outlook.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

BY ORDER OF THE BOARD

Michael Nicholson, Secretary
11 September 2015

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Company's 3 main classes of share – Ordinary, Convertible Preferred Ordinary and Preference - continued to be listed throughout the year on the AIM market operated by the London Stock Exchange. AIM companies are not required to comply with the UK Corporate Governance Code 2012 (Principles of good governance and standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders) adopted by the London Stock Exchange (the "Code").

The Board, however, appreciates the value of good corporate governance. The Directors view corporate governance not just as a "box ticking" exercise against specific rules and regulations, but instead as a real and intrinsic part of the Company's culture and operations. The Board continues to apply corporate governance principles in a sensible and pragmatic fashion having regard to the individual circumstances of the Company's business, with the overarching objective to create, safeguard and enhance accountability, risk management, commercial success and shareholder value. The Directors continue to base their approach to corporate governance on fundamental principles set out in the Code and apply these in a manner appropriate for a company of the size and stature of Celtic, however the Company does not comply with the Code or report on a "comply or explain" basis.

BOARD OF DIRECTORS

As at 30 June 2015, the Board of Directors consisted of a non-executive Chairman, four other non-executive Directors and two executive Directors.

Tom Allison remains the Senior Independent Director.

All Directors stand for election at the first opportunity arising after appointment, and for re-election at least every three years after that. Directors who have held office for more than 9 years retire annually. This approach will be applied at the forthcoming AGM for Tom Allison, Dermot Desmond, Brian Wilson and Ian Livingston.

Key decisions, including financial policies, budgets, strategy and long term planning, major capital expenditure, material contracts, risk management and controls, health and safety and the appointment of the Company's principal external advisers, directors, football manager and senior executives are all subject to Board approval. A list of matters reserved exclusively for decision by the Board is maintained and applied. Compliance is monitored by the Company Secretary.

The Company's executive management are delegated with authority to enter into and implement contracts authorised by the Board or otherwise falling within specified authorisation levels, conduct the Company's day-to-day operations and implement Board decisions and general strategy. Detailed written reports are provided at each Board meeting by the Chief Executive and the Financial Director and otherwise as needed or requested.

Formal Board meetings are held regularly throughout the year. Occasionally decisions require to be made at a time when a meeting is not due to be held. In such circumstances meetings can be held by telephone conference or proposals are circulated to the Board members for individual approval.

INDEPENDENCE

Given its on-going commitment to applying good corporate governance principles, the Board continues to assess the independence of each of the non-executive Directors on an annual basis.

Dermot Desmond has completed more than nine years' service and has a substantial shareholding. However, the Board has considered whether the Director is independent in character and judgement and whether there are relationships or circumstances, which are likely to affect, or could appear to affect, the Director's judgement. Accordingly, the Board is satisfied that in his work for and support of the Company, Mr Desmond displays independence of mind and judgement and objectivity in the contribution he makes, notwithstanding the level of his shareholding and his length of service.

Furthermore, Tom Allison has completed more than nine years' service and has a substantial shareholding. Again, having considered his independence and his contribution to the Board and Company throughout the year, the Board is also satisfied that Mr Allison remains independent, notwithstanding these factors.

Brian Wilson has also completed more than nine years' service as a Director. Again, having considered his independence and his contribution to the Board and Company throughout the year, the Board is also satisfied that Mr Wilson remains independent, notwithstanding his length of service.

The Board has therefore determined that all of the non-executive Directors were independent throughout the year and continue to be so.

The non-executive Directors do not participate in Company share option schemes, pension plans or the bonus scheme. Save for individual shareholdings, none of the Directors has a financial interest in the Company.

Directors declare any conflicts of interest in advance of meetings and if such a conflict arises, the Director concerned does not participate in that element of the meeting or decisions relating to it.

REVIEW OF DIRECTOR PERFORMANCE

The Board has conducted an evaluation of its performance and that of its Committees, the Chairman and each of the non-executive Directors. This was done principally by way of individual discussions with the Chairman. The results have been considered by the Board, and comments noted. The performance of the Chairman was discussed by the Board without the Chairman being present.

All non-executive Directors were considered to have met the high standards expected of a Director of the Company. Where any training or development need arises or is identified, the Company will fund attendance at relevant seminars and courses.

The performance of executive Directors is evaluated formally by the Remuneration Committee against specific objectives set in the financial year.

ATTENDANCE

Eleven formal Board meetings were held during the year. The Audit Committee and Remuneration Committee each met three times. The Nomination Committee met once.

All of the Directors serving during the year attended all Board and Committee meetings which they were eligible to attend, with the exception that Mr Desmond was represented by his alternate at all Board and Audit Committee meetings that he was eligible to attend and consequently did not attend those meetings personally.

The Chairman speaks with Mr Desmond before Board meetings as well as regularly with all Directors and where they are unable to attend or be represented at a meeting, establishes and communicates their views on the business of the meeting, on their behalf.

The Board is supplied in a timely fashion with appropriate information.

All Directors are entitled to seek professional advice, at the Company's expense, to assist them in the performance of their duties. The Directors also have access to the advice and services of the Company Secretary.

BOARD COMMITTEES

The Board has three standing committees to which certain responsibilities are delegated, namely: Audit, Remuneration and Nomination. Each Committee has written terms of reference published on the Company's website.

Only independent non-executive Directors are entitled to sit on the Audit and Remuneration Committees with the exception that the Chairman sits on the Remuneration Committee. Executive Directors, the Company Secretary and other executives and advisers attend Committee meetings as required, but are not Committee members.

Audit Committee

Ian Livingston, Dermot Desmond and Brian Wilson served on the Committee during the year. Lord Livingston chairs the Committee.

The external auditor, Company Secretary, Financial Director, internal auditor and other members of the accounting team attend routinely. Business is also conducted without executive Directors and the auditor being present, when appropriate.

The Audit Committee has a number of key roles, including:

1 review of Group's accounting policies, internal controls and financial reporting;
2 risk management and business continuity planning;
3 monitoring the scope, quality and independence of the external and internal audit functions; and
4 appointment and fees of the external auditor.

The auditor is required to disclose any potential conflicts, contracts with the Company and non-audit work conducted. This was done prior to re-engagement and was discussed with the Audit Committee. For work carried out during the year, the fees are listed at note 6 of the accounts.

The Audit Committee, on behalf of the Board, was satisfied that audit objectivity and independence had been maintained during the year. Audit partner rotation occurs at least once in each 5-year period, with separate partner review.

Remuneration Committee

Tom Allison chairs this Committee, with Brian Wilson and Ian Bankier all serving during the year.

The Remuneration Committee determines the terms of engagement and remuneration of the Company's executive Directors and Company Secretary on behalf of the Board. The objectives of the executive Directors are approved by the Committee and performance against these reported to the Board. The Committee also monitors the implementation of other executive and employee incentive and bonus schemes. The Remuneration Report is set out in detail on pages 22 to 23.

Nomination Committee

This Committee comprises Ian Bankier as Chairman, Dermot Desmond and Tom Allison. It meets as necessary, principally to consider and recommend new appointments to the Board and senior positions in the Company for succession purposes. The Committee met once during the financial year.

INVESTOR COMMUNICATION

Matchday events and investor dinners are used as informal methods of communicating with major shareholders. A number of the Company's major shareholders attend matches regularly and have the opportunity to meet the Board and any new Director. The Annual General Meeting in particular is used to encourage participation of shareholders. At each of these events shareholders are invited to ask questions and to meet with the Directors informally.

Regular consultation meetings also take place with supporters' associations, supporter clubs, shareholder groups and customer groups on general issues, as well as on specific proposals. The Company's website is used to provide information on an ongoing basis and the Group Financial Statements and other information are published there shortly after release.

REPORTING AND INTERNAL CONTROLS

The Board's Review of Internal Control
The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Risk management, compliance and internal control programmes are approved, monitored and reviewed by the Audit Committee throughout the year on behalf of the Board. The results of these programmes are reported to the Audit Committee in detail at its meetings and then communicated to the Board at the next following Board meeting.

The Board is satisfied that there is an ongoing and effective process for identifying, assessing and managing all significant risks facing the Group.

Internal Financial Control
The Board has ultimate responsibility for ensuring that a fair, balanced and understandable assessment of the Group's financial position and prospects is presented so that shareholders can assess the Group's performance, business model and strategy. The Annual Report and Financial Statements are an essential part of this presentation. The Directors are committed to achieving high levels of financial disclosure within the confines of preserving the Group's competitive position, maintaining commercial confidentiality and managing accompanying administrative burdens in a cost-effective manner.

The internal financial control procedures are designed to give reasonable but not absolute assurance that the assets of the Company and the Group are safeguarded against material misstatement or loss and that proper accounting records are maintained. The Group employs an internal auditor who attends and reports at each Audit Committee meeting.

The key features of the control environment are as follows:

- The work undertaken within the Internal Audit function is consistent with previous years and covers the key risk and systems of control within the business.
- In addition to an ongoing assessment of the effectiveness of the Company's system of internal financial controls, a framework is in place to plan, monitor and control the Group's activities including an annual budget and a rolling 5-year planning process.
- An annual review process is in place to consider the financial implications of significant business risks upon the business. Regular meetings of the Business Continuity Team take place throughout the year.
- A comprehensive internal forecasting process is in place and updated on a regular basis. Monthly management accounts are produced and significant variances from budget and forecast are investigated.

The effectiveness of the system of internal financial control takes account of any material developments that have taken place in the Group and in applicable rules and legislation as well as relevant guidance published from time to time to the extent the Board considers this as relevant to the Company. The review is currently performed on the basis of the criteria in the Turnbull Guidance.

BY ORDER OF THE BOARD

Michael Nicholson, Secretary
11 September 2015

REMUNERATION REPORT

This Report has been approved and adopted by the Remuneration Committee and the Board.

THE REMUNERATION COMMITTEE

The Committee has formal terms of reference, which are published on the Company's website. The Committee members serving during the year are identified on page 20.

As part of its continuing commitment to provide meaningful information to shareholders, this report continues to contain data that the Board and Remuneration Committee have elected to disclose, even although the Company is not obliged by law or the AIM Rules to make all of that information available.

REMUNERATION POLICY

The main objective of the Company's remuneration policy remains to attract, retain and motivate experienced and capable individuals who will make a significant contribution to the long term success of the Group but, taking account of the marketplace, without paying more than is reasonable or necessary. Account is taken of remuneration packages within other comparable companies and sectors, particularly other large football clubs, the Group's performance against budget in the year and against actual performance from year to year. Specific corporate and personal objectives are used for executive Directors and certain senior executives. A similar appraisal system is also applied to most regular employees throughout the Group.

The Committee obtains advice from the Company Secretary, from independent research reports and from the published accounts of a number of other companies. No external consultants were used during the financial year on remuneration matters.

The service contracts of executive Directors can be terminated on no more than one year's notice and do not provide for pre-determined compensation on termination, or for loss of office. Compensation due, if any, is determined by reference to the applicable notice period and reason for termination.

The Group operates an annual bonus scheme for some permanent employees in order to encourage out-performance, motivate, and retain staff. The scheme is reviewed each year by the Committee, and monitored to ensure fairness and consistency in application. Changes are made when considered appropriate, or to reflect changes in the Group's performance or business plan.

REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

Payments made to Directors in the financial year are set out on page 23.

There are several main elements to the Company's executive remuneration packages: basic salary and benefits, annual performance related bonus, pension, share options and other customary benefits such as holidays, a fully expensed car or equivalent non-pensionable car allowance, private medical insurance, pension contributions and critical illness cover.

Basic salary and benefits

The Committee reviews basic salaries for executive Directors and certain senior executives annually. The salaries of senior members of the football management team and senior players are considered directly by the Board.

Benefits for executive Directors include a fully expensed car or equivalent non-pensionable car allowance, private medical insurance, pension contributions and critical illness cover. These benefits may be, but are not automatically, extended to senior executives. Those receiving such benefits are assessed for income tax on them.

The Company allows all regular employees a discount on Company merchandise and products.

Annual Performance Related Bonus Scheme

The Group operates a bonus scheme for executive Directors and some permanent employees.

The scheme has the following key objectives:

1 Improving and sustaining the financial performance of the Group from year to year;
2 Delivering and enhancing shareholder value;
3 Enhancing the reputation and standing of Celtic;
4 Delivering consistently high standards of service to Celtic and its customers; and
5 Attracting, retaining and motivating talented individuals whose skills and services will enable Celtic to meet its strategic objectives.

Performance conditions cover corporate financial performance and personal objectives. Corporate financial performance includes performance against budget and against the previous year's results. Maximum award levels depend upon seniority and contractual entitlements, ranging from 20% of basic salary to 60% of basic salary. The Committee reviews the bonus scheme structure and the corporate performance conditions each year. Bonus payments are not pensionable.

Football players, the football management team and football backroom staff are subject to separate bonus schemes that reward on-field success.

Pension

The Company operates a Group pension plan, with defined contributions, in which several senior executives and a number of other employees participate. During the year, pension contributions for the Financial Director were made to independent pension providers. Stakeholder arrangements are available to qualifying employees. The Company does not operate any defined benefit (final salary) schemes.

Service Agreements

Executive Directors

Chief Executive

Mr Lawwell's service contract commenced on 25 October 2003. It continues subject to twelve months' notice by him to the Company or by the Company to him. For the financial year to 30 June 2015, Mr Lawwell continued to be entitled to a maximum payment under the Company's bonus scheme of 60% of basic salary, if all performance conditions were satisfied. Mr Lawwell served on the Professional Game Board and the Board of Directors of the Scottish Football Association and the Board of the European Club Association during the year. No fee is payable for these posts.

The Remuneration Committee decided to make an additional bonus award to Mr. Lawwell, on an ex gratia basis, for the financial year having taken account of the scale of incremental value delivered for the benefit of the Company through fulfilment of the objectives set for him.

Financial Director

Mr Riley's service contract commenced on 19 August 1994. Following the year end, Mr Riley gave notice of his resignation as Financial Director, with effect from 31 December 2015, but will continue to serve as a non-executive director from 1 January to 30 June 2016. Mr Riley is entitled to a maximum payment under the Company's bonus scheme of 50% of basic salary, if all performance conditions are satisfied. Mr Riley served as a director of the Scottish Professional Football League Limited during the year. No fee is payable for this post.

Termination by the Company of the contracts of these Directors on shorter notice than provided for in the contracts, other than for misconduct or material breach, would be likely to create a requirement for payment of compensation related to the unexpired element of the notice periods.

Non-executive Directors

Individual letters govern the appointments of the Chairman and the non-executive Directors. Typically, non-executive Directors are appointed for an initial period of three years and are expected to serve for at least two three-year terms but appointments may be extended beyond that at the discretion of the Board, and subject to re-appointment by shareholders in accordance with the Articles of Association. These appointments are terminable immediately on written notice, without requirement for payment of compensation.

Unexpired periods of service for non-executive Directors as at 30 June 2015:

Ian Bankier	Second term	1 year and 11 months remaining
Ian Livingston	Third term	1 year and 3 months remaining

Tom Allison, Dermot Desmond and Brian Wilson each retire annually.

Remuneration of Directors

Directors' remuneration and benefits for the year to 30 June 2015 are set out in the table below.

Remuneration of non-executive Directors is for service on the Board and its Committees and is reviewed by the Board as a whole each year against fees in comparable companies of a similar size and taking account of overall financial performance of the Company.

Non-executive Directors' fees have remained static since July 2007. The post of Chairman of the Audit Committee carries an additional fee of £5,000 per year, reflecting the significant additional responsibility and workload attached to that post. During period that Lord Livingston of Parkhead was a Minister of State for Trade and Investment, he waived his fees. With effect from 11 May 2015 the Company recommenced payment of fees to Lord Livingston as a non-executive director of the Company, as he ceased to be Minister of State.

The non-executive Directors have no personal financial interest other than as shareholders. They are not members of the Company's pension scheme and do not participate in any bonus scheme, share option or other profit schemes. All Directors are entitled to one seat in the Presidential Box without charge for each home match, to assist them in performing their duties.

The Chairman of the Committee will be available to answer questions concerning Directors' remuneration at the Company's Annual General Meeting.

BY ORDER OF THE BOARD

Michael Nicholson, Secretary
11 September 2015 Celtic Park, Glasgow G40 3RE

	Salary /Fees £	**Bonus £**	**Benefits in kind £**	**Pension Contributions £**	**2015 Total £**	2014 Total £
T Allison	25,000	-	-	-	**25,000**	25,000
I Bankier	50,000	-	-	-	**50,000**	50,000
D Desmond	25,000	-	-	-	**25,000**	25,000
B Duffy	-	-	-	-	**-**	25,000
P Lawwell	564,128	417,787	17,349	-	**999,264**	999,496
I Livingston	4,193	-	-	-	**4,193**	13,159
E Riley	156,803	29,283	18,511	23,112	**227,709**	259,808
B Wilson	25,000	-	-	-	**25,000**	25,000
	850,124	447,070	35,860	23,112	**1,356,166**	1,422,463

DIRECTORS' RESPONSIBILITIES STATEMENT

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

WEBSITE PUBLICATION

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

FIVE YEAR RECORD

FINANCIAL	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Revenue	**51,080**	64,736	75,816	51,341	52,557
(Loss)/profit from trading before asset transactions and exceptional items	**(2,188)**	4,851	13,102	(3,095)	56
(Loss)/profit after taxation	**(3,947)**	11,170	9,739	(7,371)	102
Non equity dividends incurred	**432**	526	527	544	544
Total equity	**49,951**	53,831	42,557	32,678	40,003
Shares in issue (excl deferred) no. '000	**122,147**	121,603	121,273	121,030	120,903
(Loss)/earnings per ordinary share	**(4.25)p**	12.68p	10.73p	(8.17)p	0.11p
Diluted (loss)/earnings per share	**(4.25)p**	8.91p	7.56p	(8.17)p	0.47p
Number of employees	**462**	475	455	451	476

FOOTBALL	2015	2014	2013	2012	2011
League position	**1**	1	1	1	2
League points	**92**	99	79	93	92
Scottish cup	**SEMI FINAL**	5th ROUND	WINNERS	SEMI FINAL	WINNERS
League cup	**WINNERS**	3rd ROUND	SEMI FINAL	FINALISTS	FINALISTS
European ties played	**7**	6	4	2	5

CELTIC PARK	2015	2014	2013	2012	2011
Celtic Park investment to date (£'000)	**69,318**	68,147	63,476	62,692	61,728
Stadium seating capacity (no.)	**60,447**	60,411	60,355	60,355	60,355
Average home league attendance (no.)	**45,400**	45,757	46,754	49,019	49,719
Total season ticket sales (no.)	**40,472**	43,072	41,716	44,975	44,734

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CELTIC PLC

We have audited the financial statements of Celtic plc for the year ended 30 June 2015 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the group and company statements of changes in equity, the consolidated and company cash flow statements, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Charles Barnett (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow, United Kingdom
11 September 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

A CLUB LIKE NO OTHER


THE CELTIC FOOTBALL CLUB
1888
BROWN
8
SPFL

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended 30 June 2015

		2015			2014		
	Notes	**Operations excluding intangible asset trading £000**	**Intangible asset trading £000**	**Total £000**	Operations excluding intangible asset trading £000	Intangible asset trading £000	Total £000
Continuing operations:							
Revenue	**3**	**51,080**	**-**	**51,080**	64,736	-	64,736
Operating Expenses (excluding exceptional operating expenses)	**4, 5**	**(53,268)**	**-**	**(53,268)**	(59,885)	-	(59,885)
(Loss)/profit from trading before asset transactions and exceptional items		**(2,188)**	**-**	**(2,188)**	4,851	-	4,851
Exceptional operating (expenses)/credit	**7, 16**	**(1,001)**	**261**	**(740)**	(575)	(4,089)	(4,664)
Amortisation of intangible assets	**16**	**-**	**(7,313)**	**(7,313)**	-	(5,300)	(5,300)
Profit on disposal of intangible assets		**-**	**6,773**	**6,773**	-	17,052	17,052
Loss on disposal of property, plant and equipment		**(102)**	**-**	**(102)**	(101)	-	(101)
Operating (loss)/profit	**5**	**(3,291)**	**(279)**	**(3,570)**	4,175	7,663	11,838
Finance Income	**11**			**185**			53
Finance Expense	**11**			**(562)**			(721)
(Loss)/profit before tax				**(3,947)**			11,170
Income tax expense	**12**			**-**			-
(Loss)/profit and total comprehensive (loss)/ profit for the year				**(3,947)**			11,170
(Loss)/profit attributable to equity holders of the parent				**(3,947)**			11,170
Total comprehensive (loss)/income attributable to equity holders of the parent				**(3,947)**			11,170
Basic earnings per Ordinary Share from continuing operations and for the year	**14**			**(4.25p)**			12.21p
Diluted earnings per share from continuing operations and for the year	**14**			**(4.25p)**			8.60p

CONSOLIDATED BALANCE SHEET

Year Ended 30 June 2015

		2015	2014
	Notes	**£000**	£000
Assets			
Non-current assets			
Property, plant and equipment	**15**	**55,452**	55,594
Intangible assets	**16**	**8,356**	7,197
		63,808	62,791
Current assets			
Inventories	**18**	**2,098**	1,696
Trade and other receivables	**20**	**14,740**	17,258
Cash and cash equivalents	**21, 29**	**11,770**	14,739
		28,608	33,693
Total assets		**92,416**	96,484
Equity			
Issued share capital	**22**	**24,294**	24,357
Share premium	**23**	**14,573**	14,529
Other reserve	**23**	**21,222**	21,222
Capital reserve	**23**	**2,781**	2,695
Accumulated losses	**23**	**(12,919)**	(8,972)
Total equity		**49,951**	53,831
Non-current liabilities			
Interest bearing liabilities/bank loans	**24**	**6,850**	9,844
Debt element of Convertible Cumulative Preference Shares		**4,262**	4,284
Provisions	**26**	**907**	1,047
Deferred income	**27**	**2,600**	59
		14,619	15,234
Current liabilities			
Trade and other payables	**25**	**14,579**	16,937
Current borrowings	**25**	**308**	485
Provisions	**25, 26**	**251**	265
Deferred income	**27**	**12,708**	9,732
		27,846	27,419
Total liabilities		**42,465**	42,653
Total equity and liabilities		**92,416**	96,484

The financial statements were approved and authorised for issue by the Board on 11th September 2015 and were signed on its behalf by

Peter T Lawwell, Director Eric J Riley, Director

COMPANY BALANCE SHEET

Year Ended 30 June 2015

	Notes	2015 £000	2014 £000
Assets			
Non-current assets			
Property, plant and equipment	15	55,452	55,594
Intangible assets	16	8,356	7,197
Investment in subsidiaries	17	-	-
		63,808	62,791
Current assets			
Trade and other receivables	20	12,505	13,259
Cash and cash equivalents	21, 29	11,395	14,539
		23,900	27,798
Total assets		87,708	90,589
Equity			
Issued share capital	22	24,294	24,357
Share premium	23	14,573	14,529
Other reserve	23	21,222	21,222
Capital reserve	23	2,781	2,695
Accumulated profits		2,282	1,818
Total equity		65,152	64,621
Non-current liabilities			
Interest bearing liabilities/bank loans	24	6,850	9,844
Debt element of Convertible Cumulative Preference Shares		4,262	4,284
		11,112	14,128
Current liabilities			
Trade and other payables	25	11,136	11,355
Current borrowings	25	308	485
		11,444	11,840
Total liabilities		22,556	25,968
Total equity and liabilities		87,708	90,589

The financial statements were approved and authorised for issue by the Board on 11th September 2015 and were signed on its behalf by

Peter T Lawwell, Director Eric J Riley, Director

STATEMENTS OF CHANGES IN EQUITY } Year Ended 30 June 2015

Group	Share capital £000	Share premium £000	Other reserve £000	Capital reserve £000	Retained earnings £000	Total £000
Equity shareholders' funds as at 1 July 2013	**24,341**	**14,486**	**21,222**	**2,650**	**(20,142)**	**42,557**
Share capital issued	1	43	-	-	-	44
Transfer to capital reserve	(45)	-	-	45	-	-
Reduction in debt element of convertible cumulative preference shares	60	-	-	-	-	60
Profit and total comprehensive income for the year	-	-	-	-	11,170	11,170
Equity shareholders' funds as at 30 June 2014	**24,357**	**14,529**	**21,222**	**2,695**	**(8,972)**	**53,831**
Share capital issued	**1**	**44**	**-**	**-**	**-**	**45**
Transfer to capital reserve	**(86)**	**-**	**-**	**86**	**-**	**-**
Reduction in debt element of convertible cumulative preference shares	**22**	**-**	**-**	**-**	**-**	**22**
Loss and total comprehensive income for the year	**-**	**-**	**-**	**-**	**(3,947)**	**(3,947)**
Equity shareholders' funds as at 30 June 2015	**24,294**	**14,573**	**21,222**	**2,781**	**(12,919)**	**49,951**

Company	Share capital £000	Share premium £000	Other reserve £000	Capital reserve £000	Retained earnings £000	Total £000
Equity shareholders' funds as at 1 July 2013	**24,341**	**14,486**	**21,222**	**2,650**	**1,564**	**64,263**
Share capital issued	1	43	-	-	-	44
Transfer to capital reserve	(45)	-	-	45	-	-
Reduction in debt element of convertible cumulative preference shares	60	-	-	-	-	60
Profit and total comprehensive income for the year	-	-	-	-	254	254
Equity shareholders' funds as at 30 June 2014	**24,357**	**14,529**	**21,222**	**2,695**	**1,818**	**64,621**
Share capital issued	**1**	**44**	**-**	**-**	**-**	**45**
Transfer to capital reserve	**(86)**	**-**	**-**	**86**	**-**	**-**
Reduction in debt element of convertible cumulative preference shares	**22**	**-**	**-**	**-**	**-**	**22**
Profit and total comprehensive income for the year	**-**	**-**	**-**	**-**	**464**	**464**
Equity shareholders' funds as at 30 June 2015	**24,294**	**14,573**	**21,222**	**2,781**	**2,282**	**65,152**

CONSOLIDATED CASH FLOW STATEMENT

Year Ended 30 June 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
(Loss)/profit for the year		**(3,947)**	11,170
Depreciation	**15**	**1,577**	1,747
Amortisation of intangible assets	**16**	**7,313**	5,300
Impairment of intangible assets	**15**	**378**	4,089
Reversal of prior period impairment charge	**16**	**(639)**	-
Profit on disposal of intangible assets		**(6,773)**	(17,052)
Loss on disposal of property, plant and equipment		**102**	101
Net finance costs	**11**	**377**	668
		(1,612)	6,023
(Increase)/decrease in inventories		**(402)**	38
Decrease/(increase) in receivables		**540**	(819)
Increase in payables and deferred income		**1,553**	2,734
Cash generated from operations		**79**	7,976
Net interest paid		**(75)**	(153)
Net cash flow from operating activities - A		**4**	7,823
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,656)**	(3,000)
Purchase of intangible assets		**(11,239)**	(9,880)
Proceeds from sale of intangible assets		**12,861**	5,620
Net cash used in investing activities - B		**(1,034)**	(7,260)
Cash flows from financing activities			
Repayment of debt		**(3,169)**	(379)
Dividends paid		**(481)**	(482)
Net cash used in financing activities - C		**(3,650)**	(861)
Net decrease in cash equivalents A+B+C		**(4,680)**	(298)
Cash and cash equivalents at 1 July 2014		**14,050**	14,348
Cash and cash equivalents including overdraft at 30 June 2015	**21**	**9,370**	14,050

COMPANY CASH FLOW STATEMENT

Year Ended 30 June 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
Profit for the year	23	464	254
Depreciation	15	1,577	1,747
Amortisation of intangible assets	16	7,313	5,300
Impairment of intangible assets	16	378	4,089
Reversal of prior period impairment charge	16	(639)	-
Profit on disposal of intangible assets		(6,773)	(17,052)
Loss on disposal of property, plant and equipment		102	101
Finance costs		377	646
		2,799	(4,915)
(Increase)/decrease in receivables		(1,223)	9,682
(Decrease)/increase in payables		(2,361)	6,112
Cash generated from operations		(785)	10,879
Interest paid		(75)	(120)
Net cash flow from operating activities – A		(860)	10,759
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,656)	(3,000)
Purchase of intangible assets		(11,239)	(9,880)
Proceeds from sale of intangible assets		12,861	5,620
Net cash used in investing activities – B		(1,034)	(7,260)
Cash flows from financing activities			
Repayment of debt		(3,169)	(379)
Dividends paid		(481)	(482)
Net cash used in financing activities - C		(3,650)	(861)
Net (decrease)/increase in cash equivalents A+B+C		(5,544)	2,638
Cash and cash equivalents at 1 July 2014		14,539	11,901
Cash and cash equivalents at 30 June 2015	21	8,995	14,539

1 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to both years presented, for both the Celtic plc group (the "Group") and the parent Company (the "Company").

The Financial Statements have been prepared in accordance with IFRS as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through the Statement of Comprehensive Income.

A separate income statement for the Company has not been presented as permitted by Section 408 of the Companies Act 2006. The profit for the Company is disclosed in Note 23.

Adoption of standards not yet effective

- IFRS 9 Financial Instruments

The standard listed above is effective for financial periods commencing on or after 1 January 2015 and therefore has not been adopted for these financial statements. The adoption of this amendment is not expected to have a material impact on the financial statements of the Group.

2 ACCOUNTING POLICIES

(a) Basis of consolidation
The consolidation includes the Financial Statements of the Company and its subsidiary undertakings and is based on their audited Financial Statements for the year ended 30 June 2015.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

(b) Depreciation
Property, plant and equipment is stated at cost and written off to residual value over its estimated useful life at the following annual rates:

Plant and vehicles	10% - 25% reducing balance
Fixtures, fittings and equipment	10% - 33% reducing balance
IT equipment and other short life assets	25% - 33% straight line
Buildings (excluding Stadium)	4% - 10% straight line
Football Stadium	1.33% straight line

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate. Gains or losses on disposal are reported in the consolidated statement of comprehensive income. The Group assesses at each balance sheet date whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value and where impairment is present, impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

Freehold land is not depreciated.

Freehold land and buildings includes capitalised interest of £0.43m (2014: £0.43m).

(c) Intangible assets
Costs directly attributable to the acquisition and retention of football personnel are capitalised and treated as intangible assets. Subsequent amounts are capitalised only when they become unavoidable due to the elimination of all contingent events relating to their payment and where the value of the asset is enhanced by the underlying event. All of these amounts are amortised to consolidated statement of comprehensive income over the contract period remaining from their capitalisation to nil residual values, or earlier if there is an option to terminate present within the contract. Where a new contract life is renegotiated, the unamortised costs, together with the new costs relating to the contract extension, are amortised over the term of the new contract. Where the contract life is on a rolling basis, the carrying value is reviewed at the balance sheet date and a revised amortisation period is determined by considering all relevant information.

(d) Impairment policy
The Group and Company tests impairment at each balance sheet date. In determining, whether an intangible asset is impaired account is taken of the following:

(i) management's intentions in terms of each specific player being part of the plans for the coming football season;
(ii) the evidence of this intention such as the level of a player's participation in the previous football season;
(iii) the level of interest from other clubs in paying a transfer fee for the player;
(iv) market knowledge of transfer appetite, activity and budgets in the industry through discussion with agents and other clubs;
(v) the financial state of the football industry;
(vi) the level of appetite from clubs for football personnel from Scotland;
(vii) levels of 'cover' for each playing position;
(viii) the football personnel's own career plans and personal intentions for the future, and
(ix) contract terminations.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income. To the extent, a previous impairment loss has been charged, and the basis of assessment is changed, the impairment charge is reversed in the current period.

(e) Revenue
Revenue, which is exclusive of value added tax, represents match receipts and other income associated with the continuing principal activity of running a professional football club. Revenue is analysed between Football and Stadium Operations, Merchandising and Multimedia and Other Commercial Activities.

Football and Stadium Operations revenue arises from all ticket sales, standard, premium and corporate, derived from matches played at Celtic Park. Other revenues arise from matchday and non-matchday catering and banqueting, visitor centre revenues, soccer school revenues, donations received from Celtic Development Pools Limited, UEFA participation fees and revenues derived from the hiring of Celtic Park for football and non-football events. All such revenues are recognised in line with the completion of the matches or events to which they relate, with the exception of donations, which are recognised on receipt.

Merchandising revenue includes the revenues from Celtic's retail partners and outlets including home shopping, wholesale revenues and other royalty revenues derived from the exploitation of the Celtic brand.

Multimedia and Other Commercial Activities revenues are generated through the sale of television rights, sponsorship revenues and joint marketing and partnership initiatives. The following revenue forms part of Multimedia & Other Commercial Activities.

Revenue from the sale of television rights is recognised dependent upon the nature of the related competition or event as follows:

i) Domestic league television rights are sold centrally by the Scottish Professional Football League ('SPFL') and distributed to the Scottish Premiership clubs on a percentage basis dependent upon the final league positions of the clubs. Revenue is recognised evenly over the period to which it relates, namely the course of the football season.

ii) Domestic cup rights are sold centrally by either the Scottish Football Association ('SFA') or the SPFL (depending on the competition) who advise clubs of the value of each televised match. Revenue is recognised when a televised match is played.

iii) European rights sales derived from participation in the UEFA Champions League or the UEFA Europa League are sold centrally by UEFA who advise clubs of the values to be paid for their participation in the tournament. Revenue is recognised when each relevant match is played.

iv) Other television rights sales which are made by Celtic, such as home friendly matches, are recognised once the televised match has taken place.

Sponsorship revenues are recognised based on the nature of the sponsorship such that kit and shirt sponsorship income, which relates to a particular football season is recognised evenly throughout the financial year. Event specific sponsorship is recognised when the relevant event takes place.

Joint marketing and partnership initiative income is recognised evenly over the period of the partnership/marketing agreement/contract. These frequently consist of fixed licence fees or guaranteed minimum royalties.

During the prior year, the Group entered into a Venue Use Agreement ("VUA") with Glasgow 2014 Limited ("Glasgow 2014"). The stadium was used as the venue for the opening ceremony of the Commonwealth Games which took place on 23 July 2014. Revenue related to the VUA was recognised on a proportional basis related to the specified levels of agreed occupation of Celtic Park by Glasgow 2014 over the period as defined in the contract. As a result, the associated revenue was recognised in part in the year to 30 June 2015 with the balance having been recognised in the year to 30 June 2014.

The critical judgements made in respect of revenue recognition are largely in respect of assessing the accuracy of estimated information provided by trading partners, the SFA, the SPFL and UEFA where match-related and other revenues are due at the end of the financial year but, by the date of approval of the financial statements, confirmation of the finalised value of such revenues has not yet been fully received by Celtic.

(f) Financial instruments
The Group and Company classify financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are initially recognised on the balance sheet at fair value when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents: Cash and cash equivalents include cash in hand, deposits held at call or on deposit with banks, other short-term highly liquid investments with original maturities of three months or less from inception, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet and for the purpose of the cashflow statement, deposits held on maturities of greater than 3 months are not classed as cash and cash equivalents under IAS7.

Interest bearing borrowings: Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis.

Convertible Cumulative Preference Shares: The debt element of Convertible Cumulative Preference Shares is recognised as a financial liability. At the point of conversion, the relevant part of this financial liability is derecognised.

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. They are recognised on the trade date of the related transactions.

Trade payables are stated at their amortised cost. They are recognised on the trade date of the related transactions.

(g) Leasing obligations

Leasing charges in respect of operating leases are recognised in the Consolidated Statement of Comprehensive Income over the lives of the lease agreements as incurred on a straight line basis. An onerous operating lease provision is recognised for projected losses of operating lease contracts where the forecast costs of fulfilling the operating lease contract throughout the period exceed the forecast income receivable. The onerous operating lease provision is calculated based on discounted cash flows to the end of the lease contract. A dilapidations provision is recognised where there is reasonable evidence to suggest that costs will be incurred in bringing leasehold properties to a satisfactory condition on completion of the lease. The dilapidations provision is calculated based on the discounted cash flows at the end of each applicable lease contract.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis.

(i) Pension costs

The Group operates defined contribution schemes providing benefits for employees additional to those from the state. The pension cost charge includes contributions payable by the Group to the funds in respect of the year and also payments made to the personal pension plans of certain employees.

(j) Foreign exchange

Non-monetary items denominated in foreign currency are translated at the date of the transaction. Monetary foreign currency assets and liabilities at the year-end are translated at the year end exchange rate. Any resulting exchange gain or loss is dealt with in the Consolidated Statement of Comprehensive Income in the period in which they arise.

(k) Deferred tax

Deferred tax is provided using the full provision method and is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised within the Financial Statements to the extent that it is considered probable that future taxable profits will be available against which assets can be utilised.

(l) Exceptional operating expenses

It is the Group's policy to categorise the impairment of property, plant and equipment, the impairment of intangible assets and any subsequent reversal of a previous impairment of intangible assets, onerous contract costs, compromise payments, non recurring expenditure and ancillary direct costs as exceptional operating expenses in the Consolidated Statement of Comprehensive Income.

(m) Critical accounting estimates and judgements

Judgements used and applied in the preparation of the Financial Statements are continually evaluated by management. The critical judgements applied within the Financial Statements are in respect of revenue recognition, as noted at 2(e) above and impairment of intangible assets, noted at 2(d) above and onerous lease provisions at 2(g) above.

3 SEGMENTAL REPORTING

The Group is organised into three main operating divisions: Football and Stadium Operations, Merchandising and Multimedia and other commercial activities. These divisions are the basis on which the Group reports its segment information. The Group operates in the UK and as a result does not have any geographical segments.

Year to 30 June 2015	Football and Stadium Operations £000	Merchandising £000	Multimedia and Other Commercial Activities £000	Consolidated £000
External revenue	27,969	11,679	11,432	51,080
(Loss)/profit from segment before asset transactions and exceptional operating expenses	(15,982)	4,684	9,110	(2,188)
Exceptional operating expenses				(740)
Amortisation of intangible assets				(7,313)
Profit on disposal of intangible assets				6,773
Loss on disposal of property, plant and equipment				(102)
Operating loss				(3,570)
Net finance costs				(377)
Taxation				-
Loss for the year				(3,947)
Other information:				
Segment assets	75,272	3,945	1,234	80,451
Unallocated corporate assets				11,965
Consolidated total assets				92,416
Segment liabilities	17,805	2,501	5,250	25,556
Unallocated corporate liabilities				16,909
Consolidated total liabilities				42,265
Capital expenditure	1,529	7	2	1,538
Depreciation	1,375	87	115	1,577
Intangible asset additions	9,421			9,421
Amortisation	7,313			7,313
Net impairment charge/(reversal)	(261)			(261)

Year to 30 June 2014	Football and Stadium Operations £000	Merchandising £000	Multimedia and Other Commercial Activities £000	Consolidated £000
External revenue	28,273	13,520	22,943	**64,736**
(Loss)/profit from segment before asset transactions and exceptional operating expenses	(20,665)	4,853	20,663	**4,851**
Exceptional operating expenses				**(4,664)**
Amortisation of intangible assets				**(5,300)**
Profit on disposal of intangible assets				**17,052**
Loss on disposal of property, plant and equipment				**(101)**
Operating profit				**11,838**
Net finance costs				**(668)**
Taxation				**-**
Profit for the year				**11,170**
Other information:				
Segment assets	76,744	3,899	967	**81,610**
Unallocated corporate assets				**14,874**
Consolidated total assets				**96,484**
Segment liabilities	18,243	1,839	993	**21,075**
Unallocated corporate liabilities				**21,578**
Consolidated total liabilities				**42,653**
Capital expenditure	4,978	47	113	**5,138**
Depreciation	1,508	146	93	**1,747**
Intangible asset additions	8,070	-	-	**8,070**
Amortisation	5,300	-	-	**5,300**
Net impairment charge/(reversal)	4,089	-	-	**4,089**

4 TOTAL OPERATING EXPENSES

	2015 £000	2014 £000
The Group's operating expenses comprised:		
Football and Stadium Operations (excluding exceptional items and asset transactions)	**43,951**	48,938
Exceptional items excluding impairment of intangible assets	**1,001**	575
Impairment of intangible assets	**378**	4,089
Reversal of prior period impairment charges	**(639)**	-
Amortisation of intangible assets	**7,313**	5,300
Profit on disposal of intangible assets	**(6,773)**	(17,052)
Loss on disposal of property, plant and equipment	**102**	101
Total Football and Stadium Operations	**45,333**	41,951
Merchandising	**6,995**	8,667
Multimedia and Other Commercial Activities	**2,322**	2,280
	54,650	52,898

5 OPERATING (LOSS)/PROFIT

	Note	**2015 £000**	2014 £000
Operating (loss)/profit is stated after charging:			
Staff costs	**8**	**33,265**	37,766
Depreciation of property, plant and equipment	**15**	**1,577**	1,747
Impairment of intangible assets		**378**	4,089
Reversal of prior period impairment charges		**(639)**	-
Amortisation of intangible assets		**7,313**	5,300
Operating lease expense	**28**	**979**	1,164
Foreign exchange gain		**(38)**	(161)
Cost of inventories recognised as expense		**6,051**	7,062

6 AUDITOR'S REMUNERATION

	2015 £000	2014 £000
Fees payable to the Company's auditor and its associates in respect of:		
Audit of the Company's accounts	**20**	19
Audit of the accounts of the Company's subsidiaries	**15**	15
Audit related services	**2**	4
Taxation compliance services	**16**	8
Taxation advisory services	**7**	2
Other non-audit services	**18**	45
	78	93

7 EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £0.74m (2014: £4.66m) can be analysed as follows:

Exceptional operating expenses comprised	2015 £000	2014 £000
Impairment of intangible assets	**378**	4,089
Reversal of prior period impairment charges	**(639)**	-
Onerous employment contracts	**650**	-
Compromise payments on contract termination	**351**	575
	740	4,664

8 STAFF PARTICULARS

Group	2015 £000	2014 £000
Wages and salaries	**29,400**	33,501
Social security costs	**3,472**	3,835
Other pension costs	**393**	430
	33,265	37,766

Included in the above wages and salaries is £756,000 (2014: £581,000) paid to agency staff.

Employee numbers Group	2015 Number	2014 Number
Players and football administration staff	**155**	157
Administration and retail staff	**307**	318
Average number of full time equivalents employed in the year:	**462**	475

9 DIRECTORS' EMOLUMENTS

	Salary/Fees £	Bonus £	Benefits in kind £	Total Excl pension costs £	Pension Contributions £	2015 Total £
T Allison	25,000	-	-	**25,000**	-	**25,000**
I Bankier	50,000	-	-	**50,000**	-	**50,000**
D Desmond	25,000	-	-	**25,000**	-	**25,000**
P Lawwell	564,128	417,787	17,349	**999,264**	-	**999,264**
I Livingston	4,193	-	-	**4,193**	-	**4,193**
E Riley	156,803	29,283	18,511	**204,597**	23,112	**227,709**
B Wilson	25,000	-	-	**25,000**	-	**25,000**
	850,124	447,070	35,860	**1,333,054**	23,112	**1,356,166**

	Salary/Fees £	Bonus £	Benefits in kind £	Total Excl pension costs £	Pension Contributions £	2014 Total £
T Allison	25,000	-	-	**25,000**	-	**25,000**
I Bankier	50,000	-	-	**50,000**	-	**50,000**
D Desmond	25,000	-	-	**25,000**	-	**25,000**
B Duffy	25,000	-	-	**25,000**	-	**25,000**
P Lawwell	524,576	400,500	17,312	**942,388**	57,108	**999,496**
I Livingston	13,159	-	-	**13,159**	-	**13,159**
E Riley	150,885	66,012	20,278	**237,175**	22,633	**259,808**
B Wilson	25,000	-	-	**25,000**	-	**25,000**
	838,620	466,512	37,590	**1,342,722**	79,741	**1,422,463**

The aggregate emoluments and pension contributions of the highest paid director were £999,264 (2014: £942,388) and nil (2014: £57,108) respectively. The aggregate emoluments of the highest paid director include bonus provision entitlement. During the year, contributions were paid to defined contribution money purchase pension schemes in respect of 1 (2014: 2) director. The employers NIC on directors' remuneration during the year amounted to £179,517 (2014: 182,238). No directors received share options during the year (2014: £nil).

10 RETIREMENT BENEFIT OBLIGATIONS

The Group and Company pension arrangements are operated through a defined contribution money purchase scheme. The assets of the pension scheme are held separately from those of the Group and Company by The Standard Life Assurance Company. Contributions made by the Group and Company to the scheme during the year amounted to £335,102 (2014: £288,716) and £63,971 (2014: £53,897) respectively. Group and Company contributions of £32,740 (2014: £46,236) and £8,469 (2014: £11,493) respectively were payable to the fund at the year-end. In addition to this the Group and Company also made contributions to the personal pension plans of certain employees.

11 FINANCE INCOME AND EXPENSE

	Note	2015 £000	2014 £000
Finance income:			
Notional interest on deferred consideration		**132**	-
Interest receivable on bank deposits		**53**	53
		185	53
Finance costs:			
Interest payable on bank and other loans		**130**	195
Dividend on Convertible Cumulative Preference Shares	**13**	**432**	526
		562	721

12 TAX ON ORDINARY ACTIVITIES

No provision for corporation tax or deferred tax is required in respect of the year ended 30 June 2015. Estimated tax losses available for set-off against future trading profits amount to approximately £16.40m (2014: £13.30m) and, in addition, the available capital allowances pool is approximately £11.25m (2014: £10.74m). These estimates are subject to the agreement of the current and prior years' corporation tax computations with H M Revenue and Customs.

The corporation tax assessed for the year is different from the standard rate of corporation tax in the United Kingdom of 20.75 % (2014: 22.5%). The differences are explained below:

	2015 £000	2014 £000
(Loss)/profit on ordinary activities before tax	**(3,947)**	11,170
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 20.75% (2014: 22.5%)	**(819)**	2,513
Effects of:		
Expenses not deductible for tax purposes	**-**	15
Depreciation for the period in excess of/(below) capital allowances	**229**	(184)
Dividends reclassified as interest	**90**	118
Untaxed income	**(157)**	(173)
Other	**20**	8
Losses utilised in the year	**-**	(2,297)
Losses in the year – unutilised	**637**	-
Total tax charge for year	**-**	-

An explanation regarding the movement in deferred tax is provided at Note 19.

13 DIVIDENDS PAYABLE

A 6% (before tax credit deduction) non-equity dividend of £0.52m (2014: £0.53m) was paid on 1 September 2015 to those holders of Convertible Cumulative Preference Shares on the share register at 29 July 2015. A number of shareholders elected to participate in the Company's scrip dividend reinvestment scheme for the financial year to 30 June 2015. Those shareholders have received new Ordinary Shares in lieu of cash. No dividends were payable or proposed to be payable on the Company's Ordinary Shares.

During the year, the Company reclaimed £0.09m (2014: nil) in respect of statute barred preference dividends in accordance with the Company's Articles of Association.

14 EARNINGS PER SHARE

	2015 £000	2014 £000
Reconciliation of earnings to basic earnings:		
Net (loss)/earnings attributable to equity holders of the parent	**(3,947)**	11,170
Basic (loss)/earnings	**(3,947)**	11,170
Reconciliation of basic (loss)/earnings to diluted earnings:		
Basic (loss)/earnings	**(3,947)**	11,170
Non-equity share dividend	**523**	526
Reclaim of statute barred non-equity share dividends	**(91)**	-
Diluted (loss)/earnings	**(3,515)**	11,696
	No.'000	No.'000
Reconciliation of basic weighted average number of ordinary shares to diluted weighted average number of ordinary shares:		
Basic weighted average number of ordinary shares	**92,774**	91,485
Dilutive effect of convertible shares	**43,554**	44,573
Diluted weighted average number of ordinary shares	**136,328**	136,058

Earnings per share has been calculated by dividing the loss for the period of £3.95m (2014: profit of £11.17m) by the weighted average number of Ordinary Shares of 92.8m (2014: 91.5m) in issue during the year. Diluted earnings per share as at 30 June 2015 has been calculated by dividing the loss for the period by the weighted average number of Ordinary Shares, Preference Shares and Convertible Preferred Ordinary Shares in issue, assuming conversion at the balance sheet date, if dilutive, in accordance with IAS33 Earnings Per Share.

15 PROPERTY, PLANT AND EQUIPMENT

Group and Company	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2014	**53,859**	**4,114**	**16,835**	**74,808**
Additions	**280**	**-**	**1,258**	**1,538**
Disposals	**(150)**	**-**	**-**	**(150)**
At 30 June 2015	**53,989**	**4,114**	**18,093**	**76,196**
Accumulated Depreciation				
At 1 July 2014	**3,025**	**2,390**	**13,799**	**19,214**
Charge for year	**586**	**194**	**797**	**1,577**
Eliminated on disposal	**(47)**	**-**	**-**	**(47)**
At 30 June 2015	**3,564**	**2,584**	**14,596**	**20,744**
Net Book Value				
At 30 June 2015	**50,425**	**1,530**	**3,497**	**55,452**
At 30 June 2014	50,834	1,724	3,036	55,594

Group and Company	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2013	49,670	4,332	17,473	71,475
Additions	4,341	27	770	5,138
Disposals	(152)	(245)	(1,408)	(1,805)
At 30 June 2014	53,859	4,114	16,835	74,808
Accumulated Depreciation				
At 1 July 2013	2,488	2,392	14,139	19,019
Charge for year	537	243	967	1,747
Eliminated on disposal	-	(245)	(1,307)	(1,552)
At 30 June 2014	3,025	2,390	13,799	19,214
Net Book Value				
At 30 June 2014	50,834	1,724	3,036	55,594
At 30 June 2013	47,182	1,940	3,334	52,456

Freehold land and buildings include capitalised interest of £0.43m (2014: £0.43m).

16 INTANGIBLE ASSETS

Group and Company	2015 £000	2014 £000
Cost		
At 1 July	**27,475**	28,473
Additions	**9,421**	8,070
Disposals	**(6,696)**	(9,068)
At 30 June	**30,200**	27,475
Amortisation		
At 1 July	**20,278**	18,675
Charge for year	**7,313**	5,300
Provision for impairment	**378**	4,089
Reversal of prior period impairment	**(639)**	
Disposals	**(5,486)**	(7,786)
At 30 June	**21,844**	20,278
Net Book Value		
At 30 June	**8,356**	7,197

	2015 No.	2015 £000	2014 No.	2014 £000
The number of players with a book value in excess of £1m by contract expiry date is as follows:				
Contract expiry within 1 year	**-**	**-**	-	-
Contract expiry within 2 years	**1**	**1,323**	1	1,494
Contract expiry within 3 years	**1**	**1,421**	1	1,401
Contract expiry within 4 years	**1**	**1,469**	-	-
	3	**4,213**	2	2,895

No individual intangible asset included above accounted for more than 18% of the total net book value of the intangible assets (2014: 21%). The opening net book value of intangible assets at 1 July 2014 was £7.20m and on 1 July 2013 was £9.80m.

The net gain on sale of intangible assets in the year was £6.77m (2014: £17.05m). The impairment provision in the current and prior year within the football segment reflects the Directors' view that the recoverable amount of the intangible asset is lower than the carrying value, as per Note 2(d) above, and recognises a write down to fair value less costs to sell. The impairment charge of £0.38m (2014: £4.09m) includes 1 player (2014: nil) whose contract expires within one year.

17 INVESTMENTS

Subsidiaries

The Company's wholly owned subsidiary undertaking continues to be Celtic FC Limited, the main activity of which is the operation of a professional football club.

In turn, Celtic FC Limited holds 100% of the issued ordinary share capital in each of the following companies:

Subsidiary undertaking	**Activity**
Protectevent Limited	Dormant
Glasgow Eastern Developments Limited	Management of properties
The Celtic Football and Athletic Company Limited	Football club management & promotional services

These companies are registered in Scotland and are all included in the consolidated financial statements.

Other Investments

The Company also holds an investment of 2.38% in the equity share capital of The Scottish Professional Football League Limited, a company registered in Scotland.

18 INVENTORIES

	2015 Group £000	2014 Group £000	**2015 Company £000**	2014 Company £000
Raw materials	**30**	30	**-**	-
Finished goods	**2,068**	1,664	**-**	-
	2,098	1,696	**-**	-

Inventories written down during the year amounted to £0.24m (2014: £0.20m). Inventories of £0.06m (2014: £nil) are carried at net realisable value.

19 DEFERRED TAX ASSET

Group

The Group follows the accounting treatment for deferred taxation as prescribed in IAS 12 Income Taxes. At the balance sheet date the deferred tax asset was £3.28m (2014: £2.66m) which represents losses carried forward of £16.4m (2014: Loss £13.30m). This asset would be recoverable against future taxable profits of the Group. In addition, advance corporation tax of £244,804 would be recoverable against future taxable profits of the Group, while the Group has an available capital allowances pool of approximately £11.25m (2014: £10.74m). In line with IAS 12 Income Taxes and given the financial difficulties currently being experienced by the football sector, the Group has not recognised the deferred tax asset nor the advance corporation tax asset in the financial statements because it is not considered probable that future taxable profits will be available against which these assets can be utilised in the foreseeable future.

Company

At 30 June 2015, the deferred tax asset not reflected in the Company's Financial Statements was £0.18m (2014: £0.14m) which represents fixed asset timing differences of £0.9m (2014: £0.7m).

20 TRADE & OTHER RECEIVABLES

	2015 Group £000	2014 Group £000	2015 Company £000	2014 Company £000
Trade receivables	**13,101**	14,442	**10,551**	12,678
Provision for doubtful debts (see below)	**(20)**	(211)	**-**	(39)
	13,081	14,231	**10,551**	12,639
Prepayments and accrued income	**1,428**	2,625	**185**	348
Related party receivables	**-**	-	**1,719**	187
Other receivables	**231**	402	**50**	85
	14,740	17,258	**12,505**	13,259

Amounts falling due after more than one year included above are:

	2015 Group £000	2014 Group £000	2015 Company £000	2014 Company £000
Trade receivables	**2,291**	4,275	**2,291**	4,275

The movement in the provision for doubtful debts was as follows:	2015 Group £000	2014 Group £000	2015 Company £000	2014 Company £000
Opening balance	**211**	147	**39**	-
Balances written off	**(196)**	-	**(16)**	-
Change in provision	**5**	64	**(23)**	39
Closing balance	**20**	211	**-**	39

Related party receivables reflect the intercompany balance between the Company and its principal subsidiary, Celtic FC Limited.

21 CASH AND CASH EQUIVALENTS

	2015 Group £000	2014 Group £000	2015 Company £000	2014 Company £000
Cash at bank	**11,749**	14,716	**11,395**	14,539
Cash on hand	**21**	23	**-**	-
	11,770	14,739	**11,395**	14,539
Bank overdraft	**-**	(689)	**-**	-
Cash and cash equivalents	**11,770**	14,050	**11,395**	14,539

Group
Included in the cash balance of £11.77m is £2.40m (2014: nil) which is on deposit with a maturity date of greater than 3 months at the balance sheet date. The cash and cash equivalents balance for the purposes of the cash flow statement under IAS 7 is therefore £9.37m (2014: £14.05m).

Company
Included in the cash balance of £11.16m is £2.40m (2014: nil) which is on deposit with a maturity date of greater than 3 months at the balance sheet date. The cash and cash equivalents balance for the purposes of the cash flow statement under IAS 7 is therefore £9.00m (2014: £12.14m).

22 SHARE CAPITAL

Group and Company	Authorised 2015 No.'000	Authorised 2014 No.'000	Allotted, called up and fully paid 2015 No.'000	Allotted, called up and fully paid 2015 £000	Allotted, called up and fully paid 2014 No.'000	Allotted, called up and fully paid 2014 £000
Equity						
Ordinary Shares of 1p each	**221,927**	221,393	**92,831**	**928**	91,754	918
Deferred Shares of 1p each	**612,541**	563,589	**612,541**	**6,125**	563,589	5,636
Non-equity						
Convertible Preferred Ordinary Shares of £1 each	**15,171**	15,620	**13,184**	**13,184**	13,633	13,633
Convertible Cumulative Preference Shares of 60p each	**18,632**	18,716	**16,132**	**9,679**	16,216	9,729
Less reallocated to debt under IAS 32:						
Initial debt	**-**	-	**-**	**(2,841)**	-	(2,864)
Capital reserve	**-**	-	**-**	**(2,781)**	-	(2,695)
	868,271	819,318	**734,688**	**24,294**	685,192	24,357

On 1 September 2014, 58,547 new Ordinary Shares of 1p each were issued in respect of mandates received from holders of Convertible Cumulative Preference Shares.

The Convertible Preferred Ordinary Shares attracted a dividend up to 2007 and may be converted into Ordinary Shares and Deferred Shares on the election of the shareholder. Each Convertible Preferred Ordinary Share converts into 2.08 Ordinary Shares and 97.92 Deferred Shares. As at 10 September 2015, the latest practicable date before publication, notices had been received in respect of conversion of 27,528 Preferred Ordinary Shares.

Each Convertible Cumulative Preference Share of 60p carries the right, subject to the availability of distributable profits, to the payment of a fixed preference dividend equal to 6% (less tax credit deduction) of its nominal value, cumulative with effect from 1 July 1996. The first dividend was paid on 31 August 1997. Holders of Preference Shares of 60p are entitled to convert each Preference Share into one Ordinary Share of 1p and 59 Deferred Shares of 1p each. During the year ended 30 June 2015, 84,423 Preference Shares were converted in accordance with these provisions. The Ordinary Shares of 1p each, arising on conversion rank pari passu in all respects with the existing Ordinary Shares of 1p each. The Deferred Shares are non-transferable, carry no voting rights, no class rights and have no valuable economic rights. Since 30 June 2015, the Company had converted 6,674 Preference Shares. As at 10 September 2015, the latest practicable date before publication, no further conversion notices had been received in respect of conversion Preference Shares.

The current measurement of the debt element of the Convertible Cumulative Preference shares in the Statement of Financial Position is £4.26m (2014: £4.28m). The difference between that liability and the amount initially recognised as debt arose as a result of interest expense charged during the initial period before dividends became payable.

The amount transferred to debt in respect of Convertible Preferred ordinary shares was subsequently transferred to equity within the Capital Reserve following the expiry of the rights to dividend (Note 23).

Reconciliation of number of Ordinary Shares in issue:	2015 No:'000	2014 No:'000
Opening balance	**91,754**	91,152
Shares issued re scrip dividend scheme	**59**	76
Shares issued re Convertible Preferred Ordinary Share conversions	**934**	489
Shares issued re Preference Share Conversion	**84**	37
Closing Balance	**92,831**	91,754

Reconciliation of number of Deferred Shares in issue:	2015 No:'000	2014 No:'000
Opening balance	**563,589**	538,405
Shares issued re Convertible Preferred Ordinary Share conversions	**43,971**	23,025
Shares issued re Preference Share conversions	**4,981**	2,159
Closing Balance	**612,541**	563,589

Reconciliation of number of Convertible Preferred Ordinary Shares in issue:	2015 No:'000	2014 No:'000
Opening balance	**13,633**	13,868
Convertible Preferred Ordinary Share conversions to Ordinary and Deferred Shares	**(449)**	(235)
Closing Balance	**13,184**	13,633

Reconciliation of number of Convertible Cumulative Preference Shares in issue:	2015 No:'000	2014 No:'000
Opening balance	**16,216**	16,253
Convertible Cumulative Preference Share conversions to Ordinary and Deferred Shares	**(84)**	(37)
Closing Balance	**16,132**	16,216

23 RESERVES

In accordance with Resolution No 8 at the 2002 Annual General Meeting and the Court Order obtained on 9 May 2003, the previous Share Premium Account balance was cancelled and transferred to the Other Reserve. Under the terms of this cancellation, an amount equal to three times the Executive Club loans, currently equal to £324,000 (2014: £330,000) will remain non-distributable from this Other Reserve until such loans are repaid by the Company.

The Capital Reserve has arisen following the reallocation of an element of the Convertible Preferred Ordinary Share capital from equity to debt in line with the capital maintenance requirements of the Companies Act. This reserve is reallocated to equity on the conversion of the Convertible Preferred Ordinary Shares to Ordinary Shares.

The increase in the share premium account reflects the premium on the Ordinary Shares issued in the year.

The profit for the year for the parent company was £0.46m (2014: £0.25m).

24 BORROWINGS – GROUP AND COMPANY

	2015 £000	2014 £000
Current portion of interest bearing liabilities	**200**	375
Non current portion of interest bearing liabilities	**6,850**	9,844
	7,050	10,219

The Interest bearing liabilities are represented by loans from the Co-operative Bank. These loans bear interest at London Inter-Bank Offered Rate plus 1.125%. The loans are floating rate loans and therefore expose the Group to cash flow risk. These loans form part of a £20.40m loan facility which reduces by £0.05m per quarter until May 2019 with the balance repayable in July 2019. The Group has the option to repay the loans earlier than these dates without penalty. The bank loans are secured over Celtic Park, land adjoining the stadium and at Westhorn and Lennoxtown.

25 CURRENT LIABILITIES

	Notes	**2015 Group £000**	2014 Group £000	**2015 Company £000**	2014 Company £000
Current portion of bank loans		**200**	375	**200**	375
Other loans		**108**	110	**108**	110
Accrued expenses		**8,490**	10,869	**6,943**	7,521
Trade and other payables		**6,089**	5,379	**4,193**	3,834
Bank overdraft		**-**	689	**-**	-
Provisions	**26**	**251**	265	**-**	-
		15,138	17,687	**11,444**	11,840

Other loans comprise interest free loans from members of the Executive Club which are repayable within thirty days of demand.

26 PROVISIONS FOR LIABILITIES

Group	Onerous lease £000	Dilapidations £000	Total £000
Cost			
At 1 July 2014	1,217	95	1,312
Provided for during the year	240	46	286
Released during the year	(175)	(21)	(196)
Utilised during the year	(244)	-	(244)
At 30 June 2015	**1,038**	**120**	**1,158**
Due within one year or less	251	-	251
Due after more than one year	787	120	907
At 30 June 2015	**1,038**	**120**	**1,158**

There are no such provisions held within the Company.

27 DEFERRED INCOME

	2015 Group £000	2014 Group £000	**2015 Company £000**	2014 Company £000
Income deferred less than one year	**12,708**	9,732	**-**	-

Deferred income comprises season ticket, sponsorship and other elements of income, which have been received prior to the year-end in respect of the following football season.

	2015 Group £000	2014 Group £000	**2015 Company £000**	2014 Company £000
Income deferred after more than one year	**2,600**	59	**-**	-

Deferred income due after more than one year comprises elements of income, the cash for which has been received prior to the year-end in respect of the years beyond 2015/16.

28 CAPITAL AND OTHER FINANCIAL COMMITMENTS

a. Capital commitments

Group and Company	2015 £000	2014 £000
Authorised and contracted for	**689**	162

b. Other commitments

At 30 June 2015 the Group had commitments under operating leases as follows:

	Land & Buildings		Other	
Amounts payable:	**2015 £000**	2014 £000	**2015 £000**	2014 £000
Within 1 year	**653**	770	**15**	17
Between 2 and 5 years	**1,851**	1,398	**6**	21
In more than 5 years	**771**	597	**-**	-

Lease payments recognised in the income statement for the period amounted to £0.98m (2014: £1.16m).

c. Contingent transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of the transfer of player registrations, additional amounts would be payable/receivable by the Group if specific future conditions are met. Such future conditions could include first team competitive appearances, football success, international appearances and being a registered Celtic player at a certain point in time. Amounts in respect of such contracts at 30 June 2015 could result in an amount payable of £3.88m (2014: £3.55m), of which £1.93m (2014: £1.85m) could arise within one year and amounts receivable of £1.59m (2014: £2.25m), of which £0.27m (2014: £1.00m) could arise within one year.

Group and Company	2015 £000	2014 £000
Conditions for triggering additional amounts payable:		
Appearances	**649**	751
Success achievements	**271**	480
Appearances and success achievements	**1,330**	1,141
Registered at a future pre-determined date	**1,627**	1,180
	3,877	3,552

Number of players contingent transfer fee payable relates to	**38**	34

d. Cross guarantees

Cross guarantees of nil (2014: £0.7m) exist between the Company and other members of the Celtic plc group.

29 FINANCIAL INSTRUMENTS – GROUP AND COMPANY

Financial risk management objectives & policies

The principal financial instruments during the financial year ended 30 June 2015 and as at the balance sheet date were trade receivables (Note 20) and payables (Note 25), bank borrowings (Note 24), cash (Note 21) and compound financial instruments. The main purpose of these financial instruments is to finance the Group's operations. The financial assets are trade receivables and cash and are categorised as loans and receivables. The financial liabilities are trade payables, bank borrowings, other creditors and the debt element of the Convertible Cumulative Preference Shares. These are all categorised as financial liabilities measured at amortised cost.

Trade receivables are subject to standard payment terms and conditions while terms in respect of trade payables are as noted below.

The principal risks arising from the Group's and the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The majority of the transactions undertaken in the year are in Sterling; therefore the Group's and the Company's exposure to foreign currency risk is minimal. Where appropriate, the Group and Company may hedge its position utilising forward contracts. There were no forward contracts in place at the year end. In addition, the Group and Company benefitted from low interest rates during the financial year.

In the directors' assessment, the principal risks remain unchanged from 2014.

The Group has exposure to the following risks from its use of financial instruments:

(i) Market risk;
(ii) Credit risk; and
(iii) Liquidity risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

(i) Market risk

The Group's activities expose it primarily to the financial risk of changes in interest rates.

Interest Rate Risk
The working capital of the Group and Company is funded largely by bank borrowings. The Group and Company has a £19.6m facility with the Co-operative Bank of which £5.5m is in the form of overdraft and £14.1m in long-term loans. While the nature of the overdraft results in the application of a floating rate, the loans offer the possibility to lock into a longer-term interest rate. £7.05m (2014: £10.22m) of the loan facility is required to be drawn down for the term of the facility agreement with this drawn down balance reducing by £0.2m per annum.

During 2014/15, fixed rate periods were for three months and the average balance on the loans was £7.13m (2014: £10.39m). During the course of the year, the Group had an average credit balance on the overdraft facility of £nil (2014: £11.28m). The average overdraft rate applicable during the year was 1.55% (2014: 1.50%) and the average loan rate 1.68% (2014: 1.68%).

Interest rate sensitivity analysis
Based on the average levels of debt in the year to 30 June 2015 it is estimated that a 1% increase in interest rates would result in a net increase in finance costs, and thus reduction in profit and equity of £0.07m (2014: £0.11m). The calculation in both years incorporates the terms and conditions of the agreement with the Co-operative Bank at that time. The terms for the current year are as noted above and are applicable from August 2014 in line with the new banking agreement.

In terms of the overall risk management process, executive management liaise closely with advisers in managing the risk profile of the Group and Company. In times of interest rate volatility, executive management take advice as to the various instruments that may protect the Group and Company against increased costs, whether this be an interest rate cap, collar or other mechanism. No such mechanisms were utilised during the year nor in 2014.

(ii) Credit Risk

Trade receivables
Although the vast majority of individual transactions entered into with customers are low value, business objectives rely on maintaining a high quality customer base and place strong emphasis on good credit management. Prior to entering into significant contracts extensive credit checks on potential customers are carried out with the results having a strong bearing on the selection of trading partner. Executive management are responsible for most day-to-day aspects of credit management although contracts of significance, in terms being in excess of a predetermined value, are referred to the Board.

Trade receivables, where the credit terms extend beyond the Group's standard credit terms, are recorded at fair value using the discounted cash flow method.

As at 30 June 2015, £0.28m representing 2.2% of trade receivables of the Group of £12.95m were past due but not impaired (2014: £1.00m, 7%) and £0.02m representing 0.2% of the trade receivables of the Company of £10.55m were past due but not impaired (2014: £0.06m, 0%). Group trade receivables of £0.02m (2014: £0.21m) were considered to be impaired at the year end due to the aging profile of the balances and management's assessment of the likely outcome. Details of trade receivables are included in Note 20. An analysis of trade receivables past due but not impaired is as follows:

Trade receivables:	**2015 Group £000**	2014 Group £000	**2015 Company £000**	2014 Company £000
Up to 30 days past due	**251**	595	**18**	1
Between 60 and 30 days past due	**14**	116	**1**	-
Over 60 days past due	**20**	290	**-**	54
	285	1,001	**19**	55

Cash at bank and cash deposits
The Group and Company are also exposed to credit risk through cash balances held with the under noted banks;

	2015 Group £000	2014 Group £000	**2015 Company £000**	2014 Company £000
Co-operative Bank	**349**	117	**99**	117
Royal Bank of Scotland	**1,754**	2,201	**1,754**	2,201
Allied Irish Bank	**104**	177	**-**	-
Barclays	**3,498**	4,063	**3,498**	4,063
Santander	**2,613**	3,152	**2,613**	3,152
HSBC	**3,431**	5,006	**3,431**	5,006
Sub total	**11,749**	14,716	**11,395**	14,539
Cash on hand	**21**	23	**-**	-
	11,770	14,739	**11,395**	14,539
Co-operative Bank overdraft	**-**	(689)	**-**	-
Cash and cash equivalents	**11,770**	14,050	**11,395**	14,539

The Group deposits surplus funds in a number of banks in accordance with the Group's treasury management policy based on internal credit limits aligned with Moody's ratings in order to restrict credit risk to financial assets in the form of monetary deposits. However, throughout both 2015 and 2014, the Co-operative Bank was in a net lending position, as £7.05m (2014: £10.22m) of the available loan facility, as noted above, is required to be drawn down for the term of the facility agreement.

(iii) Liquidity Risk

The financial liabilities of the Group and Company, principally trade payables and bank borrowings, are repayable in accordance with the respective trading and lending terms entered into by the Group. Trade and other payables are payable monthly in arrears where undisputed or alternatively in accordance with particular contract terms. As at 30 June 2015, 63% of trade payables of the Group were due to be paid within one month (2014: 76%) and 38% of trade payables of the Company were due to be paid within one month (2014: 52%). The nature of other payables is such that amounts due will crystallise within a 3 month period.

The maturity profile of the bank borrowings of the Group and Company is as set out below.

Contractual maturity analysis for financial liabilities:

	2015 Group £000	2015 Group £000	2015 Group £000	2015 Group £000	2015 Group £000
	Due between 0 to 3 months	Due between 3 to 12 months	Due between 1 to 5 years	Due after 5 years	Total
Non-current borrowings	-	-	7,425	-	**7,425**
Current portion of non-current borrowings	51	152	-	-	**203**
Total	**51**	**152**	**7,425**	**-**	**7,628**

	2014 Group £000	2014 Group £000	2014 Group £000	2014 Group £000	2014 Group £000
	Due between 0 to 3 months	Due between 3 to 12 months	Due between 1 to 5 years	Due after 5 years	Total
Non-current borrowings	-	-	2,392	8,104	**10,496**
Current portion of non-current borrowings	94	281	-	-	**375**
Total	**94**	**281**	**2,392**	**8,104**	**10,871**

Other loans held by the Company of £0.11m (2014: £0.11m) are repayable on demand.

The Company's financial liabilities include the annual payment of £0.52m (2014: £0.53m) in respect of the Convertible Cumulative Preference Share dividends.

The Group and Company prepare annual budgets including a cash flow forecast. Monthly management accounts are produced which report performance against budget and provide a forecast of the annual financial performance and cash flow. This is monitored closely by the executive management and corrective action taken where appropriate.

The bank loans and overdraft bear interest at LIBOR plus 1.125% and base rate plus 1.0% respectively, as was the case in the year ended 30 June 2014. The other loans of the Group and Company are interest free. It is the Group and Company policy to secure funding at the most cost-effective rates of interest available to the Group.

Of the available bank facilities of £19.6m (2014: £32.44m), of which £14.1m is represented by long-term loans and £5.50m by overdraft, £13.05m (2014: 22.22m) remains undrawn at the balance sheet date. The undrawn facility will expire on the following dates:

	2015 £000	2014 £000
Loans repayable within one year	**200**	375
Loans repayable between two and five years	**6,850**	1,500
Loans repayable in more than five years	**-**	8,344
Overdraft repayable on demand	**6,000**	12,000
	13,050	22,219

Compound Financial Instruments
The Company's non-equity Convertible Preferred Ordinary Shares are convertible to equity (Ordinary and Deferred) shares at the discretion of the shareholder.

The Company's non-equity Convertible Cumulative Preference Shares are convertible to equity (Ordinary and Deferred) shares on or any time after 1 July 2001 at the discretion of the shareholder. Until these shares are converted to equity, the holders are entitled to a fixed dividend of 6% less tax credit.

Fair value of financial assets and financial liabilities
The fair value of the Group and Company's financial assets and liabilities, as defined above, are not materially different to their book value with the exception of the debt element of the Convertible Cumulative Preference Shares, the fair value of which is considered to be £9.08m (2014: £9.08m). The fair value of the debt element of the compound financial instruments has been calculated by reference to the discounted value of future cash flows.

Capital management
The Group and Company's capital base is as set out in the Statement of Changes in Equity and in Notes 22 and 23 (Share Capital and Reserves respectively). It is the policy of the Board that trading plans should result in cash positive results, providing shareholder value and satisfying all dividend requirements. The bank borrowing facility of £19.6m is utilised to fund working capital. The Board consider carefully all significant capital projects and where necessary ensures that the funding of such is achieved through utilisation of the most appropriate funding mechanism whether borrowings or additional equity. The Board considers all these things by reference to projected costings and budgets, taking into account funding structures and sources and its overall objectives and policies to mitigate risk. Neither the Group nor Company is subject to any regulatory capital requirements.

30 POST BALANCE SHEET EVENTS

Since the balance sheet date further expenditure, including loan fees, of £5.43m has been committed in acquiring player registrations. Post year-end player registrations have been disposed of with net sale proceeds of £15.25m.

31 RELATED PARTY TRANSACTIONS

Celtic plc undertakes related party transactions with its subsidiary company Celtic FC Limited which are governed by a management services agreement. This agreement covers the recharge of certain direct expenditure and income, where applicable, from Celtic plc to Celtic FC Limited as well as the rental of certain properties at Celtic Park to Celtic FC Limited. The amount recharged in the year by Celtic plc to Celtic FC Limited was £14.21m (2014: £18.76m) with £1.72m (2014: £0.19m) due to the parent company at the balance sheet date.

Key management personnel are deemed the Directors and the salaries paid to them have been disclosed in the Remuneration Report on page 23.

DIRECTORS, OFFICERS AND ADVISERS } Year Ended 30 June 2015

Directors

Ian P Bankier (Chairman)
Thomas E Allison*§
Dermot F Desmond*
Peter T Lawwell (Chief Executive)
Ian P Livingston* (Lord Livingston of Parkhead)
Eric J Riley (Financial Director)
Brian D H Wilson*

§ Senior Independent Director
* Independent Non-Executive Director

Company Secretary

Michael Nicholson

Company Number

SC3487

Registered Office

Celtic Park
Glasgow, G40 3RE

Directors of The Celtic Football and Athletic Company Limited

John S Keane (Honorary Chairman)*
Peter T Lawwell
Eric J Riley
Michael A McDonald*
Kevin Sweeney*

Remuneration Committee

Thomas E Allison (Chairman)
Ian P Bankier
Brian D H Wilson

Audit Committee

Ian P Livingston (Chairman)
Dermot F Desmond
Brian D H Wilson

Nomination Committee

Ian P Bankier (Chairman)
Thomas E Allison
Dermot F Desmond

Football Manager

Ronny Deila

Auditors

BDO LLP
4 Atlantic Quay
70 York Street
Glasgow, G2 8JX

Solicitors

Pinsent Masons LLP
141 Bothwell Street
Glasgow, G2 7EQ

Bankers

The Co-operative Bank plc
29 Gordon Street
Glasgow, G1 3PF

Stockbroker and Nominated Adviser

Canaccord Genuity Limited
88 Wood Street
London, EC2V 7QR

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 3FA

www.celticfc.net

Stadium images on front, back and page 4 by arenaimaging.com

A CLUB LIKE NO OTHER