CELTIC PLC ANNUAL REPORT

YEAR ENDED 30 JUNE 2019

TREBLE TREBLE

Celebrating a Trinity of Trebles

CONTENTS

OPERATIONAL HIGHLIGHTS	FINANCIAL HIGHLIGHTS
Winner of the Scottish Domestic Treble for an unprecedented third consecutive year (the "Treble Treble")	Group revenue decreased by 17.9% to £83.4m (2018: £101.6m)
Winner of our eighth consecutive SPFL Premiership title	Operating expenses including labour decreased by 0.2% to £86.9m (2018: £87.1m)
Finished second in the Europa League group stage, qualifying for the Round of 32 for the second year in a row	Gain on sale of player registrations of £17.7m (2018: £16.5m)
30 home matches played at Celtic Park (2018: 32 including the Scott Brown Testimonial)	Acquisition of player registrations of £6.2m (2018: £16.6m)
Continuation of significant stadium investment programme	Profit before taxation of £11.3m (2018: £17.3m)
	Year-end cash net of bank borrowings of £28.6m (2018: £36.1m)
	Year-end net cash, net of debt and debt like items, of £38.9m (2018: £27.0m)[1]

[1] net cash, net of debt like items, is represented by cash net of bank borrowings of £28.6m (2018: £36.1m) further adjusted for other debt like items, namely the net player trading balance, other loans and remuneration balances owed to certain personnel at the Balance Sheet date.

> "an eighth consecutive League Championship"

These results, which declare revenue of £83.4m (2018: £101.6m) and a profit before taxation of £11.3m (2018: £17.3m), reflect a satisfactory performance in a financial year in which the Club did not qualify for the Group stages of the UEFA Champions League, as it had done in the prior year.

On behalf of the Board I congratulate Neil, his management team, the players and all staff at the Club on achieving the "Treble Treble". At short notice, Neil took charge of the squad, delivered an eighth consecutive League Championship and triumphed in the Scottish Cup, making it the Club's ninth successive domestic trophy.

Of course, we were disappointed to lose Brendan Rodgers during the season, when he left to pursue an opportunity in the English Premier League. Brendan and his staff delivered record breaking success and they leave a phenomenal legacy for which the Board and everyone at Celtic is truly grateful. We thank them for their outstanding contribution.

The Board was delighted to welcome Neil Lennon back to the Club in February and to confirm his appointment as manager following our success at Hampden in May. Having been the manager when the Club embarked on the present run of domestic success, Neil understands what it takes to be the manager of Celtic. He has the full support of the Board, executive management team and all the staff at the Club. At the time of writing, having qualified for the Group stages of the UEFA Europa League, the Club retains a 100% record in domestic competitions and we look forward with optimism to the season ahead.

The financial results for the year demonstrate the robustness of the Group's strategy of investment in football operations, whilst maintaining a self-sustaining financial model. This continues to provide a stable platform for football success and shareholder value. The gains on sales of player registrations, primarily reflected by the gains achieved on the sales of Moussa Dembele to Olympique Lyonnais and Erik Sviatchenko to FC Midtjylland, as well as contingent fees crystallising on previous player transfers, were key to the performance of the Group.

Post year end, the Club completed the sale of Academy graduate Kieran Tierney to Arsenal FC for a Club record fee. This was a great milestone achievement for "one of our own" and recognition for the Club's high standards of player development. Also, post year end, in the summer transfer window we bolstered the playing squad with the additions of the permanent registrations of Christopher Jullien, Luca Connell, Hatem Abd Elhamed, Boli Bolingoli-Mbombo, Greg Taylor, Jonathan Afolabi, Jeremie Frimpong and Lee O'Connor.

Our year end cash net of bank borrowings was £28.6m (2018: £36.1m) which equates to a net funding position of £38.9m (2018: £27.0m) when adjusted for debt and debt like items (as defined in the Summary of Results on page 1). This allows the Board to continue to plan for the long term, whilst managing the reduced revenues derived from playing in UEFA Europa League in two successive seasons. The Club continued its significant stadium investment programme to maintain and improve Celtic Park's reputation as one of the best football arenas in the world.

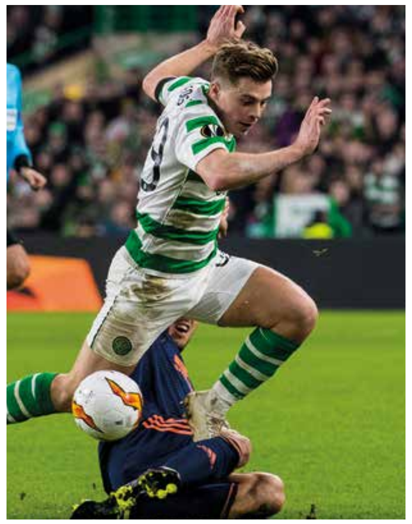
The Club believes that children and young people have the right to protection from all forms of harm and abuse. We are unequivocally committed to ensuring this. Celtic Football Club was the first club in Scotland to appoint a safeguarding officer, responsible for developing our policies for the protection of young people, and monitoring and reviewing our procedures to ensure they continue to reflect best practice. During the year, a number of individuals were found guilty of historic offences committed against young people. The Club expressed its sincere sympathy, regret and sorrow for those affected and stands by its responsibilities, respecting the due process of law.

As we look ahead, the future of UEFA competitions beyond 2024 remains uncertain. While recognising the risks, the Club considers that the developments being discussed by UEFA, the European Club Association and other stakeholders, present an opportunity to clubs such as Celtic. Through Peter Lawwell's continued involvement on the Board of the European Club Association and the Professional Football Strategy Council of UEFA, the Club and the game in Scotland continue to be well represented in this very important arena.

In closing, I thank all of our supporters, shareholders, sponsors, partners and colleagues for their contribution to another successful year for Celtic Football Club. We all share a common passion for Celtic and everything it does. The Board is committed to building on our current success for the long term future of the Club.

Ian P Bankier, Chairman
27 September 2019

CHIEF EXECUTIVE'S REVIEW PETER LAWWELL



Looking back on the year under review, like all Celtic supporters I am proud to reflect on the Club's continued domination of Scottish football as the Club made history for the second successive year by winning the "Treble Treble". Football success is crucial to the Club and our supporters and to win nine consecutive domestic trophies is an amazing achievement for which I congratulate Brendan Rodgers, Neil Lennon, their staff, the players and everyone at the Club.

Stability is important in football, but change is inevitable. Although we were very disappointed to see Brendan leave Celtic for an opportunity he wished to pursue, I respect his decision and thank him and his staff for all that they have given to the Club and the historic achievements, which have created many wonderful memories. Following Brendan's departure, I was delighted that Neil Lennon re-joined the Club to clinch the eighth successive League Championship and to complete the "Treble Treble" in challenging circumstances. Neil is a true Celtic great, as a player, captain and manager and returns to the Club with a wealth of experience as a top quality coach, identifier and developer of players and with the strength of character to take the Club forward. I wish Neil, assistant manager John Kennedy, first team coach Damien Duff and goalkeeper coach Stephen Woods all the very best as we work together to continue bringing success to the Club. I also take this opportunity to thank my colleagues, our supporters, shareholders and Club Partners for their commitment to the continued success of the Club.

Each year, our key football objective is success in all three domestic competitions and progress in the UEFA Champions League. Although we can be satisfied with our success in domestic football, we are very disappointed that the Club failed to qualify for the Group stages of the UEFA Champions League in season 2018/19 and 2019/20, although the team did well to qualify in second place in a demanding UEFA Europa League group last season. For season 2019/20, we have secured qualification for the Group stages of the UEFA Europa League to ensure European football this season and our domestic performances have been promising. We look forward to the season ahead.

The level of competition in European football continues to intensify, increasing the uncertainty connected with qualification and progression within UEFA competitions. The Club's long term strategy enables the Board to continue to invest in player retention, player recruitment, stadium infrastructure and everything that is needed to develop the Club for future generations and to continue to deliver success, notwithstanding the failure to qualify for the Group stages of the UEFA Champions League.

The Board continues to be committed to investing in our football operations and the creation of a world class football club, not only in transfer fees and player wages (which continue to be subject to hyper-inflation), but also on football management, coaching, recruitment, medical, performance, sports science and the youth Academy. During the period, despite the 17.9% reduction in revenues we maintained a very high level of investment in total labour costs of £56.1m.

" nine consecutive domestic trophies is an amazing achievement "

Player development and recruitment continue to be fundamental to the Club to augment our first team squad and to add to the players being developed in the Academy. Although we work to conclude transfers as quickly as possible, the transfer market remains challenging. We continue to invest in player recruitment, to create value, but without putting the Club at risk. After the period end, we signed eight players on permanent transfers, including players for the first team as well as younger players to add to the talented young players we have in our Academy, to which we added loan transfers of three high quality players from the English Premier League and English Championship. The challenges in the transfer market demonstrate the importance of our Academy and we continue to develop the Academy for the future. The objective remains to identify and develop Champions League football players for the Club.

In closing I would like thank Celtic supporters for their continued support of Celtic FC Foundation, which continues to deliver projects to improve health, promote equality, encourage learning and tackle poverty, upholding and promoting the charitable principles of the Club.

Peter Lawwell , Chief Executive
27 September 2019

The Directors present their Strategic Report for the year ended 30th June 2019.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information. The Strategic Report discusses the following areas:

- Strategic management
  - Strategy, the business model and objectives (refer to page 5)
  - Principal risks and uncertainties (refer to pages 8-9)
- Business performance
  - Fair review of the Group's business (refer to pages 5-8)
  - Key performance indicators (refer to page 5)
- Business environment
  - Main trends and factors (refer to pages 9-12)

STRATEGY AND BUSINESS MODEL

The Group's objective is to create a world class football club through our strategy and business model for growth focusing on three key areas:

(i) **Core Business** – football operations with a 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.

(ii) **Development of the Celtic Brand** – incorporating the Celtic Park Masterplan and the development of international revenues.

(iii) **Improvement in the football environment in which Celtic plays** – 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 of Celtic plc, Celtic F.C. 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 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.

The Group has three key revenue streams:
(i) Football and Stadium Operations;
(ii) Merchandising; and
(iii) Multimedia and Other Commercial Activities.

A segmental analysis of these streams is reported in Note 5 to the Financial Statements. Football and stadium operations includes all revenue in relation to all football operations, ticket office, stadium and youth development. Merchandising includes all retail, wholesale and e-commerce activities. Multimedia and other commercial activities include all other revenue generating departments including sponsorship and rights sales. Given the nature of the business, all revenue streams are inextricably linked to the success of the first team.

KEY PERFORMANCE INDICATORS

The Group monitors performance against the following key performance indicators:

- Football success (refer to page 6, Overview and page 29 Five Year Record);
- Match attendance statistics (refer to page 6, Stadium and Matchday Operations and page 29 Five Year Record);
- Sales performance per revenue stream (refer to The Financial Review page 9 and Note 5, Segmental Reporting);
- Wage and other costs (refer to page 10, Operating Expenses and page 11, Current Trading and Outlook);
- Capital expenditure (refer to page 11, Property Plant and Equipment);
- Profit and cash generation (refer to page 11, Current Trading and Outlook);
- Shareholder value (with weekly share price reporting disseminated within the business); and
- Player trading (refer to page 10, Net Player Trading).

The key components of these KPIs are discussed on the following pages.

The Group operates 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, total cost control including total labour costs, player trading gains or losses and capital expenditure. The management accounts also include regular re-forecasts of the anticipated outturn performance for the financial year end to which they pertain.

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 reported through a series of key performance indicators, which are shared with business decision makers and managers, including by revenue stream and match attendance analysis.

A review of the performance of the Group, particularly in relation to football success and match attendance statistics, sales performance, wage and other costs, and player trading is outlined in this Strategic Report, under the sub headings which follow, as appropriate.

(I) FOOTBALL AND STADIUM OPERATIONS

FIRST TEAM PERFORMANCE
Season 2018/19 saw the Club continue the domestic dominance enjoyed in the previous two seasons, culminating in an unprecedented and historic "Treble Treble". This feat has never been achieved elsewhere in the modern era in professional football and ensures a lasting legacy for the current first team squad.

The SPFL Premiership title was secured on 4th May 2019, this being the Club's 8th in a row and 50th overall, and we finished the season on 87 points. We defeated Aberdeen in December 2018 to win the Betfred League Cup and Hearts in May 2019 to win the William Hill Scottish Cup, completing another clean sweep of the domestic trophies.

We participated in the Group stages of the UEFA Europa League ("UEL"), finishing in second place with 9 points to progress into the Round of 32 where we played Valencia, losing 3-0 over two legs.

James Forrest was named the Scottish Football Writers' Association ("SFWA") Player of the Year and the PFA Scotland Players' Player of the Year as well as being awarded the International Player of the Year by the SFWA.

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 Club's infrastructure, providing first class people, resources, systems and facilities and thereby offering the greatest opportunity for ongoing football success.

YOUTH ACADEMY
The Club has continued its strategy of investing in the Academy in order to develop high potential talent who can progress to become first team regulars, with season 2018/19 illustrating further the success achieved on this front.

The first team continues to have a strong presence of Academy graduates, including Callum McGregor and James Forrest. Additionally, Michael Johnston has asserted himself as an important part of the squad featuring in high profile matches, including being in the starting eleven for the Scottish Cup final, with Ewan Henderson and the highly rated Karamoko Dembele also making their debuts for the first team during the season.

We have continued our strategy of utilising the loan market to allow young players to gain first team experience with Conor Hazard, Ciaran Diver, Ross Doohan, Robbie Deas and Jack Aitchison all enjoying successful loan spells during the season. This will hopefully benefit these players as they attempt to make the step up to the first team.

We have further enhanced the sports science and physiotherapy elements within the Academy with investment made in these areas during the financial period and a commitment to invest further in the coming years. Additionally, we have a plan to develop our training facility at Barrowfield to further enhance the platform which we can provide to our young players.

Celtic F.C. Development Fund Limited continues to provide fantastic financial support, with the Academy being the beneficiary of a 6% year on year increase in donations generated through the Paradise Windfall and Celtic Pools which again totalled over £1m. This performance underpins the "Celtic Pools" operation as one of the best in British football and helps ensure the Academy can continue to operate at the highest level.

STADIUM AND MATCHDAY OPERATIONS
During season 2018/19, Celtic Park hosted 30 first team fixtures consisting of 19 SPFL Premiership, 8 UEFA competition, 2 Scottish Cup and 1 friendly.

The Club continues to achieve near record levels of season ticket numbers, with season 2018/19 reaching 52,457 across all categories (Standard, Premium and Corporate Hospitality). Additionally, individual match ticket sales and packages have been highly successful with a number of sold out fixtures during the season, highlighting the demand which has accompanied the unprecedented domestic success over the past 3 years.

There has been a significant focus by the Club to improve the matchday experience for supporters and this was further enhanced during the season with the introduction of our new LED floodlights and entertainment lights.

Standard season tickets for season 2019/20 sold out in June 2019 with Premium and Corporate Hospitality sales showing increases on last year's performance at this stage.

In addition to the above football fixtures, Celtic Park also successfully hosted the Guinness Pro14 Rugby Final on 25th May 2019 which showcased the stadium as a multi-purpose venue. The Club will continue to explore opportunities and ventures such as this in the future.

NON MATCHDAY OPERATIONS
The Club provides a successful and highly sought after conference and banqueting service, with Celtic Park hosting numerous events during the year, including corporate training conferences and private functions with our Christmas Party package continuing to prove highly popular with all party nights being sold out over the 2018 festive period.

Our stadium tours have seen a significant increase in trading in the last 12 months following further enhancements made to the offering with tour numbers increasing by 20% on last year and over 43,000 visitors coming through the door, ranging from as many as 95 countries.

(II) MERCHANDISING

Our performance in Merchandising was especially pleasing given the absence of UEFA Champions League ("UCL") participation and considering the continuing challenges facing the retail sector. Sales activity was assisted by football success in season 2017/18 which carried into this year, most notably the "Double Treble" while a wide range of other products and gifts proved popular, particularly over the Christmas period.

This financial period saw the first full year of the Club operating e-commerce in-house with almost 70,000 orders being processed and shipped out to supporters all across the globe. Customer satisfaction scores have been excellent with the new online store achieving close to 5 star rating from reviews. The free click and collect offering to Scottish stores has proved to be extremely popular with supporters, seeing an increase of 127% in click and collect orders compared to the previous year. The Club will continue to focus on improving this area and is looking at additional payment and delivery options as well as maximising the synergy with our stores.

(III) MULTIMEDIA AND OTHER COMMERCIAL ACTIVITIES

COMMERCIAL PARTNERSHIPS

The Club's commercial activities have continued to benefit from the ongoing football success, with the most notable highlight of the year being the extension of the current deal with our main Club sponsor, Dafabet, which now runs until June 2025 and remains the most lucrative sponsorship agreement in Scottish football history.

Our commercial revenues are enhanced by our back of shirt and official training kit sponsor, Magners, demonstrating the marketability of the Club's brand, as well as longstanding partnerships with Ladbrokes, Eden Mill, Coca-Cola, Powerade and our car supplier, Intelligent Car Leasing.

The Club continues to explore new commercial opportunities and during the year has embarked on an E-Sports venture, being a founding member of, and competing in, Konami's eFootball.Pro league.

DIGITAL MEDIA

Our digital media platforms remain a significant focal point for interaction and engagement with our supporters, covering all aspects of Club business including new signings, commercial contract announcements and merchandise promotions as well as providing behind the scenes content and exclusive access to players and management.

Celtic TV subscriber numbers remain strong particularly with overseas supporters and followers across Facebook, Twitter and Instagram are now over 3m, up 23% on last year, highlighting the importance of communication through these channels. Additionally, these platforms assist significantly in driving activity through our various revenue streams.

SUPPORTER RELATIONS

Our Supporter Liaison Officer ("SLO") continues to meet with all of the recognised and unaffiliated supporters groups on a regular basis as well as meeting and assisting our supporters at all of the Club's first team matches. This has included attendance at all domestic and European matches during season 2018/19 providing assistance on a variety of issues such as transport, tickets, stadium access and consular advice. The SLO is present at pre-match operational planning meetings for UEFA competition matches to ensure that fans' needs are identified and catered for on these occasions.

The SLO along with the Club's Disability Access Officer has regular engagement with the Celtic Disabled Supporters Association and attends all domestic matches in order to provide as much information and assistance as possible for all fans who have specific needs. Our Disability Access Officer has built a strong relationship with CAFE (Centre for Access to Football in Europe) and has introduced new initiatives all of which have been well received by our fans. We have also introduced new broadcasting equipment allowing fans with visual impairments to receive match commentary in any part of the Stadium along with the opportunity to listen to the first team manager's notes as they appear in the matchday programme on a recording from the manager himself.

An important role of the SLO is the continuation of hosting the Fans Forum. During the year, three Forum meetings have taken place covering a variety of subjects including season tickets, ticket allocations, parking restrictions, improvements for disabled supporters, stadium developments as well as future plans for Celtic Park. A Director of the Board attends each Forum. The issues raised have been communicated to the Board and acted upon where appropriate. All of these meetings have been well attended and they are regarded as a clear channel of communication between the Club and our supporters.

On our most recent Fan Forum we welcomed guests from Feyenoord FC who presented on their Fancoach Project as well senior representatives from Police Scotland who discussed the operational issues surrounding matchdays and took questions from fans about matchday policing.

Lastly, our SLO was once again invited as Scotland's representative to attend the UEFA backed SLO network conference in openhagen where many of the SLOs in European Football meet to discuss how the role can be improved and expanded upon. We have regular communication with other clubs, Supporters Direct Europe and Supporters Direct Scotland to offer ideas and suggestions aimed at improving the overall football fan experience at home and abroad.

OUR PEOPLE

The Club reviewed its salary rates in January 2019 and as at 1 July 2019 all permanent members of staff are paid a minimum rate of at least £9.00 per hour, which is at the same level as the Living Wage currently recommended by the Living Wage Foundation.

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 was re-assessed in March 2017 and continue to be recognised at the Silver level of award. This demonstrates the continued commitment shown by the Club to invest in its people, and while we are proud of this achievement we continue to strive for further improvement. This will be done through the continued review and consideration of the recommendations made following our re-assessment, with the aim of ensuring employee voices are heard and acted upon.

In line with Gender Pay Gap legislation, Group subsidiary and main trading entity Celtic F.C. Limited reported its Gender Pay Gap figures once again, in April 2019. This report is available on the Club's website and also reported on the government website https://gender-pay-gap.service.gov.uk.

Safeguarding continues to be high on the Club's agenda. As the first club in Scotland to appoint a dedicated Safeguarding Manager, back in March 2013, we continue to lead the way in the implementation and improvement of safeguarding processes, training and communications. These continue to provide a safe environment for all children and vulnerable adults working for and engaging with the Club – employees and fans alike.

In October 2016, the SFA issued a number of directives to improve the consistency of safeguarding children across Scottish Football. The Club has adopted and implemented such guidance including:

1. Policy Statements
2. Code of conduct for safeguarding children's wellbeing
3. Anti-bullying guidelines
4. Procedure for responding to concerns about a child
5. Procedure for responding to concerns about the conduct of an adult
6. Procedure for reviewing the management of concerns
7. Safeguards: best practice guidelines

The Club also places great importance on health and safety within the workplace. The Club's 'Health & Safety Steering Group' meets regularly throughout the year and we have continued to ensure that staff training receives top priority in this area.

PRINCIPAL RISKS AND UNCERTAINTIES

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

In addition to the uncertainties inherent in football, there are many risks associated with running any company. 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 or 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 Group'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 two 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 the player 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 affect 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) Matchday revenues

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

Significant revenue is also derived from the sale of season tickets. External economic conditions can affect supporters' disposable income. The quality of the team and management, the perceived 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.

Poor football results and performances, the nature and quality of opposition, changes to kick-off times, bad weather and external economic conditions can all impact on attendance figures. 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.

(iii) Revenues from broadcasting contracts and football competitions

The Scottish Professional Football League ("SPFL") 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 the UCL or UEL, also leads to additional revenue being received. The extent of this revenue depends on the competition, the level of advancement in the relevant competition, the amount of UEFA coefficient points accumulated by the Club, whether there are any other Scottish participants, and the size of the UK domestic television market. The revenue available is dependent on participation and therefore determined on the basis of football results, which cannot be guaranteed.

(iv) Financial Risk

The Group banking facilities were renegotiated in August 2018 and consist of an amortising term loan, with a balance of £5.4m as at 30 June 2019, and a £2m revolving credit facility. Both facilities expire in July 2023. 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.

These risks are managed through regular reforecasting, adopting hedges where appropriate, an assessment of key economic and market indicators and customer risk diligence. Further information is provided in Note 32 to the Financial Statements as to how the Group addresses these risks.

(v) Brexit

The decision by the British public in 2016 to leave the European Union ("EU") continues to bring uncertainty to financial markets and the UK economy as a whole. Over the past 3 years we have seen significant movements in foreign exchange rates which have had varying impacts on our trading, particularly around distributions received through UEFA competitions as well as player transfers. We are actively monitoring this situation, and while acknowledging that there remains significant uncertainty in this area, the Directors are taking appropriate steps to minimise any short-term financial risks to the Group by utilising foreign exchange forward contracts.

The impact of "Brexit" may have a number of consequences for the Group including, but not limited to; uncertainty in relation to the status of EU and non-EU employees (including football players), the future costs of transferring EU and non-EU based player registrations and the value of certain commercial revenues and sponsorship incomes. Additionally, the indirect supply chains which impact our retail and catering areas of the business are also likely to be affected, however it remains unknown how significant any impact may be.

These areas of risk continue to be closely monitored on an ongoing basis. Given the continued uncertainty as to the final conditions on which the UK will exit the EU, it is still not possible to be definitive on the key area of currency risk and EU and non-EU employee status. We have been informed through discussions with the football authorities in Scotland that the process for discretionary work permits will remain in place for season 2019/20. However, the whole situation around Brexit remains fluid and subject to change at short notice.

(vi) Stadium Safety Certificate

Each year the Group is required to have the Celtic Park Safety Certificate renewed by the Safety Advisory Group of Glasgow City Council. Failure to achieve this could result in part, or all, of the stadium being closed. Should this ever occur it would inhibit our ability to host home matches without putting alternative arrangements in place.

The process for ensuring we are fully compliant on all aspects of health and safety is both continuous and taken extremely seriously. Our dedicated facilities management team implement a rolling preventative and reactive stadium maintenance plan and our stadium security team along with the relevant authorities implement and continue to evolve a stadium security strategy to ensure spectator safety. This topic also features as a standing item at our regular risk review meetings and at Board meetings.

Each of the risks aforementioned is influenced significantly by factors beyond the control of the Group. The failure to obtain our safety certificate, substantial increases in transfer fees or player wages, or a 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

The Group's financial results for the year to 30 June 2019 reflect the significant impact of participating in the UEL as opposed to the UCL as can be seen in Revenue.

	2019 £m	2018 £m
Revenue	**83.4**	**101.6**
Operating expenses	(86.9)	(87.1)
Exceptional operating expenses	(1.8)	(4.1)
Net player trading	8.0	7.7
Other income	8.8	-
Net financing charges	(0.2)	(0.8)
Profit before tax	**11.3**	**17.3**

The reported profit before tax of £11.3m, demonstrates the sustainable nature and flexibility of our business model when not competing in, and benefiting from the substantial revenues of, the UCL group stages.

Our strategy of maintaining tight cost control, developing our own players and utilising the inherent value in the squad as and when appropriate, has been evident in this financial period and has enabled us to report a very satisfying financial result.

REVENUE

	2019 £m	2018 £m
Football and stadium operations	43.2	43.6
Merchandise	18.1	17.7
Multimedia and other commercial activities	22.1	40.3
Group Revenue	**83.4**	**101.6**

Revenue from football and stadium operations was largely in line with the prior year, decreasing by only £0.4m, 0.9%. The movement from prior year is principally a result of participating in the UEL Group stage as opposed to the UCL in the previous season which has primarily impacted match ticket revenues although this has been offset somewhat by increased season ticket sales and the impact of having an additional European qualifier in 2018/19.

Merchandising reported an increase of £0.4m, 2.3%, to £18.1m. This includes a full year of trading from our online store which moved in-house as of June 2018 and has proven to be a success to date with revenues in line with the prior year. In addition, we have utilised opportunities around short-term store leases to open up temporary stores and our Christmas trading period was the most successful we have ever experienced.

Multimedia and other commercial activities revenue saw a decrease of £18.2m, 45.2% to £22.1m which was largely attributable to a reduction in central distributions from UEFA due to UEL participation as opposed to UCL participation in season 2017/18. Across our other revenue streams within this business segment, our performance was largely in line with the prior year.

OTHER INCOME

Other income of £8.8m (2018: £nil) relates solely to the compensation received from Leicester City FC following the departure of the previous management team.

OPERATING EXPENSES

	2019 £m	2018 £m
Labour	(56.1)	(59.3)
Other Operating Expenses	(30.8)	(27.8)
Operating Expenses	**(86.9)**	**(87.1)**

Total operating expenses (before exceptional operating expenses and asset transactions) have decreased from last year by £0.2m, 0.2%, to £86.9m. Labour has decreased largely as a result of participating in the UEL compared to the UCL, while other operating expenses have increased due to a number of items specific to this financial year, including foreign exchange retranslation.

Total labour costs decreased by £3.2m, 5.4%, to £56.1m, largely due to the decrease in football related labour costs which coincide with UCL group stage qualification.

Wage inflation continues to be an area of concern throughout the worldwide football industry. 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 £1.8m (2018: £4.1m) represent an impairment charge of £2.0m (2018: £0.5m) in relation to intangible assets which have been deemed irrecoverable, together with onerous employment contract costs of £0.4m (2018: £3.6m) and the reversal of a previously provided sum for onerous employment contract costs. These events are deemed to be unusual in relation to what management consider to be normal operating conditions.

NET PLAYER TRADING

	2019 £m	2018 £m
Amortisation of player registrations	(9.7)	(8.8)
Gain on sale of player registrations	17.7	16.5
Net Player Trading	**8.0**	**7.7**

Total amortisation costs at £9.7m represent an increase of £0.9m, 10.7%, in comparison to the previous year. This is due to the additional amortisation costs incurred as a result of the investment in the first team squad.

The gain on sale of £17.7m (2018: £16.5m) primarily reflects gains achieved on the sale of Moussa Dembele to Olympique Lyonnais along with that of Erik Sviatchenko to FC Midtjylland as well as contingent fees crystallising on previous player transfers.

FINANCE INCOME & COSTS

Total net finance costs for the year of £0.2m (2018: £0.8m) reflect interest due on the Company's borrowing facilities with The Co-Operative Bank plc together with the classification of Preference Share dividends as interest in accordance with the requirements of IFRS. It also includes notional interest charges and income relating to long term player trading receivables and payables, as required under IFRS reporting. The decrease in net cost from 2018 is primarily a result of higher notional interest income relating to player sales.

TAXATION PROVISION

The corporation tax charge for the year ended 30 June 2019 is £2.6m (2018: £1.9m). An available capital allowance pool of £9.0m (2018: £10.5m) will be carried forward for use in future years.

PROPERTY, PLANT AND EQUIPMENT
The additions to property, plant and equipment in the period of £2.5m (2018: £3.9m) include the completion of the South Stand roof and East and West Stands gable ends works, the acquisition of LED advertising boards and the completion of the LED floodlights and entertainment lights installation.

INTANGIBLE ASSETS
The decrease in the net book value of intangibles during the year of £6.8m to £14.2m reflects the investment in football personnel of £6.2m (2018: £16.6m) less the amortisation charge of £9.7m (2018: £8.8m), the impairment charge of £1.8m (2018: £0.2m), and the net book value of disposals of £1.4m (2018: £0.4m). The investment in football personnel is largely represented by the costs associated with the permanent acquisitions of Vakoun Bayo and Marian Shved along with the temporary acquisitions of Jeremy Toljan, Daniel Arzani and Filip Benkovic.

During the summer 2018 transfer window we permanently disposed of the registrations of Moussa Dembele and Erik Sviatchenko.

INVENTORIES
The level of stockholding at 30 June 2019 of £2.6m compares to £2.4m reported last year.

RECEIVABLES
Total receivables as at 30 June 2019 is £33.5m compared with £25.7m in 2018. The current year balance includes the remaining instalments due for the transfers of Moussa Dembele, Erik Sviatchenko, Stuart Armstrong and the final instalment for the sell on fee from Virgil van Dijk's transfer from Southampton to Liverpool. As at 30 June 2018 the amounts due were the full balance for Armstrong and two instalments for van Dijk. The impact of this is a player receivable of £21.1m in 2019 compared to £16.1m in 2018.

NON-CURRENT LIABILITIES
The decrease in non-current liabilities of £6.3m since June 2018 to £16.9m is the result of transfer fees being settled in the period, repayments on the term loan and the decrease in provisions for onerous employment contracts.

CURRENT LIABILITIES
The decrease in current liabilities of £9.4m in the year to £44.4m largely reflects the settlement of football performance related bonuses and transfer instalments during the year.

Deferred income less than one year of £25.6m compares to the £24.0m reported last year and reflects the cash received and invoices raised predominantly in relation to 2019/20 season tickets, prior to 30 June 2019 in respect of the financial year ended 30 June 2020.

NET ASSETS AND FUNDING
Under IFRS reporting, elements of the preference shares are required to be classified as debt and non-equity dividends to be classified as interest.

Net cash at bank is £28.6m (2018: £36.1m) and includes all cash at bank and in hand offset by bank borrowings. The movement from 30 June 2018 is principally as a result of the cash generated from trading and the disposal of player registrations, some of which are subject to accounting adjustments to allow for deferred consideration. 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.

Although cash net of bank debt is £28.6m, after adjusting for other debt like items, namely the net player trading balance, other loans and deferred employee remuneration balances, the net cash position is £38.9m (2018: £27.0m) with the increase largely being a result of the net player transfer receivable at June 2019.

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 21, 22, 25, 26, 27 and 32 to the Financial Statements.

BANK FACILITIES
As noted in Note 32, a re-negotiated lending facility with the Co-Operative Bank plc was introduced in August 2018.

The lending agreement with The Co-Operative Bank plc as at 30 June 2019 had a combined borrowing facility of £7.4m (2018: £12.1m), which consisted of a £2.0m (2018: £5.7m) revolving credit facility and a £5.4m (2018: £6.5m) long-term loan.

No interest or charges are payable on the revolving credit facility.

The long-term loan currently in place bore interest at London Inter-Bank Offered Rate plus 3%. This is a floating rate loan and therefore exposes the Group to cash flow risk. Repayment of the loan is made in equal quarterly instalments of £0.3m from the commencement date until full repayment in July 2023. The Group has the option to repay the loan earlier without penalty.

The borrowing facilities noted above were secured over Celtic Park, land adjoining the stadium and at Westhorn and Lennoxtown.

CURRENT TRADING AND OUTLOOK
Competing in the major football competitions, particularly in Europe, continues to be a key influence in trading performance along with successful player trading. Season 2018/19 saw us compete in the UEL Group stages and achieve qualification to the last 32 of the tournament. We once again achieved domestic dominance by winning the Scottish Premiership for the eighth consecutive year whilst also retaining the Betfred Cup and William Hill Scottish Cup. This resulted in an historic "Treble Treble" and is the first time that this has been achieved in the modern football era.

However, our domestic trading environment remains financially challenging and the reported profit for the year to 30 June 2019 of £8.7m including £17.7m in profit from player trading demonstrates the importance of player trading in the absence of UCL qualification. The year-end net cash at bank of £28.6m is a decrease from the £36.1m reported last year. This provides a strong platform to invest and to mitigate the impact of not qualifying for the UCL Group stages, as is the case for season 2019/20, where we will again participate in the less lucrative UEL.

The football environment in Scotland remains financially challenging. However, our core revenue streams of season tickets, matchday tickets and merchandising continue to deliver results in line with expectations. 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. Alongside this, we continue to manage costs tightly whilst making targeted strategic investments into key areas to deliver both short-term and long-term growth and football success. Good financial management remains a key objective and this allows us to absorb the inherent volatility that exists in the football industry.

As with many clubs, player trading is key and creating and retaining value in the squad has been and will continue to be a core strategic objective. Coupled with this is our continued objective of investing into our Academy structure to supplement our strategy of acquiring talent through the transfer market. The best example of this was the sale of the registration of Academy graduate Kieran Tierney in August 2019 for a club record transfer fee of £25m after around 170 first team appearances.

A number of permanent signings and loans signings were acquired in the August 2019 transfer window. We qualified for the UEL Group stage and were drawn against Lazio, Stade Rennais and FC Cluj. We look forward with enthusiasm to participating in the tournament.

The key Group objective clearly remains domestic and European football success, as this is directly correlated to financial performance. 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 financial limitations that presents.

The biggest on-going challenge facing the Board continues to be the balancing of increasing salary and transfer costs with achieving football success with its consequent impact on financial results.

The development of a greater number of Academy players through continued investment in youth development will assist in addressing such issues.

We look forward to the season ahead with our new manager Neil Lennon and are optimistic given our financial platform and the quality of our playing squad.

APPROVED ON BEHALF OF THE BOARD

Peter Lawwell, Chief Executive
Christopher McKay, Financial Director
27 September 2019

The Directors present their Annual Report on the affairs of the Group together with the Financial Statements and auditor's report, for the year ended 30 June 2019.

DIVIDENDS

Dividends of £0.5m were paid in cash on 30 August 2019 to those Preference Shareholders not participating in the scrip dividend reinvestment scheme. The record date for the purpose of the Preference Share dividend was 26 July 2019.

Mandates representing 1,770,991 Preference Shares are in place for the scrip dividend reinvestment scheme. Approximately £63,689 (2018: £66,142) of dividends for the financial year to 30 June 2019 will be reinvested. 38,906 new Ordinary Shares were issued under the scheme at the beginning of September 2019.

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 profit after tax of £8.7m has been taken to reserves.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Strategic Report sets out the Business Review (page 5) and Current Trading and Outlook (page 11). 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.

EVENTS AFTER THE BALANCE SHEET DATE

Details of significant events since the Balance Sheet date are contained in Note 33 to the Financial Statements.

SHARE CAPITAL

Details of and changes to the Company's authorised and issued share capital are set out in Note 23 to the Financial Statements.

FINANCIAL INSTRUMENTS

Details and changes to the financial instruments used by the Group are included in Note 32 to the Financial Statements.

CORPORATE GOVERNANCE

Details of the Group's Corporate Governance can be found on page 17.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL

The Directors serving throughout the year and at 30 June 2019 and their interests, including those of connected persons, in the share capital of the Company were as follows:

	30 June 2019			1 July 2018		
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	-
S Brown	-	-	-	-	-	-
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	-
C McKay	-	-	-	-	-	-
B Wilson	-	3,000	500	-	3,000	500

No changes in Directors' shareholdings between 30 June 2019 and 18 September 2019 have been reported to the Company.

Details of agreements that 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 2019 are provided within the Corporate Governance Report on pages 19-20.

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

Thomas 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, Thomas Allison, Dermot Desmond and Brian Wilson each retires and offers himself for re-election.

Peter Lawwell and Chris McKay will also stand 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 Thomas Allison, Dermot Desmond and Brian Wilson is set out at page 21 of this Report.

The Directors recommend that Peter Lawwell, Chris McKay, Thomas Allison, Dermot Desmond and Brian Wilson be re-elected, as Directors of the Company.

The Articles of Association of the Company require that each Director stand for re-election at least every three years and that at least one third of the Board stand for re-election each year. These requirements are satisfied by the above.

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

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 25 September 2019:

Registered Holder	**Ordinary Shares of 1p each**	**Percentage of Issued Ordinary Share capital**
The Bank of New York (Nominees) Limited	16,720,052	17.74%
Christopher D Trainer	9,796,784	10.39%
James Mark Keane	5,909,847	6.27%

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 25 September 2019:

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	12.53%
Hanom 1 Limited	625,000	3.95%
The Bank of New York (Nominees) Limited	500,900	3.92%

DONATIONS

The Group made direct charitable donations of £10,000 (2018: £13,050), which is represented primarily by a donation to the Celtic FC Foundation's Christmas appeal.

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

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. The Department for Work and Pensions has recognised the Club as a "Disability Confident" employer. Investors in People status continues, following the Club's re-accreditation in 2017, which resulted in the Club securing a Silver award for the second time and the Club's Youth Academy retaining its Gold award for the Investors in Young People accreditation for the second year in a row. Good practice in relation to pregnant employees has also been commended through our accreditation received from the "Tommy's Pregnancy at work scheme".

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 natural resources consumption through the use of more efficient printers, improved system controls and monitoring.

The Group's polices on Ethical Trading and Modern Slavery & Human Trafficking can be found on the Group's website.

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 (6th 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 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 themselves 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 2018, BDO LLP was 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 32 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 adequate financial resources available to it, together with established contracts with a number of customers and suppliers. Additionally, a detailed budgeting process is undertaken each year which looks ahead four years from the current financial year, and is reviewed and approved by the Board. 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 Group and 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
27 September 2019

Chairman's Introduction
On 28 September 2018 amendments were made to the AIM rules requiring all companies listed on AIM to apply a recognised corporate governance code and detail how the company complies with the principles of the code. The Board resolved to adopt the Quoted Company Alliance code (the "QCA Code") in line with this requirement. The QCA Code is constructed around ten broad principles and a set of accompanying disclosures. Our compliance with the QCA Code is demonstrated through a combination of disclosures on our website (www.celticfc.net/pages/corporate) and in the Annual Report.

In addition to applying the ten principles, the Chairman of the Board must prepare a "Corporate Governance Statement" explaining how the Company applies the QCA Code and this is contained below.

Corporate Governance Statement
As Chairman, I am responsible for leading the Board in setting and monitoring strategic objectives. It is my responsibility to ensure that the executive Directors and non-executive Directors work as a team to fulfil those objectives and I am responsible for setting the style and tone of Board discussions in order to create the conditions necessary for overall Board and individual director effectiveness. I recognise that good corporate governance is vital to providing effective leadership and assisting in the efficient running of the Group. Accordingly, my responsibilities include following best practice in corporate governance appropriate to the Group's size and nature, in accordance with the regulatory framework that applies to AIM companies.

The Company has operated as a public company since 1995, initially on the official list of the London Stock Exchange then on AIM since 2005. As of 2005, the Combined Code no longer mandatorily applied to AIM companies and there was no equivalent code applied to those companies on the AIM. However, despite this, throughout this period the Group has maintained and enhanced its governance framework where appropriate. The application of this stems from a clear direction from the Board ensuring that the principles are embedded in our culture and captured where appropriate in our documented policies and procedures. The objective of this is to promote a robust governance environment that features in our day to day operating activities. This promotes well informed day to day decisions and allows an understanding of business risks. These are key features in supporting our medium and long-term success.

Business culture, values and behaviours
The primary business of the Group is the operation of a football club, which is run on a professional business basis. The Club strives to be best in class in all that we do from delivering football success, promoting our brand and improving our football environment all in a way consistent with behaving in line with the high standards expected of us. The Club also has a wider role and the responsibility of being a major Scottish social institution promoting health, well-being and social integration. In addition, the Club continues to place great importance on our safeguarding processes and controls in order to continue to provide a safe environment for all children and vulnerable adults connected with the Club.

These core principles are captured in our policies and procedures and in turn the organisational culture and behaviours of all of our employees. To promote our values we facilitate regular employee meetings hosted by our leadership team, operate a confidential whistleblowing hotline to provide a forum for employees to raise concerns, have in place an employee assistance programme open to all staff and facilitate ongoing training and development of our employees. Senior members of the business also participate in regular risk review meetings with the key outputs from these meetings featuring as a standing item in our regular Audit Committee meetings. In addition, certain other areas such as health and safety also feature as standing items in our regular Board meetings. The Board currently assess that the measures in place have fostered a culture consistent with our objectives, strategy and one that allows us to understand and manage our principal risks and uncertainties.

The Board
The Board provides leadership of the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board set the Group's strategic aims, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and review management performance.

All Directors must act in what they consider to be the best interests of the Company, consistent with their statutory duties. To this end, 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 Group's principal external advisers, Directors, football manager and senior executives are all subject to Board approval.

The Group'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 Group'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.

In addition to the Directors, the Board is supplemented by the Company Secretary who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. Moreover the Company Secretary has a general responsibility within the Company for procuring compliance with the legal and regulatory framework to which the Club is subject.

As the Senior Independent Director, Thomas Allison provides a sounding board for the Chairman and where necessary acts as an intermediary for the other Directors and works with Directors to address concerns that cannot be raised through the normal channels. The Senior Independent Director is also responsible for appraisal of the Chairman's performance as part of the Board's commitment to the ongoing review of the performance of its Directors.

Matters reserved for the Board
The Board of Directors has legal and financial responsibility for the affairs of the Group and Company. The Board as a whole monitors Group and Company performance against budgets and a rolling 5 year business plan as well as making specific decisions on key areas of the Group and Company's business, risk management and setting future strategy. The Board operates, through the Audit Committee, a comprehensive set of internal financial controls which are reported on regularly by the Internal Auditor and reviewed each year by the external auditors.

The Board provides leadership of the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Group's strategic aims, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and review management performance. A list of matters reserved exclusively for decision by the Board is maintained and applied. Compliance is monitored by the Company Secretary.

Delegated authority
The Board delegates day-to-day operational responsibility to the executive Directors. This includes authority to enter into and implement contracts authorised by the Board or otherwise falling within specified authorisation levels, conduct the Group'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.

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. Membership of each standing Committee is restricted to non-executive Directors. Only independent non-executive Directors are entitled to sit on the Audit and Remuneration Committees. Executive Directors, the Company Secretary and other executives and advisers attend Committee meetings as required, but are not Committee members.

Audit Committee
The Audit Committee comprises Sharon Brown as Chairman, Dermot Desmond and Brian Wilson. The external auditor, Company Secretary, Financial Director, Internal Auditor and other members of the finance team attend routinely. Business is also conducted without executive Directors and the external auditor being present, when appropriate.

The Audit Committee helps protect shareholders' interests and ensures all relevant financial information published presents a true and fair view. The Audit Committee has a number of key roles, which are defined in the Audit Committee Report.

Remuneration Committee
The Remuneration Committee comprises Thomas Allison as Chairman, Ian Bankier and Brian Wilson. 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 Remuneration Committee and performance against these reported to the Board. The Remuneration Committee also monitors the implementation of other executive and employee incentive and bonus schemes. A detailed report is included within the Annual Report.

Nomination Committee
The Nomination Committee comprises Ian Bankier as Chairman and Dermot Desmond. The Nomination Committee meets as necessary, principally to consider and recommend new appointments to the Board and senior positions in the Company for succession purposes.

Evolution of governance framework
The Directors view corporate governance not just as a perfunctory exercise to serve bureaucratic expediency, but instead as a real and intrinsic part of the Group'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 Group's business, with the overarching objective to create, safeguard and enhance accountability, risk management, commercial success and shareholder value.

THE DIRECTORS

Thomas E. Allison

Non-executive Director and Senior Independent Director (71)

Appointment Date:
September 2001

Experience:
Mr Allison is a very experienced businessman and holds directorships in large corporate and public company environments. His experience spans numerous sectors over several decades.

Committees:
Chair of the Remuneration Committee

Key Appointments:
- Chairman of Peel Ports Limited
- Chairman of Tulloch Homes Group Limited
- Ambassador for The Prince and Princess of Wales Hospice in Glasgow

Number of Board Meetings Attended:
7 out of 7

Ian P. Bankier

Non-executive Chairman (67)

Appointment Date:
June 2011

Experience:
Mr Bankier 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.

Committees:
Chair of the Nomination Committee
Member of the Remuneration Committee

Key Appointments:
- Executive Chairman of Glenkeir Whiskies Limited, a company he co-owns

Number of Board Meetings Attended:
7 out of 7

Dermot F. Desmond

Non-executive Director (69)

Appointment Date:
May 1995

Experience:
Mr Desmond is the Chairman and founder of International Investment and Underwriting UC, a private equity company based in Dublin. 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 plc). He also promoted the establishment of a financial services centre in Dublin in 1986. Today more than 500 companies trade from the IFSC.

Committees:
Member of the Nomination Committee
Member of the Audit Committee

Key Appointments:
- Chairman of International Investment and Underwriting UC

Number of Board Meetings Attended:
7 out of 7 (attended by representative)

Peter T. Lawwell

Chief Executive Officer (60)

Appointment Date:
October 2003

Experience:
Mr Lawwell 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.

Key Appointments:
- Member of the Board of the European Club Association
- Member of the Club Competition Committee and Professional Football Strategy Council of UEFA

Number of Board Meetings Attended:
7 out of 7

Christopher McKay

Financial Director (44)

Appointment Date:
January 2016

Experience:
Mr McKay spent 18 years in professional services, most recently in a senior position with global consultancy firm Deloitte, which he left to join the Company. He qualified as a Chartered Accountant with Deloitte in 2000 and spent the next 15 years within the Financial Advisory area. He has extensive corporate financial advisory experience in many industries across the UK and International Markets.

Number of Board Meetings Attended:
7 out of 7

Brian Wilson

Non-executive Director (70)

Appointment Date:
June 2005

Experience:
Formerly a Member of Parliament, Mr Wilson also held several ministerial posts during his political career. In 2011, he was named UK Global Director of the Year by the Institute of Directors. He is a an experienced journalist and Trade Ambassador for the UK Government and a visiting professor at the University of Strathclyde.

Committees:
Member of the Audit Committee
Member of the Remuneration Committee

External Appointments:
- Chairman of Harris Tweed Hebrides Limited

Number of Board Meetings Attended:
7 out of 7

Sharon Brown

Non-executive Director (50)

Appointment Date:
December 2016

Experience:
Between 1998 and 2013, Mrs Brown was Finance Director and Company Secretary of Dobbies Garden Centres plc and between 1991 and 1998, she held a senior financial position within the retail division of John Menzies plc.

Committees:
Chair of the Audit Committee

External Appointments:
- Non-executive Director of Fidelity Special Values plc
- Non-executive Director of BMO Capital & Income Investment Trust plc
- Non-executive Director of McColl's Retail Group plc
- Non- executive Director of Jupiter European Opportunities Trust plc

Number of Board Meetings Attended:
7 out of 7

All Directors recognise that the nature of football requires significant time commitment beyond that expected in many other businesses. As well as attending all Board meetings there is an expectation from various stakeholders associated with the Club that Directors represent the Club by attending football matches, non-matchday events associated with the Club and meetings with the shareholders and other stakeholders which frequently occur. Given the first team can play up to 60 matches per season this represents a significant time commitment beyond the duties included in their respective letters of appointment. However, all Directors embrace these opportunities to regularly meet and such meetings and events are used to great effect in facilitating regular dialogue between all the Directors across all aspects of the business.

Independence
Given its on-going commitment to applying good corporate governance principles, the Board continues to assess the independence of each of the independent 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 Group, 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.

Thomas 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 Group 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 Group 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 continuing non-executive Directors were independent throughout the year and continue to be so.

The independent non-executive Directors do not participate in any Company share option schemes, Executive Long Term Incentive Plans ("ELTIP"), Long Term Performance Incentive Plans ("LTPIP") or bonus schemes. Save for individual shareholdings, none of the non-executive Directors has a financial interest in the Company or Group.

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.

Board 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.

Risk Management
The principle risks and uncertainties relevant to the group are identified within the Strategic Report on page 9.

Reporting and Internal Controls
The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Risk management, compliance and internal audit 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 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 by the Internal Audit function 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 maintenance and reliability of proper accounting records and financial information used within the business or where published.
- The overall mitigation of risk which could perceivably cause failure to the operation of the business strategy and model.

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 and Group.

Governance and Communication
The Company communicates with its key stakeholders in several ways, helping to maintain a healthy dialogue. Shareholder communication is made primarily through the Annual Report, Full and Half Year announcements and the Annual General Meeting (AGM).

As soon as practicable after any general meeting has concluded, the results of the meeting are released through a regulatory news service and a copy of the announcement is posted on the Company's website within the investor section.

Were there to be any significant proportion of votes cast against a resolution at any general meeting the Company would explain on a timely basis what action we would take to understand the reasons behind the vote result and any action we would intend to take as a result.

Supporters' Forum
Following a resolution approved at the 2016 AGM, the Company was delighted to establish a Supporters' Forum. This is a consultative body with a remit to jointly discuss matters of importance and interest to the Celtic support regarding the Company in an open and transparent environment, taking into account at all times all legal and regulatory requirements and duties of confidentiality to which the Company and its Directors are bound. The Forum comprises representatives of the Company and the Celtic support, including delegates from the recognised Celtic supporter organisations. The Forum meets on at least three occasions in the course of the football season, such dates being set at the beginning of each season after fixtures have been settled.

Meetings took place in October 2018 and February and April 2019, with three meetings to be arranged during the 2019/20 season. The proceedings of the Forum are considered by the Board with appropriate action taken.

Employee Communication
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 relevant business units to consult on business development, safety and operational matters.

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

Ian P Bankier, Chairman
27 September 2019

Sharon Brown, Chairman of the Audit Committee
I am pleased to present this Audit Committee (the "Committee") report on behalf of the Board for the year ended 30 June 2019.

The primary responsibilities of the Committee are to ensure the integrity of the Company and Group's financial reporting, the appropriateness of the risk management and internal controls processes and the effectiveness of the independent audit process. This report details how we carry out this role.

Key responsibilities
The Committee's authority and duties are defined in its terms of reference, which were reviewed during the year and are available on the Celtic plc corporate website.

In accordance with the terms of reference, the Committee is required, among other things, to:

- Monitor the integrity of the Financial Statements of the Group;
- Review the Company's internal financial control system and risk management systems;
- Monitor and review the effectiveness of the Group's internal audit function;
- Make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor; and
- Monitor and review the external auditor's independence, objectivity and effectiveness.

During this year the Committee also oversaw a significant Group-wide project to prepare for the introduction of the General Data Protection Regulations (GDPR).

Committee governance
The members of the Committee are myself as Chairman, Dermot Desmond and Brian Wilson. The members of the Committee consider that they have the requisite skills and experience to fulfil the Committee's responsibilities. The Committee meets a minimum of two times per year with representatives from the external auditors, BDO LLP ("BDO"), and the Finance Director present. Other Board members attend meetings if requested to do so by the Committee. In addition, the Company Secretary, Internal Auditor and other members of the finance team routinely attend meetings.

The Board conducts an evaluation of the performance of the Committee along with the individual members therein. This was done principally by way of individual discussions with the Chairman.

Significant matters considered during the financial year
In addition to the key accounting matters raised by the external auditors and noted in the Independent Auditor's Report, the Committee considered certain other items in the year.

From 28 September 2018, AIM Rule 26 introduced a requirement to disclose details of the corporate governance code adopted by the Company. After due consideration, the Company opted to adopt and apply the Quoted Companies Alliance (QCA) Code.

External audit
BDO were first appointed in 2013 post PKF (UK) LLP merger and have acted as the Group's independent external auditor for the year ended 30 June 2019. The auditor is required to rotate the audit partner every five years and Alastair Rae was appointed as lead partner in 2016.

The Committee reviews the objectivity and independence of the auditor when considering re-appointment, taking into account the audit plan and team, the auditor's arrangements for any conflicts of interests, the extent of any non-audit services and the confirmation by the auditor that it remains independent within the meaning of the regulations and the professional standards.

During the year, the Group engaged BDO for a limited amount of non-audit work, including the interim review and a review of the parent Company and its subsidiaries' corporation tax returns prior to submission. The total fees paid to BDO during the period for non-audit fees amounted to 76% of audit fees paid during the year. In the Committee's view, the nature and extent of the non-audit work carried out by BDO did not impair their independence or objectivity. The fees paid to BDO for audit and non-audit services for the financial period ended 30 June 2019 are disclosed at Note 7.

The Committee is satisfied that BDO have sufficient expertise, resources and integrity to provide a high quality audit and they continue to provide evidence of a comprehensive understanding of the Group's business. As such, the Committee has recommended to the Board that the auditor be re-appointed, and there will be a resolution to this effect at the forthcoming AGM.

Risk management and internal control
The Board has overall responsibility for the system of internal controls and risk management. Risk management, compliance and internal audit programmes are approved, monitored and reviewed by the Committee throughout the year on behalf of the Board. The results of these programmes are reported to the Committee in detail at its meetings and then communicated to the Board at the next Board meeting.

The Committee ensures that the focus of the internal audit function is regularly reviewed, reflecting the current social, political and economic environment which the Group operates in. In doing so, the internal audit function maintains a risk register, updated on a real time basis, which is reviewed at risk meetings held quarterly with the CEO and members of the senior management team. The results of these meetings, along with an ongoing assessment of the Group's risk register are presented to the Committee at each meeting. This allows the Committee to have an up to date and comprehensive assessment of the risk environment within the business and how effectively this is being managed.

The internal audit function also performs internal audit work on cyclical bases on specific financial, operational and regulatory areas of the business. This is directed through a plan set by the Committee, which is regularly reviewed and challenged in meetings to ensure the control environment is operating effectively. In the current year, the internal control environment has continued to improve through a co-ordinated assurance approach from both the internal audit function and members of the finance team.

The Committee received reports from the internal audit function throughout the year and was satisfied with the effectiveness of internal controls and risk mitigation. It supports recommendations made by the internal audit function and is satisfied with the actions taken and plans in place by management for further improvement. The Committee seeks to continually improve and evolve the risk management and internal control framework of the Group.

Whistleblowing, Anti-Bribery and Tax Evasion
The Group has policies on whistleblowing, anti-bribery and tax evasion. These policies set out the Group's zero tolerance approach to these matters along with guidance on dealing with them. It is important to the business that any fraud, misconduct or wrongdoing is reported and dealt with properly. The Group is satisfied that these policies are operating effectively.

APPROVED ON BEHALF OF THE AUDIT COMMITTEE

Sharon Brown, Chairman of the Audit Committee
27 September 2019

This Report has been approved and adopted by the Remuneration Committee (the "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 pages 19-20.

Remuneration Policy
The main objective of the Group'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 whilst taking account of the marketplace. 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 seeks guidance 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 in Note 10.

There are several main elements to the Company's executive remuneration packages: basic salary, annual performance related bonus, long term incentive plans, pension contributions and other customary benefits. In 2017 long term incentive plans were introduced for certain Directors and senior executives, as noted below.

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 Celtic merchandise and products.

Annual Performance Related Bonus Scheme
The Group operates a bonus scheme for participating 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 50% 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. Stakeholder arrangements are available to qualifying employees. The Company does not operate any defined benefit (final salary) schemes.

Long Term Performance Incentive Plan ("LTPIP")
Given the importance of the Chief Executive to the consistent and successful performance of the Group, the Board determined that the Chief Executive shall participate in a Long Term Performance Incentive Plan ("LTPIP"), the purpose of which is to link the performance of the Chief Executive to performance targets which have the objective of improving Group performance, the football performance of Celtic FC and generating shareholder value.

The criteria for the LTPIP to become payable as determined by the Board is that Celtic FC qualifies for and participates in the group stages of the UCL in the applicable financial year. The first LTPIP period was from 1 June 2016 to 30 June 2019. In order to receive payment for this period the participant must have been employed by the Company at 31 December 2018. Awards under this arrangement accrue in each applicable financial period and those accumulated during the first LTPIP period were paid on 25 January 2019.

The second LTPIP period is 1 June 2019 to 30 June 2022. If the conditions of the LTPIP are fulfilled, this will be paid on 25 January 2022.

Executive Long Term Incentive Plan ("ELTIP")
An ELTIP was adopted and approved by the Board and was introduced with effect from 1 July 2016 with the objective of retaining and rewarding, through financial incentives, key executives within the Group over the medium to long term. This did not include the CEO who participates in the LTPIP as noted above.

Under the terms of the ELTIP, in return for these individuals remaining with the Group for a minimum of 4 years up to 30 June 2020, and during that period the Group achieving performance criteria determined by the Board ("vesting criteria"), annual awards are made. These awards accrue in each applicable financial period and are paid at the end of the 4 year period. The vesting criteria determined by the Board are: (i) that the participant is employed by the Group on 30 June in the applicable financial year and at the end of the 4 year period; and, separately, (ii) that Celtic FC qualifies for and participates in the group stages of the UCL in the applicable financial year. Both conditions are exclusive of one another and attract fixed values of award on crystallisation.

The ELTIP applies to the financial years from 2016/17 to 2019/20. The vesting criteria have been selected because the Board believes that they are consistent with the medium to longer term strategic objectives of the Group, taking account of the rolling 5 year business plan and the nature of the Group's business.

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. With effect from 1 July 2016, Mr Lawwell was entitled to a bonus not exceeding 20% of basic salary, determined by the Board having regard to applicable performance criteria and such other factors and/or circumstances as the Board shall consider relevant. Mr Lawwell is also a member of the LTPIP scheme as noted above. In respect of the first LTPIP period, the Committee was satisfied that the criteria were met and as a result the accumulated awards under the plan were paid out during the financial year to 30 June 2019. In addition, the Committee was satisfied that the awards set out in the table below have been accrued for the benefit of Mr Lawwell during the financial year to 30 June 2019.

	LTPIP interest at 1 July 2018	Award for year ended 30 June 2019	Award paid during the period	Total LTPIP interest at 30 June 2019	Payment date
P Lawwell	£2,296,000	£74,000	£2,370,000	-	25 January 2019

Mr Lawwell served on the Professional Game Board of the Scottish Football Association (part of the year), the Board of the European Club Association and the Club Competition Committee and Professional Football Strategy Council of UEFA. No fee is payable for these posts.

Financial Director
Mr McKay's service contract commenced on 1 January 2016, when he joined the Board as Financial Director. It continues subject to six months' notice by him to the Company or by the Company to him. Mr McKay is entitled to a maximum payment under the Company's bonus scheme of 50% of basic salary, if all performance conditions are satisfied.

Mr McKay participates in the ELTIP scheme. The Committee was satisfied that Mr McKay had satisfied one of the vesting criteria for the financial year to 30 June 2019. Accordingly, the awards set out in the table below have vested for the benefit of Mr McKay, during the financial year to 30 June 2019. Payment remains subject to the operation of the ELTIP conditions.

	ELTIP interest at 1 July 2018	Award for year ended 30 June 2019	Total ELTIP interest at 30 June 2019	Qualifying period
C McKay	£100,000	£25,000	£125,000	4 financial years to 30 June 2020

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 are 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.

Thomas Allison, Dermot Desmond and Brian Wilson each retire annually given their length of service.

Remuneration of Directors
Directors' remuneration and benefits are detailed in Note 10 to the Financial Statements.

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. 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. The non-executive Directors have no personal financial interest other than as shareholders in some cases. They do not participate in any bonus scheme, long term incentive plan, 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
27 September 2019

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; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and Group 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 Group 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	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
Revenue	83,410	101,573	90,639	52,009	51,080
Loss/(profit) from trading before asset transactions and exceptional items	(3,481)	14,490	14,310	(5,240)	(2,188)
Profit/(loss) after taxation	8,738	15,423	6,897	459	(3,947)
Non equity dividends incurred	502	573	558	502	432
Total equity	81,773	72,934	57,423	50,470	49,951
Shares in issue (excl deferred) no. '000	122,812	122,606	122,468	122,350	122,147
Earnings/(loss) per ordinary share	9.30p	16.47p	7.38p	0.49p	(4.25)p
Diluted earnings/(loss) per share	6.78p	11.72p	5.46p	0.49p	(4.25)p
Number of employees*	1,029	1,036	507	465	462

FOOTBALL	2019	2018	2017	2016	2015
League position	1	1	1	1	1
League points	87	82	106	86	92
Scottish cup	WINNERS	WINNERS	WINNERS	SEMI FINAL	SEMI FINAL
League cup	WINNERS	WINNERS	WINNERS	SEMI FINAL	WINNERS
European ties played	8	7	6	6	7

CELTIC PARK	2019	2018	2017	2016	2015
Celtic Park investment to date (£'000)	78,390	76,042	72,132	70,315	69,318
Stadium seating capacity (no.)	60,363	60,477	60,294	60,447	60,447
Average home league attendance (no.)	56,729	55,943	54,159	42,201	45,400
Total season ticket sales (no.)	52,520	52,229	48,723	39,309	40,472

*the figures reported for 2015, 2016 and 2017 relate to full time equivalents as opposed to average employee numbers for 2018 and 2019

Opinion
We have audited the Financial Statements of Celtic plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the consolidated statement of comprehensive income, consolidated and company balance sheet, statements of changes in equity, the consolidated and company cash flow statement and notes to the Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Financial Statements 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.

In our opinion:

- the Financial Statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group's profit 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.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk description	Our response to the risk
Revenue recognition As detailed in note 3 (e), the group's revenue is generated from football and stadium operations, merchandising and multimedia and other commercial activities. Each revenue stream has different characteristics and is derived from different, sometimes individual, commercial contract terms. Some include areas of judgement such as when to recognise the right to revenue arising from participation in particular competitions or accounting adjustments such as the deferral of revenue for future season ticket sales. Given the nature and complexity of revenue and its importance to the activities of the business, it is of significant interest to the users of the Financial Statements. We considered there to be a significant risk arising in respect of the completeness of revenue in all revenue streams other than football operations, where we considered there to be a significant risk over the existence due to the timing of season ticket sales around the year-end and the risk that the calculated deferred revenue may not be complete. As a result, we considered revenue recognition to be a key audit matter.	We reviewed the revenue accounting policies and practices for consistency of application as well as the basis of material recognition estimates. We individually tested the group's material revenue streams according to their characteristics to gain assurance over the completeness, existence and accuracy of reported revenue. We verified samples of revenue items to commercial contracts and confirmed that they were accounted for in accordance with the underlying contracted terms. In areas of variable consideration, we reviewed notifications of right to revenues and agreed samples of transactions from source documentation to the financial records and bank receipt. We performed procedures on all material revenue streams in the periods before and after the year end and vouched samples of revenue to originating documentation to gain assurance that transactions were recorded in the correct period. We tested the calculation of material accrued and deferred revenue amounts. *Key observations* We noted no material exceptions from performing these procedures.
Intangible assets The Group's Intangible assets as disclosed further in note 17 represent a significant asset as at 30 June 2019. Accounting for the acquisition of intangible assets requires consideration of individual contractual terms including deferred consideration arrangements, the rights of agents and the personnel involved. Judgement is required in deferred consideration calculations and in the calculation and recognition of the probable cost of the acquisition. Due to unforeseen events during the life of, intangible assets, individual assets may become impaired and the related contracts may become onerous in certain circumstances. These areas may require significant levels of judgement to determine whether there is an indicator of impairment of an intangible asset, to calculate such impairment or if a contract has become onerous. Accordingly this is an area where management override could occur. This leads to a higher risk profile. As with the acquisition of intangible assets, accounting for the disposal of intangible assets requires consideration of the specific contractual terms of the transaction, which may include deferred consideration or future profit sharing arrangements.	We considered the appropriateness of the intangible assets accounting policies and practices as well as the basis of any recognition estimates. We agreed a sample of additions to acquisition agreements with football clubs and to agent contracts. We reperformed calculations of discounted purchase agreement amounts. We reviewed amortisation rates applied to intangible assets and confirmed the amortisation charges were calculated in accordance with the stated policy. We reviewed intangible assets for indications of impairment and onerous contract positions by reviewing football personnel's involvement in the football squads, the presence of alternative squad personnel and post year end football transfer activity. We assessed the existence and accuracy of the impairment and onerous contract provisions calculated by management by verifying obligations to contracts and estimated future operating contributions to the data underlying management's assessment of value in use. We assessed the judgements and estimates applied in calculating the provisions, including management's assessment of market value by reference to transfer window interest; the individual asset and the discount rates applied. We reviewed a sample of unimpaired intangible assets for evidence of their contribution to the business in order to assess the completeness of the provisions. We reviewed the adequacy of disclosures in respect of impairment charges and onerous contract provisions. We verified a sample of disposals to supporting contract documentation and recalculated the profit or loss on disposal of intangible assets to gain assurance over the accurate treatment of disposals in respect of cut-off of receivables, costs payable and discounting adjustments. *Key observations* Based on our procedures we noted no material exceptions and found management's key assumptions to be within an appropriate range.

Our application of materiality
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the Financial Statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements as a whole.

The materiality for the group Financial Statements as a whole was set at £700,000 (2018: £600,000). This was determined with reference to a benchmark of 1% of normalised revenue averaged over a three year period, which we consider to be the principal consideration in assessing the financial performance of the Group, because the Group considers revenue to be their key performance indicator which demonstrates less volatility than other performance measures. Normalised revenue is the total annual revenue adjusted to exclude European distributions but with an added revenue assumption based on UEFA Europa League participation instead. The group has participated in at least this stage of European competition in each season since the 2011/2012 season and it is therefore considered to reflect the base level of revenue. The materiality for the parent company was set at £665,000 (2018 - £570,000). This was determined with reference to the overall group materiality and set at 95% (2018 – 95%) of group materiality. Each component was audited to a materiality of £665,000 (2018 - £600,000).

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole. Performance materiality was set at 75% (2018 – 75%) of the above materiality levels for the group and the parent company being £525,000 (2018 – £450,000) and £498,750 (2018 - £427,500) respectively.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences in excess of £21,000 (2018: £18,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit
Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the Financial Statements at Group level.

The group manages its operations from a single location in the UK and has common financial systems, processes and controls. The two significant components were, Celtic plc and Celtic F.C. Limited a full scope audit was undertaken on each component by the group audit team. The insignificant components were immaterial.

Other information
The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors
As explained more fully in the directors' responsibilities statement set out on page 28 the directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Rae, Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
Glasgow, United Kingdom

27 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 30 JUNE 2019

	Notes	2019 £000	2018 £000
Revenue	4,5	**83,410**	101,573
Operating expenses (before intangible asset transactions and exceptional items)		**(86,904)**	(87,083)
(Loss)/profit from trading before intangible asset transactions and exceptional items		**(3,494)**	14,490
Exceptional operating expenses	8	**(1,789)**	(4,141)
Amortisation of intangible assets	17	**(9,709)**	(8,768)
Profit on disposal of intangible assets		**17,717**	16,454
Other income		**8,795**	-
Operating profit	6	**11,520**	18,035
Finance income	12	**1,059**	216
Finance expense	12	**(1,267)**	(980)
Profit before tax		**11,312**	17,271
Income tax expense	13	**(2,574)**	(1,848)
Profit and total comprehensive income for the year		**8,738**	15,423
Basic earnings per Ordinary Share for the year	15	**9.30p**	16.47p
Diluted earnings per Share for the year	15	**6.78p**	11.72p

The notes on pages 43 to 70 form part of these Financial Statements.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019

	Notes	2019 £000	2018 £000
Assets			
Non-current assets			
Property, plant and equipment	16	**58,690**	58,265
Intangible assets	17	**14,156**	20,963
Trade receivables	21	**8,089**	4,397
		80,935	83,625
Current assets			
Inventories	19	**2,643**	2,407
Trade and other receivables	21	**25,426**	21,261
Cash and cash equivalents	22,32	**34,057**	42,563
		62,126	66,231
Total assets		**143,061**	149,856
Equity			
Issued share capital	23	**27,157**	27,132
Share premium	24	**14,785**	14,720
Other reserve	24	**21,222**	21,222
Accumulated profits	24	**18,598**	9,860
Total equity		**81,762**	72,934
Non-current liabilities			
Borrowings	25	**4,108**	6,250
Debt element of Convertible Cumulative Preference Shares	23	**4,183**	4,208
Trade and other payables	27	**6,943**	10,302
Provisions	28	**455**	2,309
Deferred tax liabilities	20	**1,139**	-
Deferred income	29	**57**	86
		16,885	23,155
Current liabilities			
Trade and other payables	26	**13,957**	27,005
Borrowings	26	**1,364**	300
Provisions	28	**3,479**	2,442
Deferred income	29	**25,614**	24,020
		44,414	53,767
Total liabilities		**61,299**	76,922
Total equity and liabilities		**143,061**	149,856

The Financial Statements were approved and authorised for issue by the Board on 27 September 2019 and were signed on its behalf by

Peter T Lawwell, Director **Christopher McKay,** Director

The notes on pages 43 to 70 form part of these Financial Statements.

COMPANY BALANCE SHEET AS AT 30 JUNE 2019

	Notes	2019 £000	2018 £000
Assets			
Non-current assets			
Property, plant and equipment	16	58,690	58,265
Intangible assets	17	14,156	20,963
Investment in subsidiaries	18	-	-
Trade receivables	21	8,089	4,397
		80,935	83,625
Current assets			
Trade and other receivables	21	17,189	14,088
Cash and cash equivalents	22,32	32,389	40,864
		49,578	54,952
Total assets		130,513	138,577
Equity			
Issued share capital	23	27,157	27,132
Share premium	24	14,785	14,720
Other reserve	24	21,222	21,222
Accumulated profits	24	2,531	2,430
Total equity		65,695	65,504
Non-current liabilities			
Borrowings	25	4,108	6,250
Debt element of Convertible Cumulative Preference Shares	23	4,183	4,208
Trade and other payables	27	6,942	10,302
Deferred tax liabilities	20	1,327	1,018
Provisions	28	35	1,556
		16,595	23,334
Current liabilities			
Trade and other payables	26	43,686	47,272
Borrowings	26	1,364	300
Provisions	28	3,174	2,167
		48,224	49,739
Total liabilities		64,819	73,073
Total equity and liabilities		130,513	138,577

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 £0.10m (2018: £0.02m).

The Financial Statements were approved and authorised for issue by the Board on 27 September 2019 and were signed on its behalf by

Peter T Lawwell, Director **Christopher McKay,** Director

The notes on pages 43 to 70 form part of these Financial Statements.

STATEMENTS OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2019

Consolidated	Share capital £000	Share premium £000	Other reserve £000	Accumulated (losses)/profit £000	Total £000
Equity shareholders' funds as at 1 July 2017	27,107	14,657	21,222	(5,563)	57,423
Share capital issued	1	63	-	-	64
Reduction in debt element of convertible cumulative preference shares following conversion	24	-	-	-	24
Profit and total comprehensive income for the year	-	-	-	15,423	15,423
Equity shareholders' funds as at 30 June 2018	27,132	14,720	21,222	9,860	72,934
Share capital issued	1	65	-	-	66
Reduction in debt element of convertible cumulative preference shares following conversion	24	-	-	-	24
Profit and total comprehensive income for the year	-	-	-	8,738	8,738
Equity shareholders' funds as at 30 June 2019	27,157	14,785	21,222	18,598	81,762

Company	Share capital £000	Share premium £000	Other reserve £000	Accumulated profits £000	Total £000
Equity shareholders' funds as at 1 July 2017	27,107	14,657	21,222	2,414	65,400
Share capital issued	1	63	-	-	64
Reduction in debt element of convertible cumulative preference shares following conversion	24	-	-	-	24
Profit and total comprehensive income for the year	-	-	-	16	16
Equity shareholders' funds as at 30 June 2018	27,132	14,720	21,222	2,430	65,504
Share capital issued	1	65	-	-	66
Reduction in debt element of convertible cumulative preference shares following conversion	24	-	-	-	24
Profit and total comprehensive income for the year	-	-	-	101	101
Equity shareholders' funds as at 30 June 2019	27,157	14,785	21,222	2,531	65,695

The notes on pages 43 to 70 form part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT YEAR ENDED 30 JUNE 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Profit for the year		**8,738**	15,423
Taxation charge	**13**	**2,574**	1,848
Depreciation	**16**	**2,064**	1,977
Amortisation of intangible assets	**17**	**9,709**	8,768
Impairment of intangible assets	**17**	**1,837**	214
Profit on disposal of intangible assets		**(17,717)**	(16,454)
Net finance costs	**12**	**208**	764
		7,413	12,540
(Increase)/decrease in inventories		**(236)**	7
Increase in receivables		**(3,225)**	(6,142)
(Decrease)/increase in payables and deferred income		**(6,654)**	17,378
Cash generated from operations		**(2,702)**	23,783
Tax paid	**13**	**(2,435)**	(707)
Net Interest received/(paid)		**7**	(47)
Net cash flow from operating activities		**(5,130)**	23,029
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,257)**	(3,461)
Purchase of intangible assets		**(13,671)**	(10,645)
Proceeds from sale of intangible assets		**14,040**	9,821
Net cash used in investing activities		**(1,888)**	(4,285)
Cash flows from financing activities	**30**		
Repayment of debt	**25**	**(1,010)**	(200)
Dividend on Convertible Cumulative Preference Shares		**(478)**	(486)
Net cash used in financing activities		**(1,488)**	(686)
Net (decrease)/increase in cash equivalents		**(8,506)**	18,058
Cash and cash equivalents at 1 July 2018		**42,563**	24,505
Cash and cash equivalents at 30 June 2019	**22**	**34,057**	42,563

The notes on pages 43 to 70 form part of these Financial Statements.

COMPANY CASH FLOW STATEMENT YEAR ENDED 30 JUNE 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Profit for the year		**100**	16
Taxation charge	**13**	**521**	459
Depreciation	**16**	**2,064**	1,977
Amortisation of intangible assets	**17**	**9,709**	8,768
Impairment of intangible assets	**17**	**1,837**	214
Profit on disposal of intangible assets		**(17,717)**	(16,454)
Net finance costs	**12**	**215**	764
		(3,271)	(4,256)
Increase in receivables		**(2,067)**	(5,126)
Decrease in payables		**242**	31,283
Cash generated from operations		**(5,096)**	21,901
Tax paid	**13**	**-**	(6)
Net Interest paid		**(3)**	(47)
Net cash flow from operating activities		**(5,099)**	21,848
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,257)**	(3,461)
Purchase of intangible assets		**(13,671)**	(10,645)
Proceeds from sale of intangible assets		**14,040**	9,821
Net cash used in investing activities		**(1,888)**	(4,285)
Cash flows from financing activities	**30**		
Repayment of debt	**25**	**(1,010)**	(200)
Dividend on Convertible Cumulative Preference Shares		**(478)**	(486)
Net cash used in financing activities		**(1,488)**	(686)
Net increase in cash equivalents		**(8,475)**	16,877
Cash and cash equivalents at 1 July 2018		**40,864**	23,987
Cash and cash equivalents at 30 June 2019	**22**	**32,389**	40,864

The notes on pages 43 to 70 form part of these Financial Statements.

1 AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE

The consolidated Financial Statements of Celtic plc (the 'Company') and its subsidiaries (together, the 'Group') for the year ended 30 June 2019 were approved and authorised for issue in accordance with a resolution of the Directors on 27 September 2019. The comparative information is presented for the year ended 30 June 2018.

Celtic plc is a public company limited by shares, incorporated in Scotland, U.K., and is listed on the AIM market operated by the London Stock Exchange. The registered office is detailed within the Directors, Officers and Advisers section on page 71.

The principal activities of the Group are described in the Business Review on page 5.

For the year ending 30 June 2019 the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

Subsidiary Name	*Companies House Registration Number*
Protectevent Limited	SC151304
The Celtic and Football Athletic Company Limited	SC153534
Glasgow Eastern Developments Limited	SC157751

2 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 financial years 2019 and 2018, presented, for both the Group and the Company.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and in accordance with the provisions of the Companies Act 2006.

The functional and presentational currency is GBP.

Going concern

The Company and Group have adequate financial resources available, together with established contracts with a number of customers and suppliers. A detailed budgeting process is undertaken each year which looks ahead four years from the current financial year, and is reviewed and approved by the Board. Performance is regularly monitored against the budget and, if necessary, reforecasts are prepared to take account of changes in the financial environment. Consequently, the Directors believe that the Company and Group are well placed to manage its business risks successfully despite the continuing uncertain outlook.

Adoption of new and revised standards

New and amended IFRS Standards that are effective for the current year

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018.

IFRS 9 introduced new requirements for:
1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

Details of these new requirements as well as their impact on the Group's consolidated Financial Statements are described below.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 July 2018. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 July 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Debt instruments that are measured subsequently at amortised cost are subject to impairment reviews. See (b) below.

The Directors of the Company reviewed and assessed the Group's existing financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had no significant impact on the Group's financial assets as regards their classification and measurement. Financial assets classified as held-to-maturity and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. By way of explanation, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on:

(1) Debt investments measured subsequently at amortised cost;
(2) Lease receivables; and
(3) Trade receivables and contract assets.

In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also permits a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances which the Group has applied (see Note 21). The adoption of the ECL model, using the simplified model, has not had a material effect on the Group.

(c) Classification and measurement of financial liabilities

The requirements for the classification and measurement of financial liabilities are largely unchanged from IAS 39. As such, the application of IFRS 9 has had no impact on the classification and measurement of the Group's financial liabilities.

Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Group has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Group's consolidated Financial Statements are described below.

Due to the negligible effect it has had, the Group has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15.C5(a), and (b), or for modified contracts in IFRS 15.C5(c) but using the expedient in IFRS 15.C5(d) allowing both non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application, i.e. 1 January 2018.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position which the Group have taken advantage of.

The Group's accounting policies for its revenue streams are disclosed in detail in note 3 below. Apart from providing more extensive disclosures for the Group's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group.

The Group's significant revenue streams can be classified as follows:

- Seasonal and match tickets revenues, including hospitality packages.
- Centrally distributed media rights revenues.
- Sponsorship and commercial partner revenues.
- Merchandising revenues, including other royalties.

Seasonal and match ticket revenues

This revenue stream is recognised on a match-by-match basis with the performance obligation associated to the price of a ticket/package being satisfied by the right to attend the match. It has therefore been concluded that all such revenues will continue to be recognised as these games are played.

Centrally distributed media rights revenues

Media rights revenues, which also include an element of centrally negotiated sponsorship, are recognised either on a match-by-match basis in a specific competition or evenly over the course of a football campaign. Where there is a clear performance obligation of competing in a specified number of matches in a specific competition where all matches are broadcast live (e.g. UCL), the revenues are recognised in line with these matches being completed. Final distributions from such competitions may include elements of variable consideration, however, as these amounts are unconfirmed and unknown at the time of match participation they are not recognised until known in timing and value. It has been concluded that this approach is considered appropriate under the principles of IFRS 15.

Sponsorship and commercial partner revenues

These revenue streams include shirt and training kit sponsorship as well as the kit manufacture/royalty agreement.

Each of the contracts has a number of identifiable performance obligations, which include but are not limited to, branding on Club merchandise, provision of matchday hospitality, social media activity and, in the case of kit manufacture, the ability to sell Club merchandise.

The primary value within sponsorship contracts has been determined as the brand exposure which is experienced by the sponsor. This exposure can take place at various times and locations and is not limited purely to the exposure on a matchday. Therefore, it has been concluded that recognising the revenues evenly over the term of the agreement remains the most appropriate approach as there are not separable performance obligations.

With regards to the kit manufacture partnership, the performance obligations are also performed throughout the term of the agreement with both parties gaining from the economic benefits of the partnership. Therefore, it has also been concluded that recognition evenly over the term of the agreement complies with the principles of IFRS 15.

Merchandising revenues
These revenue streams include revenues earned from the Group's kit manufacturer (as noted above) and outlets including e-commerce and wholesale revenues. It has been concluded that recognising revenue as goods and services have been delivered to our customers is appropriate under IFRS 15.

Overall, we have concluded that the impact on the Group Financial Statements of implementing IFRS 15 is negligible.

Adoption of standards not yet effective
At the date of authorisation of these Financial Statements, the following Standards which have not been applied in these Financial Statements were in issue but not yet effective:

International Accounting Standards	Effective date for periods commencing
IFRS 16: Leases	1 January 2019
IAS 12: Income Taxes (Annual Improvements to IFRS Standards 2015–2017 Cycle)	1 January 2019

The above standards and interpretations will be adopted in accordance with their effective dates and have not been adopted in these Financial Statements.

IFRS 16 *Leases*
IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The Group currently will adopt IFRS 16 for the year ending 30 June 2020. The Group will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

IFRS 16 distinguishes leases and service contracts based on whether an identified asset is controlled by a customer. Distinctions of operating leases (off Balance Sheet) and finance leases (on Balance Sheet) are removed for lessee accounting, and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on Balance Sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

Furthermore, the classification of cash flows will also be affected because operating lease payments under IAS 17 are presented as operating cash flows; whereas, under the IFRS 16 model, the lease payments will be split into a principal and an interest portion, which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Based on our assessment, the Group will recognise a right-of-use asset of £1.4m and a corresponding lease liability of £1.4m in respect of all these leases. The impact on profit or loss is to decrease 'other operating expenses' by £0.6m, to increase depreciation by £0.6m and to increase interest expense by £0.05m.

3 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 2019.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

(b) Property, plant and equipment
Property, plant and equipment is stated at cost. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, on the following bases:

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 Football 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 included in Operating Expenses 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.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(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 upon crystallisation 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 the 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.

(d) Impairment policy
The Group and Company assesses intangible assets for indicators of impairment at each Balance Sheet date by assessing each individual player's carrying value in respect of their contribution to the cash generating business activities.

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 and involvement in playing and training squads;
(iii) the player's injury and or sickness record;
(iv) the level of interest from other clubs in paying a transfer fee for the player;
(v) market knowledge of transfer appetite, activity and budgets in the industry through discussion with agents and other clubs;
(vi) the financial state of the football industry;
(vii) the level of appetite from clubs for football personnel from Scotland;
(viii) levels of 'cover' for each playing position;
(ix) the football personnel's own career plans and personal intentions for the future; and
(x) post Balance Sheet transactions relevant to the football personnel in question e.g. contract termination, subsequent transfer of the player for a sum lower than the amortised value.

An impairment loss is recognised where the asset's carrying value is deemed to be irrecoverable. The carrying value is then written off to the Consolidated Statement of Comprehensive Income as an impairment loss. To the extent a previous impairment loss has been charged, and the basis of assessment is changed, based on the factors above, 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 FC Development Fund 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 as the performance obligation associated with the ticket/package is satisfied with the right to attend the matches or events.

Merchandising revenue includes the revenues from Celtic's retail partners and outlets including e-commerce, wholesale revenues and other royalty revenues derived from the exploitation of the Celtic brand and is recognised when goods or services have been delivered to our customers. These revenue streams include revenues earned from the Group's kit manufacturer (as noted above) and outlets including e-commerce and wholesale revenues.

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 and Other Commercial Activities.

Media rights revenues, which also include an element of centrally negotiated sponsorship, are recognised either on a match-by-match basis in a specific competition or evenly over the course of a football campaign. Where there is a clear performance obligation of competing in a specified number of matches in a specific competition where all matches are broadcast live (e.g. SPFL, Domestic Cups, UCL or UEL), the revenues are recognised in line with these matches being completed. Final distributions from such competitions may include elements of variable consideration, however, as these amounts are unconfirmed and unknown at the time of match participation they are not recognised until known in timing and value.

Sponsorship revenues are recognised based on the nature of the sponsorship such that kit and shirt sponsorship revenue, 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.

Each of the contracts has a number of identifiable performance obligations, which include but are not limited to, branding on Club merchandise, provision of matchday hospitality, social media activity and, in the case of kit manufacture, the ability to sell Club merchandise. The primary value within sponsorship contracts is the brand exposure which is experienced by the sponsor. This exposure can take place at various times and locations and is not limited purely to the exposure on a matchday. With regards to the kit manufacture partnership, the performance obligations are also performed throughout the term of the agreement with both parties gaining from the economic benefits of the partnership.

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

(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.

After initial recognition, the Group value financial instruments using the income approach. The income approach converts future cash flows to a single current amount. Such measurement reflects current market expectations using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating cash flows over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Cash flows are then recognised on an effective interest basis over the life of the asset or liability.

(i) Financial assets
All purchases of financial assets are recognised and derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Classification of financial assets
Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Amortised cost
For financial assets the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item (Note 12).

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.

Trade receivables: Trade receivables are stated at their amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. They are recognised on the trade date of the related transactions.

Financial Assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost (see above) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the 'other gains and losses' line item (Note 12).

Impairment of Financial Assets
The Group recognises a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL in full for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event;
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(ii) Financial Liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading. Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item (Note 12) in profit or loss.

Financial liabilities measured subsequently at FVTPL
Foreign Exchange Forward Contracts: Foreign Exchange Forward Contracts are recognised at fair value. They are held for trading with any subsequent gains or losses on changes in fair value recognised in the profit or loss.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not held-for-trading are measured subsequently at amortised cost using the effective interest method.

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 Consolidated Statement of Comprehensive Income 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. The derecognised liability forms part of the consideration paid for the ordinary shares issued on conversion.

Trade payables: Trade payables are stated at their amortised cost. Interest expenses are recognised by applying the effective interest rate, except for short-term payables when the recognition of interest would be immaterial. They are recognised on the trade date of the related transactions.

(g) Leasing obligations
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee
Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

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
The individual Financial Statements of each group company are presented in the currency of the primary economic environment in which it operates (GBP). For the purpose of the Consolidated Financial Statements, the results and financial position of each group company are expressed in GBP (£), which is the functional currency of the Company, and the presentation currency for the consolidated Financial Statements.

In preparing the Financial Statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Non-monetary items denominated in foreign currency are translated at the date of the transaction.

Any resulting exchange gain or loss is dealt with in the Consolidated Statement of Comprehensive Income in the period in which they arise.

(k) Taxation

Current taxation
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

(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 property, plant and equipment or intangible assets), onerous contract costs, employee settlement payments and non-recurring expenditure as exceptional operating expenses in the Consolidated Statement of Comprehensive Income. Items for which disclosure would be deemed to be seriously prejudicial by the directors, are not included within exceptional items.

(m) Provisions
Provisions are recognised when a present obligation (legal or constructive) as a result of a past event exists at the balance sheet date and it is probable that a settlement of that obligation will be paid and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimates required to settle that obligation, at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where appropriate, management take independent expert advice to determine the quantum and expected timing associated with settling provisions. With respect to legal and employee related provisions, where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. No separate disclosure is made of the detail of sums recoverable from third parties as to do so could seriously prejudice the position of the Group.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The Group is occasionally in receipt of claims or actions. In such cases, each item is reviewed at the relevant reporting date, in order to assess the need for provisions and disclosures in the Financial Statements. Among the factors considered in making decisions on provisions are the nature of the action, existence of insurance, the agreement or settlement process and its potential value in the jurisdiction in which the action is brought, its progress, the opinions or views of relevant expert advisers and any decision of the Group and counterparties as to how they respond.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Critical accounting estimates and judgements
The areas where management consider the more complex estimates, judgements and assumptions are required are those in respect of:

(i) **Impairment and intangible asset net book value**
IFRS requires companies to carry out an impairment assessment on any assets that show indications of impairment at the Balance Sheet date. This assessment includes exercising management judgement and considering the Balance Sheet carrying value as noted at 3(d) above. The carrying value of the intangible assets value equates to £21.3m (2018: £21.0m), however, given the nature of the assets, management judgement on the carrying value is sensitive to factors out with management control, as laid out in Note 3 (d) above. Events subsequent to this initial assessment may also give rise to a reversal of any impairments, such as a transfer or a significant turnaround in performance, in which case an impairment reversal would be recognised. Therefore, an element of uncertainty exists in relation to recognition of impairment as to whether any of the indications of impairment which exist will continue to do so in the future or economic value is generated from the intangible asset.

(ii) **Provisions**
Management judgement is used to determine whether a contract is onerous and, if so, the amount of provision required. This is assessed by comparing the future cost of contractual obligations against the projected income or economic benefit for the item in question using future forecasts. Judgement is required to assess the projected income or economic benefits achievable and in determining that no future changes in circumstances will result in a reversal of the provision as has been the case this year. This can occur where settlement agreements take place or economic value is generated from the intangible asset. This is assessed on a case by case basis.

(o) Long Term Incentive Plans
The Group and Company operate long term incentive plans for certain employees (as described in the Remuneration Report). The costs in relation to these schemes are calculated based on the agreements in place and are accrued as and when the likelihood of payment is deemed as probable over time with payment being made when the vesting conditions are met in full. The discounted balances payable are held within Trade and Other Payables.

(p) Contingent Liabilities
Contingent liabilities are not recognised in the Balance Sheet on the basis they are either;
(i) possible obligations, as it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits; or
(ii) present obligations that do not meet the recognition criteria in accordance with IAS 37 (because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group has disaggregated revenue into various categories in the following table which is intended to provide further understanding around the nature of the revenue and the timing of when this is recognised:

Revenue by category	2019 £000	2018 £000
Ticketing	**35,564**	37,013
Commercial/sponsorship	**10,064**	9,969
Retail outlets and home shopping	**12,954**	12,714
Media rights	**15,718**	33,992
Stadium operations	**7,688**	5,664
Other	**1,422**	2,221
	83,410	101,573

Timing of transfer of goods and services	2019 £000	2018 £000
Point in time (delivery to the customer at the point of sale)	**47,278**	66,914
Revenue recognised over time	**36,132**	34,659
	83,410	101,573

5 SEGMENTAL REPORTING

Management information is provided at revenue level for each of the three key revenue streams with specific cost information focusing on significant items. This is the only information provided on a segmented basis to management. The three key revenue streams are: Football and Stadium Operations, Merchandising and Multimedia and Other Commercial Activities. The Group operates in the UK and, as a result, does not have any geographical segments.

	2019 £000	2018 £000
The Group's revenue comprised:		
Football and Stadium Operations	**43,252**	43,587
Merchandising	**18,076**	17,717
Multimedia and Other Commercial Activities	**22,082**	40,269
	83,410	101,573

6 OPERATING PROFIT

	Notes	2019 £000	2018 £000
Operating profit is stated after charging:			
Staff costs	9	56,094	59,335
Depreciation of property, plant and equipment	16	2,064	1,977
Impairment of intangible assets	17	1,837	214
Amortisation of intangible assets	17	9,709	8,768
Operating lease expense	31	920	753
Foreign exchange loss/(gain)		604	(20)
Cost of inventories recognised as expense		10,419	10,394

7 AUDITOR'S REMUNERATION

	2019 £000	2018 £000
Fees payable to the Company's auditor and its associates in respect of:		
Audit of the Company's Financial Statements	20	22
Audit of the Financial Statements of the Company's subsidiaries	17	17
Audit related services	9	3
Taxation compliance services	16	13
Taxation advisory services	3	-
	65	55

Details of the Company's policy on the use of the auditor for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity was safeguarded are set out in the Audit Committee Report on pages 23-24. No services were provided pursuant to contingent fee arrangements.

8 EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £1.79m (2018: £4.14m) can be analysed as follows:

	2019 £000	2018 £000
Impairment of intangible assets and other prepaid costs	2,017	511
Reversal of prior period impairment charges	(52)	-
Onerous employment contracts	383	3,549
Onerous employment contract releases	(580)	-
Settlement agreements on contract termination	21	81
	1,789	4,141

The impairment of intangible assets relate to adjustments required as a result of management's assessment of the carrying value of certain player registrations relative to their current market value. The carrying value of intangible assets are reviewed against criteria indicative of impairment, laid out in Note 3 (d) and, where the carrying value exceeds their current market value, impairment is recognised.

Onerous employment contract costs result from a situation where the committed costs under that contract are assessed as exceeding the economic benefits expected to be received by the Group over the term of the contract. Details on the provision for onerous employment contracts can be seen in Note 28.

Settlement agreements on contract termination are costs in relation to exiting certain employment contracts.

9 STAFF PARTICULARS

Group	2019 £000	2018 £000
Wages and salaries	49,214	52,517
Social security costs	6,202	6,350
Other pension costs	678	468
	56,094	59,335

Included in the above wages and salaries is £1,229,000 (2018: £1,026,000) paid to agency staff.

Employee numbers (Group)	2019 Number	2018 Number
Players and football administration staff	155	139
Administration and retail staff	874	896
Average number of employees	1,029	1,035

The above employee numbers include all part time employees and casual workers.

Company	2019 £000	2018 £000
Wages and salaries	4,561	6,153
Social security costs	759	745
Other pension costs	224	137
	5,544	7,035

Included in the above wages and salaries is £36,000 (2018: £27,000) paid to agency staff.

Employee numbers (Company)	2019 Number	2018 Number
Players and football administration staff	76	68
Administration and retail staff	30	30
Average number of employees	106	98

The above includes all part time employees of the Company.

10 DIRECTORS' EMOLUMENTS

	Salary/Fees £	Bonus £	LTPIP £	Benefits in kind £	Total Excl pension costs £	Pension Costs £	2019 Total £
T Allison	25,000	-	-	-	**25,000**	-	**25,000**
I Bankier	80,000	-	-	-	**80,000**	-	**80,000**
D Desmond	25,000	-	-	-	**25,000**	-	**25,000**
P Lawwell	1,161,500	-	2,370,153	17,373	**3,549,026**	-	**3,549,026**
C McKay	150,990	47,184	-	12,671	**210,845**	22,649	**233,494**
B Wilson	25,000	-	-	-	**25,000**	-	**25,000**
S Brown	30,000	-	-	-	**30,000**	735	**30,735**
	1,497,490	47,184	2,370,153	30,044	**3,944,871**	23,384	**3,968,255**

The payment in respect of the LTPIP related to sums earned in the years ended 30 June 2017 and 30 June 2018.

	Salary/Fees £	Bonus £	Benefits in kind £	Total Excl pension costs £	Pension Costs £	2018 Total £
T Allison	25,000	-	-	**25,000**	-	**25,000**
I Bankier	80,000	-	-	**80,000**	-	**80,000**
D Desmond	25,000	-	-	**25,000**	-	**25,000**
P Lawwell	1,150,000	-	17,729	**1,167,729**	-	**1,167,729**
C McKay	147,248	64,421	12,450	**224,119**	22,087	**246,206**
B Wilson	25,000	-	-	**25,000**	-	**25,000**
S Brown	30,000	-	-	**30,000**	360	**30,360**
	1,482,248	64,421	30,179	**1,576,848**	22,447	**1,599,295**

The aggregate emoluments and pension contributions of the highest paid Director were £3,537,526 (2018: £1,167,729) and £nil (2018: £nil) respectively. The aggregate emoluments of the highest paid Director include LTPIP entitlement in respect of amounts accrued in the 2016/17 and 2017/18 seasons, which were paid in the current year. During the year, contributions were paid to defined contribution money purchase pension schemes in respect of 2 (2018: 2) Directors. The Employer's NIC on Directors' remuneration during the year amounted to £534,871 (2018: £207,117). No Directors received share options during the year (2018: £nil).

An ELTIP was introduced in the financial year ended 30 June 2017 with the objective of retaining and rewarding, through financial incentives, key executives within the Group over the medium to long term.

Mr McKay participates in the ELTIP. The Remuneration Committee was satisfied that Mr McKay had met the applicable criteria for the financial year to 30 June 2019. Accordingly, the awards set out in the table on page 26 have accrued for the benefit of Mr. McKay. Payment remains subject to the operation of the ELTIP conditions.

In addition, an LTPIP was introduced in the financial year ended 30 June 2017 with the purpose of linking the continuing service and performance of the Chief Executive to performance targets which have the objective of improving Company performance, the football performance of Celtic FC and generating shareholder value. Mr Lawwell participates in the LTPIP. Payment in relation to the first LTPIP period was made during the year.

11 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 £561,061 (2018: £467,919) and £116,440 (2018: £136,949) respectively. Group and Company contributions of £4,331 (2018: £3,209) and £nil (2018: £nil) respectively were payable to the fund at the year-end. In addition to this, the Group and Company also contributed to the personal pension plans of certain employees.

12 FINANCE INCOME AND EXPENSE

	Notes	2019 £000	2018 £000
Finance income:			
Notional interest receivable on deferred consideration		**844**	138
Interest receivable on bank deposits		**215**	78
		1,059	216
Finance expense:			
Interest payable on bank and other loans		**220**	126
Notional interest payable on deferred consideration		**545**	281
Dividend on Convertible Cumulative Preference Shares	14	**502**	573
		1,267	980

13 TAX ON ORDINARY ACTIVITIES

The corporation tax payable as at 30 June 2019 was £0.14m (2018: £1.14m). The current year tax expense was £1.44m and total tax payments in the year were £2.44m, of which £1.24m was in relation to the current financial year with £1.20m in respect of the year ended 30 June 2018. In addition there are overpayments with respect to prior periods of £0.06m. The available capital allowances pool is approximately £9.00m (2018: £10.50m). These estimates are subject to the agreement of the current year's corporation tax computations with H M Revenue and Customs.

The standard rate of corporation tax for the year in the United Kingdom is 19% (2018: 19%).

	Note	2019 £000	2018 £000
Current tax expense		**1,435**	1,848
Deferred tax expense			
Origination of temporary timing differences	20	**1,196**	(459)
Utilisation of previously unrecognised deferred tax assets		**-**	442
Adjustments in respect of prior periods		**(57)**	17
Total deferred tax		**1,139**	-
Total tax expense		**2,574**	1,848

The difference between the actual tax expense for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year is as follows:

	2019 £000	2018 £000
Profit on ordinary activities before tax	**11,312**	17,271
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2018: 19%)	**2,149**	3,281
Effects of:		
Fixed asset differences	**298**	275
Expenses not deductible for tax purposes	**332**	10
Dividends reclassified as interest	**95**	109
Income not taxable for tax purposes	**(214)**	(202)
Adjustments in respect of prior periods (current tax)	**81**	-
Adjustments in respect of prior periods (deferred tax)	**(57)**	17
Adjust closing deferred tax to average rate	**(156)**	(120)
Adjust opening deferred tax to average rate	**113**	(165)
Utilisation of previously unrecognised deferred tax assets	**(67)**	(1,357)
Total tax expense	**2,574**	1,848

An explanation regarding the movement in deferred tax is provided at Note 20.

14 DIVIDEND ON CONVERTIBLE CUMULATIVE PREFERENCE SHARES

A 6% non-equity dividend of £0.51m (2018: £0.51m) was paid on 30 August 2019 to those holders of Convertible Cumulative Preference Shares on the share register at 26 July 2019. A number of shareholders elected to participate in the Company's scrip dividend reinvestment scheme for the financial year to 30 June 2019. 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 £0.07m (2018: £nil) in respect of statute barred preference dividends in accordance with the Company's Articles of Association.

15 EARNINGS PER SHARE

	2019 £000	2018 £000
Reconciliation of basic earnings to diluted earnings:		
Basic earnings	**8,738**	15,423
Non-equity share dividend	**570**	573
Reclaim of statute barred non-equity share dividends	**(67)**	-
Diluted earnings	**9,241**	15,996

	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	**93,977**	93,663
Dilutive effect of convertible shares	**42,410**	42,803
Diluted weighted average number of ordinary shares	**136,387**	136,466

Earnings per share of 9.30p (2018: 16.47p) has been calculated by dividing the profit for the period of £8.74m (2018: £15.42m) by the weighted average number of Ordinary Shares of 94.0m (2018: 93.7m) in issue during the year. Diluted earnings per share of 6.78p (2018: 11.72p) as at 30 June 2019 has been calculated by dividing the profit for the period by the weighted average number of Ordinary Shares, Convertible Cumulative Preference Shares and Convertible Preferred Ordinary Shares in issue, assuming conversion at the Balance Sheet date, if dilutive.

16 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 2018	56,578	4,043	22,429	83,050
Additions	592	-	1,897	2,489
Disposals	-	-	(2)	(2)
At 30 June 2019	**57,170**	**4,043**	**24,324**	**85,537**
Accumulated Depreciation				
At 1 July 2018	5,552	3,078	16,155	24,785
Charge for year	848	142	1,074	2,064
Disposals	-	-	(2)	(2)
At 30 June 2019	**6,400**	**3,220**	**17,227**	**26,847**
Net Book Value				
At 30 June 2019	**50,770**	**823**	**7,097**	**58,690**
At 30 June 2018	51,026	965	6,274	58,265

Group and Company	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2017	55,621	4,022	19,497	79,140
Additions	957	21	2,932	3,910
Disposals	-	-	-	-
At 30 June 2018	56,578	4,043	22,429	83,050
Accumulated Depreciation				
At 1 July 2017	4,677	2,878	15,253	22,808
Charge for year	875	200	902	1,977
Disposals	-	-	-	-
At 30 June 2018	5,552	3,078	16,155	24,785
Net Book Value				
At 30 June 2018	51,026	965	6,274	58,265
At 30 June 2017	50,944	1,144	4,244	56,332

17 INTANGIBLE ASSETS

Group and Company	2019 £000	2018 £000
Cost		
At 1 July	**44,962**	34,335
Additions	**6,158**	16,618
Transfer to prepayments	**-**	(605)
Disposals	**(6,469)**	(5,386)
At 30 June	**44,651**	44,962
Amortisation		
At 1 July	**23,999**	20,408
Charge for year	**9,709**	8,768
Transfer to prepayments	**-**	(371)
Provision for impairment	**1,837**	214
Disposals	**(5,050)**	(5,020)
At 30 June	**30,495**	23,999
Net Book Value		
At 30 June	**14,156**	20,963

The number of players with a book value in excess of £1m by contract expiry date is as follows:	2019 No.	2019 £000	2018 No.	2018 £000
Contract expiry within 1 year	**-**	**-**	2	2,725
Contract expiry within 2 years	**2**	**7,598**	2	4,478
Contract expiry within 3 years	**1**	**1,736**	2	9,762
Contract expiry within 4 years	**1**	**1,568**	1	1,015
	4	**10,902**	7	17,980

No individual intangible asset included above accounted for more than 37% of the total net book value of the intangible assets (2018: 38%).

The profit on disposal of player registrations in the year was £17.72m (2018: £16.45m). 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 3(d) above, and recognises a write down to fair value less costs to sell.

18 INVESTMENTS

Subsidiaries

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

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

Subsidiary undertaking	Activity	Year End	No. of shares held
Protectevent Limited	Dormant	30th June	500
Glasgow Eastern Developments Limited	Dormant	30th June	2
The Celtic Football and Athletic Company Limited	Dormant	30th June	2

These companies are registered in Scotland and are all included in the Consolidated Financial Statements. The companies are all registered at Celtic Park, Glasgow, G40 3RE.

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.

19 INVENTORIES

	2019 Group £000	2018 Group £000	2019 Company £000	2018 Company £000
Raw materials	**47**	34	**-**	-
Finished goods	**2,596**	2,373	**-**	-
	2,643	2,407	**-**	-

Inventories written down during the year amounted to £0.25m (2018: £0.16m).

20 DEFERRED TAX

Group

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19% (2018: 19%). The reduction in the main rate of corporation tax to 17% was substantively enacted on 15 September 2017. This new rate has been applied to deferred tax balances which are expected to reverse after 1 April 2017, the date on which that new rate became effective.

The movement on the deferred tax account is as shown below:

	2019 £000	2018 £000
At 1 July	**-**	-
Recognised in Consolidated Statement of Comprehensive Income		
Origination of temporary timing differences	**1,196**	(459)
Utilisation of previously unrecognised deferred tax assets	**-**	442
Adjustments in respect of prior periods	**(57)**	17
At 30 June	**1,139**	-

Deferred tax assets have been recognised in respect of all temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered in the foreseeable future. A deferred tax asset of £nil (2018: £0.07m) has not been recognised as it is not probable, at this time, that there will be sufficient taxable profits for this asset to be received against in the foreseeable future.

Details of the deferred tax asset and liability, amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	Asset 2019 £000	Liability 2019 £000	Net 2019 £000	(Charged) /credited to Consolidated Statement of Comprehensive Income 2019 £000
Accelerated capital allowances	-	(1,327)	(1,327)	309
Short term temporary differences	188	-	188	830
Tax assets/(liabilities)	188	(1,327)	(1,139)	1,139
Net tax assets/(liabilities)	188	(1,327)	(1,139)	1,139

	Asset 2018 £000	Liability 2018 £000	Net 2018 £000	(Charged) /credited to Consolidated Statement of Comprehensive Income 2018 £000
Accelerated capital allowances	-	(1,018)	(1,018)	(459)
Short term temporary differences	1,018	-	1,018	1,018
Available losses	-	-	-	(559)
Tax assets/(liabilities)	1,018	(1,018)	-	-
Net tax assets/(liabilities)	1,018	(1,018)	-	-

Company

The movement on the deferred tax account is as shown below:

	2019 £000	2018 £000
At 1 July	**-**	-
Recognised in Company Statement of Comprehensive Income		
Origination of temporary timing differences	**368**	(459)
Adjustments in respect of prior periods	**(59)**	-
At 30 June	**309**	(459)

21 TRADE AND OTHER RECEIVABLES

	2019 Group £000	2018 Group £000	2019 Company £000	2018 Company £000
Trade receivables	**28,115**	21,525	**21,464**	16,177
Provision for doubtful debts (see below)	**(280)**	(389)	**(20)**	(175)
	27,835	21,136	**21,444**	16,002
Prepayments and accrued income	**1,583**	1,806	**248**	290
Other receivables	**4,097**	2,716	**3,586**	2,193
	33,515	25,658	**25,278**	18,485

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

	2019 Group £000	2018 Group £000	2019 Company £000	2018 Company £000
Trade receivables	**8,089**	4,397	**8,089**	4,397

The movement in the provision for doubtful debts was as follows:	2019 Group £000	2018 Group £000	2019 Company £000	2018 Company £000
Opening balance	**389**	188	**175**	-
Balances written off	**(257)**	(15)	**(175)**	-
Change in provision	**148**	216	**20**	175
Closing balance	**280**	389	**20**	175

For the sale of goods that are subject to credit terms, the average credit period offered to customers is 30 days. No interest is charged on outstanding trade receivables.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL in full using the simplified model. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor is subject to insolvency proceedings.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience shows significantly different loss patterns for different transactions, the provision for loss allowance based on past due status is presented for regular trade receivables excluding amounts due in relation to the disposal of intangible assets due to the specific nature of these transactions and the timing of the associated cash flows.

At 30 June 2019 the lifetime expected loss provision for trade receivables is as follows:

		Trade receivables – days past due				
	Not past due	<30	31-60	61-90	>90	Total
Expected Credit Loss	0.10%	0.21%	0.00%	0.00%	28.33%	
Gross Carrying Amount (£000)	2,834	3,172	105	67	40	6,218
Loss Provision (£000)	3	7	0	0	11	21

The expected loss rates are based on the Group's historical credit losses on receivables excluding those for disposal of intangible assets experienced over the three year period prior to the period end. All non-current receivables are due within 3 years of 30 June 2019. None of those receivables has been subject to a significant increase in credit risk since initial recognition and, consequently, there are no lifetime expected credit losses for non-current receivables.

As at 30 June 2019 trade receivables of £0.26m (2018: £0.39m) had lifetime expected credit losses of the full value of the receivables. The receivables due at the end of the financial year relate to various customers where the receivable is not expected to be recoverable based on specific factors such as past default experience, general economic conditions of the industry and companies in administration.

22 CASH AND CASH EQUIVALENTS

	2019 Group £000	2018 Group £000	2019 Company £000	2018 Company £000
Cash at bank	**34,030**	42,539	**32,389**	40,864
Cash on hand	**27**	24	**-**	-
Cash and cash equivalents	**34,057**	42,563	**32,389**	40,864

23 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid			
Group and Company	**2019 No.'000**	2018 No.'000	**2019 No.'000**	**2019 £000**	2018 No.'000	2018 £000
Equity						
Ordinary Shares of 1p each	**223,556**	223,163	**94,202**	**942**	93,758	938
Deferred Shares of 1p each	**669,962**	650,359	**669,962**	**6,700**	650,359	6,504
Convertible Preferred Ordinary Shares of £1 each	**14,764**	14,908	**12,776**	**12,776**	12,920	12,920
Non-equity						
Convertible Cumulative Preference Shares of 60p each	**18,334**	18,428	**15,834**	**9,500**	15,928	9,557
Less reallocated to debt under IAS 32:						
Initial debt				**(2,761)**		(2,787)
	926,616	906,858	**792,774**	**27,157**	772,965	27,132

On 30 August 2019, 38,906 new Ordinary Shares of 1p each were issued in respect of mandates received from holders of Convertible Cumulative Preference Shares to reinvest their dividends.

The Convertible Preferred Ordinary Shares ("CPO") 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. Since 30 June 2019, the Company has converted 2,779 Convertible Preferred Ordinary Shares. As at 26 September 2019, the latest practicable date before publication, no notices have been received in respect of any further conversion of CPO shares.

Each Convertible Cumulative Preference Share ("CCP") of 60p carries the right, subject to the availability of distributable profits, to the payment of a fixed cumulative preference dividend equal to 6% (less tax credit deduction) of its nominal value. This dividend right started accruing from 1 July 1996, approximately six months after the CCPs were issued, with the first dividend payment made on 31 August 1997. Holders of CCPs are also entitled to convert each share into one Ordinary Share of 1p and 59 Deferred Shares of 1p each. During the year ended 30 June 2019, 93,991 CCPs were converted in accordance with these provisions. Since 30 June 2019, the Company has converted 19,000 Convertible Cumulative Preference Shares into Ordinary Shares. 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.

As at 26 September 2019, the latest practicable date before publication, no notices have been received in respect of any further conversion of CCPs.

As the CCPs are compound financial instruments, on initial recognition, an amount equivalent to the present value of the future cash dividend payments (calculated by reference to the Company's then incremental borrowing rate of 23.98%) was recognised as a financial liability. That financial liability was subsequently measured at amortised cost using the effective interest rate of 23.42%. The current carrying value of the financial liability element of the CCPs in the Balance Sheet is £4.18m (2018: £4.21m). 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.

As the CCPs are converted, the carrying amount of the financial liability related to that share is transferred between the CCP liability and share capital.

Reconciliation of number of Ordinary Shares in issue:	2019 No.'000	2018 No.'000
Opening balance	**93,758**	93,459
Shares issued re scrip dividend scheme	**51**	61
Shares issued re Convertible Preferred Ordinary Share conversions	**299**	149
Shares issued re Preference Share conversions	**94**	89
Closing balance	**94,202**	93,758

Reconciliation of number of Deferred Shares in issue:	2019 No.'000	2018 No.'000
Opening balance	**650,359**	638,055
Shares issued re Convertible Preferred Ordinary Share conversions	**14,059**	7,034
Shares issued re Preference Share conversions	**5,544**	5,270
Closing Balance	**669,962**	650,359

Reconciliation of number of Convertible Preferred Ordinary Shares in issue:	2019 No.'000	2018 No.'000
Opening balance	**12,920**	12,992
Convertible Preferred Ordinary Share conversions to Ordinary and Deferred Shares	**(144)**	(72)
Closing Balance	**12,776**	12,920

Reconciliation of number of Convertible Cumulative Preference Shares in issue:	2019 No.'000	2018 No.'000
Opening balance	**15,928**	16,017
Convertible Cumulative Preference Share conversions to Ordinary and Deferred Shares	**(94)**	(89)
Closing Balance	**15,834**	15,928

24 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. Included in this reserve is an amount equal to three times the Executive Club loans, currently equal to £300,000 (2018: £300,000) which will remain non-distributable until such loans are repaid by the Company.

On issue, the CPOs also had rights to fixed dividend for a set period, which has now expired. In consequence, they were treated as a compound financial instrument with a proportion of the share capital being recognised as a liability, measured at the present value of the fixed dividend. As the initial liability amount remained capital of the Company, an amount equivalent to the initially recognised liability was transferred to the Capital Reserve from retained earnings.

As the rights to dividend have now expired and the liability has been eliminated, the Capital Reserve was transferred to Share Capital in 2017. The amount recognised within share capital in respect of the CPOs now represents the full nominal value of the shares that remain unconverted at the Balance Sheet date. There has been no impact on the overall capital position of the Company following this conversion.

The Share Premium account represents the accumulation of the premium recognised on the issue of Ordinary Shares. The increase in the year from £14.72m to £14.79m reflects the premium on the issue of Ordinary Shares arising from the scrip dividend.

Accumulated profits or losses represents the accumulated profits or losses of the Group or Company, net of distributions made.

25 BORROWINGS – GROUP AND COMPANY

	2019 £000	2018 £000
Current portion of interest bearing liabilities	**1,264**	200
Non current portion of interest bearing liabilities	**4,108**	6,250
	5,372	6,450

The Interest bearing liabilities as at 30 June 2019 are represented by loans from The Co-operative Bank. These loans bear interest at London Inter-Bank Offered Rate plus 3%. The loans are floating rate loans and therefore expose the Group to cash flow risk. The Group has the option to repay the loans earlier than the maturity dates without penalty. The bank loans are secured over Celtic Park, land adjoining the stadium and at Westhorn and Lennoxtown.

26 TRADE AND OTHER PAYABLES (CURRENT)

	2019 Group £000	2018 Group £000	2019 Company £000	2018 Company £000
Accrued expenses	**8,041**	17,739	**5,071**	13,855
Trade and other payables	**5,775**	8,125	**3,781**	7,038
Corporation tax	**141**	1,141	**206**	-
Amounts owing to Group companies	**-**	-	**34,628**	26,379
	13,957	27,005	**43,686**	47,272

27 TRADE AND OTHER PAYABLES (NON CURRENT)

	2019 Group £000	2018 Group £000	2019 Company £000	2018 Company £000
Trade and other payables	**6,943**	10,302	**6,943**	10,302

28 PROVISIONS

Group	**Total £000**
Cost	
At 1 July 2018	**4,751**
Provided during the year	**3,285**
Release of provision	**(1,730)**
Utilised during the year	**(2,372)**
At 30 June 2019	**3,934**
Due within one year or less	**3,479**
Due after more than one year	**455**
At 30 June 2019	**3,934**

Company	Total £000
Cost	
At 1 July 2018	**3,723**
Provided during the year	**3,122**
Release of provision	**(1,472)**
Utilised during the year	**(2,164)**
At 30 June 2019	**3,209**
Due within one year or less	**3,174**
Due after more than one year	**35**
At 30 June 2019	**3,209**

The Group and Company have recognised a provision in relation to onerous contracts, where the unavoidable costs of meeting the obligations of such contracts exceed the economic benefits expected to be received by the Group over the term of the contract (refer to Note 3(g) and 3(m)). The Group's opening balance of these provisions was £4.46m of which £2.36m was utilised against costs, £1.52m was released as no longer required and a further £0.38m was provided for during the year. The closing balance was £0.96m. The Company's opening balance for these provisions was £3.72m of which £1.46m was released as no longer required, £2.17m was utilised against the costs and a further £0.38m was provided in the year. The closing balance was £0.47m.

The Group also provides for dilapidations with regards to retail outlets as well as obligations on commercial contracts. In addition, and in common with businesses who undertake the breadth of activities conducted by the Group and Company, the Group and Company are periodically subject to disputes and claims and as such, provisions have been recognised in respect of employer and public liability claims for amounts which, as assessed at the balance sheet date, may be payable in the future and can be reliably estimated. The Group and Company carry appropriate insurance and no separate disclosure is made in relation to such claims, proceedings or matters to the extent they are covered by insurance as to do so could seriously prejudice the position of the Group and Company.

29 DEFERRED INCOME

	2019 Group £000	2018 Group £000	**2019 Company £000**	2018 Company £000
Income deferred less than one year	**25,614**	24,020	**-**	-

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.

	2019 Group £000	2018 Group £000	**2019 Company £000**	2018 Company £000
Income deferred after more than one year	**57**	86	**-**	-

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 2019/20.

30 NOTES TO THE CASH FLOW STATEMENT – Group and Company

Analysis of change in debt

	Non-current loans and borrowings £000	Current loans and borrowings £000	Debt element of Convertible Cumulative Preference Shares £000	Total £000
At 1 July 2018	**6,250**	**300**	**4,208**	**10,758**
Cash flows	-	(1,010)	-	**(1,010)**
Non-cash flows				
- Debt converted to equity	-	-	(25)	**(25)**
- Loans and borrowings classified as non-current at 30 June 2018 becoming current during 2019	(2,090)	2,090	-	**-**
At 30 June 2019	**4,160**	**1,380**	**4,183**	**9,723**

	Non-current loans and borrowings £000	Current loans and borrowings £000	Debt element of Convertible Cumulative Preference Shares £000	Total £000
At 1 July 2017	6,450	304	4,232	10,986
Cash flows	-	(204)	-	(204)
Non-cash flows				
- Debt converted to equity	-	-	(24)	(24)
- Loans and borrowings classified as non-current at 30 June 2017 becoming current during 2018	(200)	200	-	-
At 30 June 2018	**6,250**	**300**	**4,208**	**10,758**

Cash flows represent the repayment of loans.

The Group's non-equity Convertible Cumulative Preference Shares are convertible to equity shares on or any time after 1 July 2001 at the discretion of the shareholder. Non-cash flows in relation to these represent the transfer of non-equity Convertible Cumulative Preference Shares to equity shares (Ordinary and Deferred) in the year.

31 CAPITAL AND OTHER FINANCIAL COMMITMENTS

a. Capital commitments

Group and Company	2019 £000	2018 £000
Authorised and contracted for	**180**	**1,058**

b. Other commitments

At 30 June 2019 the Group had commitments under operating leases as follows:

	Land & Buildings		Other	
	2019 £000	2018 £000	2019 £000	2018 £000
Amounts payable:				
Within 1 year	**594**	474	**56**	52
Between 2 and 5 years	**860**	991	**28**	57
In more than 5 years	**6**	6	**-**	-

Lease payments recognised in the Consolidated Statement of Comprehensive Income for the period amounted to £0.92m (2018: £0.75m).

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 and/or receivable by the Group if specific future conditions are met. Such future conditions could include first team competitive appearances, football success in specified competitions, international appearances and contracts continuing beyond existing break-clauses which the Group has the ability to exercise. Amounts in respect of such contracts at 30 June 2019 are noted below:

Group and Company	2019 £000	2018 £000
Conditions for triggering additional amounts payable:		
Appearances	**739**	800
Success achievements	**1,603**	1,582
Registered at a future pre-determined date	**407**	546
	2,749	2,928

Number of players contingent transfer fees payable relates to:	**23**	22

Group and Company	2019 £000	2018 £000
Conditions for triggering additional amounts receivable:		
Appearances	**1,364**	3,008
Success achievements	**2,026**	2,121
	3,390	5,129

Number of players contingent transfer fees receivable relates to:	**7**	8

32 FINANCIAL INSTRUMENTS – GROUP AND COMPANY

Classes and categories of financial instruments and their fair values

The following table combines information about:
- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments; and
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value).

30 June 2019	Fair Value through Profit and Loss £000	Amortised Cost £000	Total £000
Cash	-	34,057	**34,057**
Trade Receivables	-	31,840	**31,840**
Trade Payables	-	20,759	**20,759**
Bank Borrowings	-	5,372	**5,372**
Other Creditors	-	100	**100**
Convertible Cumulative Preference Shares	-	4,183	**4,183**
Foreign Exchange Forward	92	-	**92**

30 June 2018	Fair Value through Profit and Loss £000	Amortised Cost £000	Total £000
Cash	-	42,563	**42,563**
Trade Receivables	-	25,658	**25,658**
Trade Payables	-	37,307	**37,307**
Bank Borrowings	-	6,450	**6,450**
Other Creditors	-	100	**100**
Convertible Cumulative Preference Shares	-	4,208	**4,208**
Foreign Exchange Forward	-	-	**-**

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 (2018: £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.

Financial risk management objectives & policies

The main purpose of these financial instruments is to finance the Group's operations.

The principal risks arising from the Group's and the Company's financial instruments are market rate risk, credit risk and liquidity risk. The majority of the volume of transactions undertaken in the year are in Sterling; however a small number of high value transactions related to UEFA payments are denominated in Euro and the Group and Company is therefore exposed to foreign exchange risk for these transactions. Where appropriate, the Group and Company may hedge their position utilising forward contracts. There was one forward contract in place at the year end. In the Directors' assessment, the principal risks remain unchanged from 2018.

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.

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3(f).

(i) Market Risk

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

Interest Rate Risk
The Group is exposed to interest rate risk because the working capital of the Group and Company is funded largely by a combination of existing cash reserves and bank borrowings. As at 30 June 2019 the Group and Company has a £7.4m (2018: £12.1m) facility with The Co-operative Bank PLC, which was refinanced during the year, of which £2.0m (2018: £5.7m) is in the form of a Revolving Credit Facility ("RCF") and £5.4m (2018: £6.5m) in long-term loans. While the nature of the RCF results in the application of a floating rate, the loans offer the possibility to lock into a longer-term interest rate.

During 2018/19, fixed rate periods were for three months and the average balance on the loans was £6.00m (2018: £6.55m). During the course of the year, the average balance on the RCF facility was £nil (2018: £nil).

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis
Based on the average levels of debt in the year to 30 June 2019 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 £0.15m (2018: £0.07m). The calculation in both years incorporates the terms and conditions of the agreement with The Co-operative Bank at that time.

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 mechanisms. No such mechanisms were utilised during the year nor in 2018.

(ii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables
Trade receivables are subject to standard payment terms and conditions. The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtors and an analysis of debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

As at 30 June 2019, £0.14m representing 0.5% of trade receivables of the Group of £28.12m (2018: £21.52m) were past due but not impaired (2018: £0.24m, 1.1%) and £0.02m representing 0.09% of the trade receivables of the Company of £21.46m were past due but not impaired (2018: £0.03m, 0.19%). Group trade receivables of £0.28m (2018: £0.39m) 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 21.

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.

(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 2019, 21% of trade payables of the Group were due to be paid within one month (2018: 70%) and 3% of trade payables of the Company were due to be paid within one month (2018: 74%). The nature of other payables is such that amounts due will crystallise within a 3 month period.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The cash flow related to the maturity of the bank borrowings (inclusive of interest) of the Group and Company is as set out below.

	2019 Group £000	2019 Group £000	2019 Group £000	2019 Group £000	2019 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	46	137	4,300	-	**4,483**
Current portion of borrowings	332	997	-	-	**1,329**
Total	**378**	**1,134**	**4,300**	**-**	**5,812**

	2018 Group £000	2018 Group £000	2018 Group £000	2018 Group £000	2018 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	35	105	6,447	-	**6,587**
Current portion of borrowings	51	153	-	-	**204**
Total	**86**	**258**	**6,447**	**-**	**6,791**

Other loans held by the Company of £0.10m (2018: £0.10m) are repayable on demand.

The Company's financial liabilities include the annual payment of £0.50m (2018: £0.57m) in respect of the Convertible Cumulative Preference Share dividends. At the Balance Sheet date, based on the available information, the future cash flows of this liability are £0.50m in perpetuity.

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 revolving credit facility (RCF) in existence as at 30 June 2019 bear interest at LIBOR plus 3% (2018: 1.5%) and base rate plus 3% (2018: 1.5%) respectively. 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 £7.44m (2018: £12.1m), of which £5.44m is represented by long-term loans and £2.0m by RCF, £2.0m (2018: £5.65m) remains undrawn at the Balance Sheet date.

Compound financial instruments
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%.

Capital management
The Group and Company's capital base is as set out in the Statement of Changes in Equity and in Notes 23 and 24 (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 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.

33 POST BALANCE SHEET EVENTS

Since the Balance Sheet date we have secured the permanent registrations of Christopher Jullien, Luca Connell, Hatem Abd Elhamed, Boli Bolingoli-Mbombo, Greg Taylor, Jonathan Afolabi, Jeremie Frimpong and Lee O'Connor as well as the temporary registrations of Fraser Forster, Moritz Bauer and Mohamed Elyounoussi.

The registration of Kieran Tierney was disposed of on a permanent basis, with that of Ross Doohan, Anthony Ralston, Jack Aitchison, Ewan Henderson, Kieran McGrath, Stephen Welsh, David McKay and Daniel Church placed on loan. Proceeds for the permanent disposal amounted to £25.0m.

34 RELATED PARTY TRANSACTIONS

Celtic plc undertakes related party transactions with its subsidiary company Celtic F.C. 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 F.C. Limited as well as the rental of certain properties at Celtic Park to Celtic F.C. Limited. The amount recharged in the year by Celtic plc to Celtic F.C. Limited was £14.26m (2018: £21.57m) with £34.63m (2018: £26.38m) owed from the parent company at the Balance Sheet date.

Key management personnel are deemed to be the Directors and the salaries paid to them have been disclosed in Note 10.

DIRECTORS | Ian P Bankier (Chairman) | Thomas E Allison*§ | Sharon Brown* | Dermot F Desmond* | Peter T Lawwell (Chief Executive) | Christopher McKay (Financial Director) | Brian D H Wilson*

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) (resigned 5 July 2019)* | Peter T Lawwell | Eric J Riley* | Michael A McDonald*

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

AUDIT COMMITTEE | Sharon Brown (Chairman) | Dermot F Desmond | Brian D H Wilson

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

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

WEBSITE | www.celticfc.net

§Senior Independent Director *Independent Non-Executive Director

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