

CELTIC PLC
ANNUAL REPORT
YEAR ENDED
30 JUNE 2021





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“We look forward to the season ahead with measured confidence in both our footballing prospects and the robustness of our business model.”

These results for the year ended 30 June 2021 show that revenue fell to £60.8m (2020: £70.2m) and we recorded a loss before tax of £11.5m (2020: £0.1m profit before tax). This was driven by revenue attrition and significantly lower gains on player trading, compared to the prior financial year. In the face of this adverse swing in financial performance, we are satisfied that we took sufficient and appropriate steps to mitigate the losses and control costs in the business. Our year end cash, net of bank borrowings, was £16.6m (2020: £18.2m). This gave us a base to invest in the summer transfer window as discussed further below.

The persisting trading restrictions from Covid-19 translated into lost earnings and, taking account of the seasonality in our trading, this was the key factor in the widening of our losses in the second half of the financial year. Conditions have improved markedly since the year end and we were delighted to welcome our fans back in July 2021. Although our stadium has been operating at near full capacity, recently announced Scottish Government restrictions on large venues will be a further challenge. Whilst we look forward with optimism to a more normal operating environment, we are mindful of the inherent risk of the pandemic continuing to affect public health.

The Board was delighted to welcome new manager Ange Postecoglou to the Club in June 2021. Ange is a modern, progressive coach with exciting, attacking football as his philosophy. He has received a host of prestigious coaching accolades, including being named as Australia's PFA Manager of the decade in 2015. He has been well received by the media and our supporters.

Over the transfer window, post year end, we successfully accomplished a major overhaul of our playing squad. At the season end, we returned a number of loan players that had amplified our squad. Then we invested significant sums in the registrations of Liam Shaw, Osaze Urhoghide, Liel Abada, Carl Starfelt, Kyogo Furuhashi, James McCarthy, Joe Hart, Josip Juranovic, Liam Scales, Georgios Giakoumakis plus the loan signings of Filipe Jota and Cameron Carter-Vickers. And we achieved good value from the transfer out of a number of players, notably, Kristoffer Ajer, Odsonne Edouard and Ryan Christie, who have moved on to other opportunities.

Our strategy of balancing player development and player trading is fundamental to our self-sustaining business model. In particular, the disposal of the registrations of Odsonne Edouard and Kristoffer Ajer demonstrates our core strength of being able to transform young talented players into seasoned professional footballers. In turn, we invest the proceeds of these transactions back into the first team squad to enable us to continue to develop our squad and to challenge for future honours.

Dominic McKay, who was appointed CEO on 1st July 2021 chose to step down on 10th September for personal reasons. I thank Dom for his contribution over the summer and everyone at Celtic wishes him well for the future. Michael Nicholson, Director of Legal and Football Affairs, has been appointed to the Board as acting Chief Executive Officer. Michael carries the confidence of the Board, he is experienced in Celtic, highly regarded in football circles and is a most effective leader of our executive team.

The entire season captured in the year ended 30 June 2021 was characterised by the absence of supporters in football stadiums and the huge disruption to our operations. On behalf of the Board and everyone at the Club, I thank the Celtic support for their backing and understanding last season whilst also sharing their frustration and disappointment. I must also express my gratitude to our sponsors and partners, who were also challenged by the unique circumstances. As we progress through the current season, our objective is to work with the authorities to ensure that we can continue to operate in a safe manner and in a way that facilitates our players being able to give their best and our supporters being able to attend matches at full capacity.

We look forward to the season ahead with measured confidence in both our footballing prospects and the robustness of our business model. Celtic plc is directed by a Board of individuals with demonstrable experience both of Celtic and wider business, its operations are managed by an executive team of talented specialists led by our Chief Executive and the executive is supported by a dedicated cast of colleagues who have worked tirelessly for the Club over this most difficult financial year. I thank them all for everything that has been achieved. Celtic is in good hands.

Ian P Bankier, Chairman
20 September 2021



SUMMARY OF THE RESULTS

OPERATIONAL HIGHLIGHTS

- Runners up in the SPFL Premiership
- Winner of the delayed 19/20 Scottish Cup for the 4th season in a row and completing an unprecedented 'Quadruple Treble'
- Qualification for the group stages of the UEFA Europa League
- 28 home matches played at Celtic Park (2020: 26¹ games)

FINANCIAL HIGHLIGHTS

- Group revenue decreased by 13.4% to £60.8m (2020: £70.2m)
- Operating expenses including labour decreased by 7.6% to £74.4m (2020: £80.5m)
- Gain on sale of player registrations of £9.4m (2020: £24.2m)
- Acquisition of player registrations of £13.5m (2020: £20.7m)
- Loss before taxation of £11.5m (2020: Profit £0.1m)
- Year-end cash net of bank borrowings of £16.6m (2020: £18.2m)

¹due to the early curtailment of the 2019/20 Scottish domestic season, 4 home SPFL Premiership matches were unfulfilled.





CHIEF EXECUTIVE'S REVIEW Michael Nicholson



“After the disappointments of last season, our supporters have stuck by the Club and I sincerely thank them for that.”

The year ended 30 June 2021 was one of the most challenging periods the Club has faced in recent history. The impact of Covid-19 and consequential events disrupted our winning rhythm and, crucially, prevented our supporters from attending Celtic Park. Despite securing a historic quadruple treble in December 2020, following the delayed completion of season 2019/20, we were extremely disappointed to relinquish all three domestic trophies in season 2020/21. Similarly, we did not progress beyond the group stages of the Europa League as we had done in the previous season.

With the domestic game, European football and the transfer market in a state of profound uncertainty, we decided at the outset of the 2020/21 season to retain our key players and augment the squad with new acquisitions and loan players. We acquired the registrations of Albion Ajeti, Vasilis Barkas and David Turnbull, retained Mohamed Elyounoussi on loan and brought in experienced internationals Shane Duffy and Diego Laxalt on loan. For a combination of reasons it did not work out for us.

In February, Neil Lennon decided to step down as football manager and assistant manager John Kennedy stepped up to take the team to the end of the season. Our Chief Executive, Peter Lawwell, who had decided to retire during the season under review, stood down on 30th June 2021 after 17 successful years at the Club. I would like to thank both Neil and Peter sincerely for their leadership, commitment and unflinching support they have given the Club, through thick and thin.

Having endured the season described above, we have drawn a line under this and look to move the Club forward, as always.

The Club was delighted to recruit Ange Postecoglou as football manager. Ange is a highly experienced international coach who started his career in Australia, following much domestic success by leading his country at international level at the World Cup finals and winning a continental championship, before more recently joining Yokohama in Japan, winning the J League Title. Ange is a winner and has a clear vision of the football he wants us to play, which reflects the Club's values and style of play.

In the year under review, we sold the registrations of Jeremie Frimpong, Jack Hendry and Patryk Klimala. And then over the summer transfer window, post year end, we have refreshed the squad, adding 12 new signings, whilst some players have moved on. In addition, academy graduates Stephen Welsh, Tony Ralston and Adam Montgomery have made a strong contribution to the first team in recent months, with other academy graduates also gaining vital experience. Although we will always have work to do, our playing squad is in good shape for the season ahead.

We thank and pay tribute to the players who have left us, and we wish them well, as they progress their individual football careers. I make special mention of our outgoing captain, Scott Brown, who spent 16 years at Celtic amassing ten Scottish championships, five Scottish Cups, and six Scottish League Cups. I thank Scott for his immense contribution to Celtic and I wish our new captain, Callum McGregor, and all of our new players success in their roles going forward under our new manager.

Over the recent years we have invested heavily in our football department so that it can perform at the highest levels in supporting our playing squads and our player identification and development strategy. That investment fed in to one of the most successful periods on the pitch in the Club's history, and we will continue to devote substantial investment to these key areas, our objective being to remain at the forefront of the modern game. A number of evolutionary initiatives are currently under way, to build on that success and to continue to take the Club forward.

Building on the growth and investment in previous years, season 2020/21 saw for the first time a full time professional Celtic FC Women's team take the field, competing in the Scottish Women's Premier League. This was both a significant and a proud moment for the Club. Led by our manager Fran Alonso, our team finished second in the Scottish Women's Premier League, which was a notable achievement. We will continue to invest for future success in this important area of the Club.

I am also pleased to report that a Celtic B team has entered the Scottish Lowland League for the first time in season 2021/22, led by manager Tommy McIntyre. This provides a competitive environment for player development and represents an important step in our player pathway strategy to progress our best young talent from the academy into the first team.

In the last year we have enjoyed working alongside adidas, our new technical kit partner. The response of the Club's supporters to the new merchandise has been outstanding, with record sales through our stores and online. This reflects both the combined global strength of the Club and adidas brand as well as the quality of the products on offer and we look forward to successful years ahead with adidas as a key partner. We also thank Dafabet, Magners and all of our partners for their ongoing support and for working collaboratively and constructively with the Club through the impact of Covid-19.

After the disappointments of last season, our supporters have stuck by the Club and I sincerely thank them for that. In very difficult circumstances, our supporters have backed Ange and the team with remarkable season ticket sales over the summer period. Celtic Park is finally back as it should be; full of the best supporters in world football. Everyone at the Club wants to reward our supporters' commitment and loyalty with entertaining and winning football and I look forward to this current season with optimism.

In closing, I would like to recognise the personal efforts and sacrifices of all colleagues at the Club over this challenging period. Their selfless dedication and steadfast commitment to Celtic has played a vital role in the Club emerging from the impact of Covid-19 and gives us a solid foundation to restore the success that our supporters and everyone at the Club desire.

Michael Nicholson, Acting Chief Executive
20 September 2021



STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 30 June 2021.

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. 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 assumptions used take into account the known effects of the Covid-19 pandemic ('Covid-19') and the impact this has had and is currently having on the operations of the Group. At the time of writing the effects of Covid-19 on the business are subsiding, however these circumstances and the resultant trading conditions may still be subject to change in the coming financial year owing to the unpredictable nature of Covid-19.

The Strategic Report discusses the following areas:

- Covid-19
 - Financial and other implications on the business (refer to pages 6 – 15)
 - Management decisions and mitigating actions (refer to pages 6 – 7)
- Strategic management
 - Strategy, the business model and objectives (refer to page 8)
 - Principal risks and uncertainties (refer to pages 11 – 12)
- Business performance
 - Fair review of the Group's business (refer to pages 8 – 10)
 - Key performance indicators (refer to page 8)
- Business environment
 - Main trends and factors (refer to pages 13 – 15)

COVID-19

The adverse impact of Covid-19 had been significant in the year ended 30 June 2020 and this was evident from the financial results reported for that period. Following the early season curtailment in 19/20, it was agreed in July 2020 that the 20/21 SPFL Premiership season would re-start with matches being played behind closed doors. However, the retail and hospitality sectors had re-opened after a period of closure and this, along with the work going on behind the scenes around a safe return for fans to football stadia including the planning of some test events in the early part of the season, had provided some optimism that we would see an end to closed door matches in the near future. As it transpired, due to the continuing spread of Covid-19 and the resulting government measures, the entire season was played without any fans in attendance for all of the Club's home matches. This had a material detrimental effect on the business and required a number of measures, both operationally and financially, to navigate the business through this challenging period.

MITIGATING ACTION AND PROTECTIVE MEASURES

STRATEGY FOLLOWING LOCKDOWN

As the strict lockdown measures, which had been in place and curtailed trading in the last quarter of the year ended 30 June 2020, began to ease, the executive management had a number of areas of focus, most notably:

- Continued engagement with the football authorities, and in particular the SFA and SPFL Joint Response Group (JRG) with the aim of bringing supporters back to the stadium;
- Formulating a financial plan for the coming year, ensuring appropriately prudent assumptions were in place, to fully account for the potential financial implications of the continuing pandemic;
- Ensuring the safety and well-being of staff, as well as continuing to facilitate home working;
- Managing the operation of football matches behind closed doors and providing a match broadcast media offering for season ticket holders in lieu of stadium entry; and
- Supporting our football department in preparation for the new season while managing the potential financial challenges ahead.

In respect of the final point above, the strong Balance Sheet we had in place at the start of the year allowed us to progress with targeted investment to try and ensure the first team was as well placed as possible to compete on various fronts in the coming season.

The Group continued to engage with specific external consultants in order to keep apace with the ever-changing regulations associated with Covid-19, as we aimed to ensure a safe working and playing environment as well as formulating processes and plans for the potential safe return of supporters to football stadia.

IMPACT ON OUR STAKEHOLDERS

The Group has been cognisant of the detrimental impact across society brought about by Covid-19 and continued to support its key stakeholders where possible, noting the varied challenges experienced within each group.

EMPLOYEES

In the year ended 30 June 2020, the Group had taken advantage of the UK Government's Job Retention Scheme (JRS) and this continued as necessary into the financial year under review. Despite the scheme offering varying levels of benefits throughout the year, the Group continued to pay all furloughed employees in full, topping up any difference between the JRS funding and the relevant pay of the affected employees.

In addition, a voluntary decision was made by the executive and non-executive Directors to continue to take a reduction in salary for the opening period of the financial year.

Those employees who were continuing to work, either on full or part time basis, have been supported in working from home in line with the government guidance. The work place was altered to incorporate necessary social distancing measures and PPE is available to all staff that require to be in our facilities. Our Human Resources team have also maintained regular dialogue with employees by distributing updated Government guidance as it becomes available, online training modules on how to stay safe and mental health resources, all in an effort to maintain employee wellbeing.

SUPPORTERS

Season ticket sales for season 20/21 were launched in March 2020 prior to the full impact of Covid-19 being known. With the continuing uncertain environment the deadline for season ticket renewals for season 20/21 was extended by over two months with the terms and conditions updated to reflect the possibility of supporters not being able to enter the stadium. The supporters' response in purchasing season tickets despite the uncertainty around when they could return to the stadium exceeded all expectations.

The Club introduced a matchday streaming service, the 'Pass to Paradise' for season ticket holders across all categories ensuring all matches which would normally be part of the season ticket or hospitality package were available to view live. In addition, an extra UEFA qualifier and League Cup tie were also included in the package. In line with the terms and conditions the Group also provided credits, as applicable, to supporters for the hospitality elements of their seasonal packages.

As is noted above, the Club was optimistic of a return of fans to football stadia at some point during the season however this did not transpire. In response to this, the Club issued c. 55,000 £50 retail vouchers at a value of £2.78m to our 20/21 season ticket holders in recognition of, and a thank you for, their continued support.

SUPPLIERS

With the return of football matches, albeit behind closed doors, our activity with most suppliers returned to a more normalised level and for many it was business as usual. As a result we continued to run our normal purchase to pay process, paying suppliers in as timely a manner as possible.

IMPACT ON THE BUSINESS IN THE FINANCIAL YEAR

As with the prior year the biggest impact to the business was in relation to match day income, namely in regard to individual match tickets, hospitality, catering and matchday merchandise. However, the effect in the year to 30 June 2021 was far more substantial than in the prior year. The Club was unable to sell individual match tickets or hospitality packages which in 19/20, even with the impact of the late season curtailment, contributed revenues in excess of £10m. In addition, the closure of our events, restaurants and tours business also adversely impacted the business with lost revenues of around £2-3m (including matchday related streams) and a further £0.5m downturn in respect of Paradise Windfall half time draw. All of these reduced revenues translate directly to lost cash inflows.

Our retail outlets were closed for approximately one quarter of the year. However, the success of our E-commerce business combined with the positive response to our new partnership with adidas resulted in a satisfactory financial performance in the period, given the difficult trading conditions.

Cost savings resulted from operating matches behind closed doors as this significantly reduced stewarding, hospitality and other matchday staff requirements. However additional costs were incurred around the 'Pass to Paradise' as well as requirements to maintain a 'Covid safe' environment, including Covid testing for players.

CASHFLOW, LIQUIDITY MANAGEMENT AND PROTECTING THE BUSINESS

In order to mitigate the adverse impact of lost revenues and associated cash flows, and the potential impact this could have on the cash balance at various points in the year, the Group was able to increase the Revolving Credit Facility ('RCF') with The Co-Operative Bank plc, from £2m to £13m. At the time of writing we have not required to utilise this.

As is noted above, the Group continued to utilise the UK Government's JRS as required. The number of employees on furlough at any one time varied during the year due to changing in restrictions, with the maximum in one month being 286. However, in the last quarter of the year the number was gradually reducing as operations restarted.

The Group also continued to benefit from rates relief for Celtic Park and some other trading properties.

The preference share dividend (£0.51m) in relation to the year ended 30 June 2020 was paid in full in August 2020, in line with our contractual obligations to our preference shareholders.

We continued to limit capital expenditure to essential spend only with total committed capex over the past 2 years of £2.2m being less than the committed level of £2.5m in the year ended 30 June 2019. Operating costs were also managed closely to ensure as efficient an operating environment as possible. We will continue to do this as necessary due to the potential risk of a further Covid related impact on trading.

BALANCE SHEET RESILIENCE AND PREPARING FOR A RECOVERY

At the time of writing, we have been able to welcome supporters back to the stadium and have recently had near capacity crowds in attendance with the only limitations concerning the operation of a player 'Red Zone' to maintain player social distancing. Our strong balance sheet coming into the pandemic allowed us to navigate through the past year, however the Group has still relied on its strategy of maximising returns from player trading, to partly offset the trading loss. The most notable sales over the past 12 months being Jeremie Frimpong to Bayer Leverkusen and Kristoffer Ajer to Brentford. There remains a risk of further disruption to trading as a result of Covid-19, however the Group is in a strong financial position and has control and visibility of its cash flows, as well as the undrawn RCF, which should allow us to manage these risks as they arise.



STRATEGY, THE BUSINESS MODEL AND OBJECTIVES

Notwithstanding the current challenges arising from Covid-19, the Group's objective is unchanged – 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.

Each of these divisions have been impacted in different ways by Covid-19 and this, along with the actions taken by management to mitigate the impact, are discussed in more detail below.

KEY PERFORMANCE INDICATORS

The Group monitors performance against the following key performance indicators:

- Football success (refer to pages 8 – 9 and page 40 Five Year Record);
- Match attendance statistics (refer to page 40, Stadium and Matchday Operations and page 40 Five Year Record);
- Sales performance per revenue stream (refer to The Financial Review page 13 and Note 5, Segmental Reporting);
- Wage and other costs (refer to pages 13 – 14, Operating Expenses and page 15, Current Trading and Outlook);
- Capital expenditure (refer to page 14, Property Plant and Equipment);
- Profit and cash generation (refer to page 15, Current Trading and Outlook);
- Shareholder value (with weekly share price reporting disseminated within the business); and
- Player trading (refer to page 14, 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. Management and departmental meetings are held on a regular basis 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 20/21 was, as in the previous year, significantly impacted by Covid-19. The SPFL Premiership commenced on the weekend of the 1st August 2020 however matches were being played behind closed doors with no fans in attendance, a situation which would continue for the entire season. The format for UEFA qualifying rounds was amended resulting in one legged ties rather than two and these matches were also being played with no fans in attendance.

Unfortunately, the domestic success which had been experienced so significantly in previous years, was not replicated in the current season, with the Club finishing runners up in the Premiership and being knocked out of both domestic cup competitions in the early stages.

Qualification for the UEFA Europa League ('UEL') group stages was secured meaning UEFA competition group participation was achieved for the 10th season in a row, however we were unable to progress into the knockout stages of the competition.

The outcome of the disappointing performance noted above was that the first team manager, Neil Lennon, left his role in February 2021 with John Kennedy taking on the job on a temporary basis until the end of the season. After an assessment of a number of candidates in the market, Ange Postecoglou was appointed first team manager on 10 June 2021. The Board were delighted to secure his appointment and he brings a considerable degree of experience of world football to Celtic.

The Club's most significant success during the financial year was winning the delayed 19/20 Scottish Cup in December 2020, beating Hearts in the final, after penalty kicks. This completed a domestic 'Quadruple Treble', an unprecedented achievement in not only Scottish football, but world football, and something the Club is extremely proud to have achieved.

The past year has shown the importance of our strategy of maintaining a sustainable financial model, aiming to ensure the first team includes a mix of strategic investment in experienced players as well as identifying and developing young, high potential talent. This was reflected in the strength of our Balance Sheet which allowed us to absorb the value destructive impact of Covid-19. Our training centre at Lennoxtown continues to offer numerous benefits, helping to ensure that players are recruited, developed and supported in a professional and progressive manner while being as cost effective as possible.

Targeted strategic 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 continues to invest in the Academy in order to develop high potential talent who can progress to become first team regulars and provide on field success as well as potentially generating significant returns in the transfer market.

During the past season, the first team has included long standing members and, Academy graduates, Callum McGregor and James Forrest while most notably Stephen Welsh made significant progress within the first team set up.



Covid-19 has presented significant challenges for the Academy both in terms of operating safely on a day to day basis as well as trying to maintain a format of competitive matches. As such, the Club's use of the loan market has been even more important during the season just past, with several players benefiting from sustained periods on loan throughout the various levels of Scottish football.

Celtic F.C. Development Fund Limited under which 'Celtic Pools' operates, continues to provide the underlying funding for the Academy. During season 20/21, closed door matches significantly impacted the most lucrative revenue stream, the 'Paradise Windfall' half time draw. However, through the operation of a newly developed mobile phone app, and continuing the weekly Pools draw, the business has managed to generate revenue of £0.60m to contribute towards the Academy.

WOMEN'S FOOTBALL

The Club had previously committed to taking its women's first team squad to full time status and we began season 2020 in January 2020 with this model for the first time, having invested substantially in both players and resources.

Due to the initial Covid-19 lockdown in March 2020, the season was postponed, eventually restarting in October 2020 and was completed in June 2021.

The team performed exceptionally well and finished in second place in the Scottish Women's Premier League, their highest ever finish, and in the process gained access to the UEFA Women's Champions League qualifying rounds. This was a tremendous achievement for manager Fran Alonso, the players, backroom staff and those behind the scenes who had worked extremely hard to bring the team to this point. We look forward with optimism and hope to achieve further success in the near future.

STADIUM AND MATCHDAY OPERATIONS

During season 2020/21, Celtic Park hosted 28 first team fixtures consisting of 19 SPFL Premiership, 5 UEFA competition, 1 League Cup, 1 Scottish Cup and 2 friendlies. With the changes in format to UEFA qualifying rounds as noted above, and an additional friendly due to limited ability to travel for pre-season, the match composition varied somewhat from previous years.

Our season ticket volumes for season 20/21 were significantly beyond expectations given the uncertainty of fan attendance and the risk of non completion of the season at the time of buying. The supporters once again showed tremendous backing to the Club, resulting in over 55,000 tickets and packages across all categories being purchased.

As noted previously, the season completed with no fans in attendance at any of our home matches. However, we provided live streaming through our 'Pass to Paradise' for every SPFL match as well as our UEFA qualifiers, friendlies and our League Cup tie.

NON MATCHDAY OPERATIONS

In common with other hospitality businesses, our restaurant and conference and banqueting operations were closed just before lockdown on 23rd March 2020 and although they re-opened at the start of August 2020, having implemented a number of Covid-19 safe measures, the business was once again closed in October owing to local restrictions. This situation continued until May 2021 when we were able to begin trading again and therefore generated a small level of revenue at the back end of the year.

Our stadium tours business was did not operate at all during the financial year however began operating again in July 2021.

(II) MERCHANDISING

Season 20/21 saw the first year of the Club's new 5-year kit partnership with adidas. Due to product delivery issues caused by Covid-19, the launch of this partnership was delayed until August 2020, however the results for the year were exceptional given the extremely challenging trading conditions faced at various times during this period. We achieved our highest ever online sales as well as one of our most successful launch periods for new kit and training wear goods.

(III) MULTIMEDIA AND OTHER COMMERCIAL ACTIVITIES

COMMERCIAL PARTNERSHIPS

Our commercial partnerships have remained a vital source of revenue despite the challenging environment faced during the year.

The front of shirt sponsorship agreement with Dafabet entered its 6th season and we are currently contracted to June 2025, offering security of revenue over the medium term. This partnership remains the most lucrative shirt sponsorship agreement ever in Scottish football. The support received from Dafabet during the period of Covid-19 has been greatly appreciated.

Our portfolio continues to boast a range of partners both in terms of location and industry and includes long standing relationship such as Magners, Eden Mill, Coca Cola and Intelligent Car Leasing, as well as new partnerships with Cadbury's, Go Radio and Squalk.

In addition, we have received great commercial support with regards to our Women's Football with a number of partnerships, including Eleven Sports, Indigo E-Commerce Digital and Utilita Energy providing continued investment during a period of significant uncertainty.

DIGITAL MEDIA

During Covid-19, our digital media offerings have taken on even more significance to the business, with social media communication and content key to maintaining active engagement with our supporters and other stakeholders.

In addition to our standard media platforms, the requirement to play matches behind closed doors resulted in the creation of our 'Pass to Paradise' which was designed to provide a high standard matchday production for season ticket holders across all categories as a substitute for being able to attend matches. A significant level of investment both from a financial and resource perspective was required to fulfil and manage this operation.

SUPPORTER RELATIONS

During the past year the SLO has maintained dialogue with our Supporters and Supporters Groups through social media and other non face to face communication. Throughout the pandemic we sought to continue to service our fans needs and requests as best we could and the SLO was at the forefront of our direct communication. A virtual Fan Forum was conducted in September 2020 and again in June 2021 along with an introduction to our new first team manager Ange Postecoglou to those fans who have regularly supported the Fan Forum.

OUR PEOPLE

The Club reviewed its salary rates in January 2021 and as at 1 July 2021 all permanent members of staff are paid a minimum rate of at least £9.50 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 January 2020 and was recognised at the Gold level of award, an improvement on the previously held Silver 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 performed 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.

Due to Covid-19 and in line with the decision by the Government Equalities Office (GEO) and the Equality and Human Rights Commission (EHRC), the Group subsidiary and main trading entity Celtic F.C. Limited did not report its Gender Pay Gap figures for the 2019/20 reporting year. Work is underway to recommence our reporting in the area, with our next Gender Pay Gap report due to be published by October 2021. Previous reports remain available on the Club's website and are 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 addition to the above our safeguarding team are producing a 5 year child and young people's wellbeing strategy to ensure children's rights are paramount and are at the heart of all of our activities.

The club are compliant with SFA directives which were implemented 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 and we have continued to ensure that staff training receives top priority in this area.

Following the onset of Covid-19 the Club engaged external consultants and prioritised the development and implementation of a series of Covid-19 oriented policies. The objective of these was to immediately preserve the health and well-being of all our employees. Following the implementation of these policies, attention immediately turned to the development of a Covid-19 secure environment at our Lennoxtown training facility. This in turn led to the development of a Covid-19 secure operational plan to allow firstly the re-commencement of training, then playing behind closed doors, followed by a plan for football in front of a limited number of spectators. The policies and operational plans established remain in place and under continuous review, ensuring they are adapted in line with relevant guidance.

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 business. 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. We also currently, and for the short term at least, have a further significant risk in the form of Covid-19 and this is specifically referred to below although it is inherent in almost all aspects of our business.

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 fall under the following headings:

(i) Covid-19

At the time of writing, Scotland and the UK as a whole, is making significant headway in tackling and mitigating the impacts of Covid-19 across the whole of society, principally through the vaccine programme and continuing to apply proportionate restrictions. Day to day lives are returning to a level of normality and various industries, most notably those who are customer facing such as retail, leisure and hospitality, are seeing normalised trading conditions being restored.

Following on from fan attendance at the UEFA Euro 2020 Championships, most notably at Hampden Park in Glasgow, and the lifting of certain Government restrictions around social distancing, the Club has been able to welcome supporters back to the stadium in season 21/22. This has been a staged approach, as we navigated the issues around maintaining a level of safety with respect to Covid-19, and at the time of writing we are able to operate the stadium on matchdays at near full capacity subject to maintaining a 'Red Zone' for players.

However, the on-going unknown, effects of Covid-19 remain a significant risk to the business. A renewed surge of Covid-19, with potential vaccine defeating variants, could bring risk of further restrictions around trading and ultimately a requirement to once again close stadiums to supporters or at the very least reduce the numbers which are able to attend. The introduction of the requirement for vaccine passports for large-scale events may mitigate the risk of further attendance restrictions.

The Club continues to operate within the guidelines issued by the JRG and UEFA, as well as continuing to implement our own internal processes and controls to mitigate the risk of an infection outbreak across the business and in particular the football squads. However, this risk remains and the consequence of such could be a depleted first team squad potentially leading to matches being forfeited which in turn could be financially damaging.

As with any situation as serious as this, we will be guided by the governing bodies, both at a national and industry specific level, and will continue to work to safeguard the business and our employees from the impact of this risk.

(ii) 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.

The football industry as a whole has suffered significant financial loss, primarily through lost media rights revenues as a result of Covid-19. There is a risk that sums previously achieved in the sale of player registrations are reduced as a result of this lost income, which in turn may inhibit our ability to generate the level of player trading gains achieved previously.

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

(iii) 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 have an 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.

Additionally, as noted above, Covid-19 has had, and could still have, a significant adverse impact on the Club's ability to maximise the revenues from this stream should further issues in respect of the pandemic arise.

(iv) Revenues from broadcasting contracts and football competitions

The 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.

It is worth noting that the impact of Covid-19 on this revenue stream has not been material at this point in time. However, as noted above with other revenues streams, a significant risk in this area remains.

Season 2020/21 saw the commencement of a new 5 year contract with Sky TV as the sole broadcaster for the SPFL Premiership. Sky TV continues to play an important role in assisting SPFL clubs by permitting all clubs to broadcast matches to season ticket holders until such times as we are confident that the risks of Covid-19 have been reduced to minimal levels.

(v) Financial Risk

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 33 to the Financial Statements as to how the Group addresses these risks.

(vi) Brexit

The UK officially left the EU on 31 January 2020 and on 31 December 2020 completed its separation from the EU with the ending of the transition period.

The Group has seen some impact on administration and costs particularly in respect of our merchandising division. Further risks could be access to workers, particularly around our casual/matchday staff as there are indications of a lack of supply in the hospitality and leisure markets.

In addition to the above, the Group has also experienced the effects of Brexit in relation to player transfers. To date, this has largely been translated to a resource and cost burden as there is a requirement for visa applications for EU nationals which would not have existed previously. In addition, a governing body (the SFA) endorsement is required for such application to be successful and at present there is discretionary panel which assesses these applications and determines whether the endorsement is appropriate. However, the operation of this panel has ended following the closure of the summer 2021 transfer window and it remains to be seen whether this will bring further obstacles in bringing players from abroad.

(vii) 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.

We also recognise the added dimension which Covid-19 has had and will continue to bring around stadium safety. As with all other aspects mentioned above we will continue to seek the necessary advice and take the necessary steps to ensure our compliance in this area. At the time of writing, we have successfully secured our certificate for this season which will run until 31 July 2022.

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 2021 reflect the significant impact of Covid-19.

	2021 £m	2020 £m
Revenue	60.8	70.2
Operating expenses	(74.4)	(80.5)
Exceptional operating expenses	(0.3)	(2.0)
Amortisation of intangible assets	(11.8)	(12.2)
Profit on disposal of intangibles assets	9.4	24.2
Other income	5.0	-
Net financing income/(charges)	(0.2)	0.4
(Loss)/profit before tax	(11.5)	0.1

In a year where the Group's financial performance was significantly impacted by Covid-19, a loss before tax of £11.5m has been incurred which is £11.6m adverse to the prior year. In FY20 the impact of Covid-19, though still significant, only impacted the final 4 home matches of the season where the season was curtailed and the matches were not played. In FY21, there was an impact across the whole season, with revenue streams across matchday as well as non matchday being affected. Another factor is the reduction in the profit on disposal of intangible assets, from £24.2m in 2020 to £9.4m in 2021. The 2020 figure was largely as a result of Kieran Tierney's record transfer to Arsenal. These factors resulted in moving from a profit before tax of £0.1m in 2020 to a loss before tax of £11.5m in 2021.

The Group has demonstrated tight cost control, as has been required in a challenging financial period, as shown by the reduction in operating costs of £6.1m compared with FY20.

REVENUE

	2021 £m	2020 £m
Football and stadium operations	20.8	35.8
Merchandise	22.6	15.0
Multimedia and other commercial activities	17.4	19.4
Group Revenue	60.8	70.2

The Group's revenues were severely impacted by Covid-19 in 2021, even more so than in 2020. Total revenue fell by £9.4m (13.4%) to £60.8m.

Football and stadium operations

The main driver of this revenue reduction was the Group's inability to sell individual match tickets and hospitality packages across the entire season and, due to matches being played behind closed doors, no hospitality related revenue being generated at all in the year. In addition, early elimination from both domestic cup competitions and an earlier exit from our European campaign than in 2020 contributed to the drop off in Football and Stadium revenue. Further to this, there were no significant revenues generated from our Tours or Events business due to the impact of the pandemic.

In addition, the Group issued c. 55,000 £50 retail vouchers to season ticket holders of season 20/21 in recognition of their continued support. Under IFRS15 this has resulted in a reduction to the 'Football and stadium operations' revenue of £2.8m. Overall, the above factors resulted in a reduction in revenue of £15.0m to £20.8m.

Merchandise

The Merchandise division had a very strong performance in the year, despite very challenging trading conditions, with revenues increasing by £7.6m (50.7%) to £22.6m. This result was particularly pleasing when considering the impact of enforced store closures for significant parts of the year. This also demonstrates the strength of our in-house E-commerce operation which has again performed exceptionally well. Underpinning these numbers was the first year of working with our new technical kit partner, adidas. The entire adidas range was well received by our fans and we look forward to a long and prosperous partnership.

Multimedia and other commercial activities

Multimedia and other commercial revenues saw a decrease of £2.0m (10.3%) to £17.4m. The main driver for this downturn was a UEL performance that was not on par with what was achieved in 2020 (4 points in 2021 vs 13 points in 2020). In 2020 the Group also received additional central distributions from UEFA for qualifying for the knockout rounds of the UEL competition, something which was not repeated in 2021. In addition, the central broadcast revenues in relation to the SPFL were reduced somewhat owing to a 2nd place finish in the Premiership compared to a 1st place finish in 2020.

OTHER INCOME

Other income of £5.0m (2020: £nil) represents a recovery derived from Business Interruption coverage. This provided some compensation for the lost matchday revenues resulting from playing matches behind closed doors in season 20/21. The Group also made the decision to put the funds towards a goodwill gesture for our season ticket holders with the issuing of c. 55,000 merchandise vouchers. This is accounted for as a reduction of £2.78m within Football and Stadium revenues.

OPERATING EXPENSES

	2021 £m	2020 £m
Labour	(49.3)	(54.3)
Other Operating Expenses	(25.1)	(26.2)
Operating Expenses	(74.4)	(80.5)

Total operating expenses (before exceptional operating items and intangible asset transactions) have decreased from last year by £6.1m (7.6%) to £74.4m. Labour has decreased by £5.0m (9.2%) to £49.3m, largely as a result of reduced activity due to the impact of Covid-19. The wages and salaries include those of employees put on the JRS from which we received £2.3m (2020: £1.8m) and has been net off against administrative expenses. Other operating costs also fell by £1.1m. This was partly due to decreased activity as well as savings in travel costs, with European qualifying matches being played over only 1 leg resulting in 2 less away trips in the qualifying campaign than in 2020.

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 £0.3m (2020: £2.0m) represent severance payments of £0.6m and an impairment reversal of £0.3m which was a previously provided for sum in relation to intangible assets deemed to be irrecoverable. These events are deemed to be unusual in relation to what management consider to be normal operating conditions.

NET PLAYER TRADING

	2021 £m	2020 £m
Amortisation of player registrations	(11.8)	(12.2)
Gain on sale of player registrations	9.4	24.2
Net Player Trading	(2.4)	12.0

Total amortisation costs at £11.8m represent a decrease of £0.4m (3.3%) in comparison to the previous year. This is predominately due to break clauses not being triggered in playing contracts which results in a re-phasing of the amortisation charge.

The gain on sale of £9.4m (2020: £24.2m) primarily reflects gains achieved on the sale of Jeremie Frimpong to Bayer Leverkusen, Jack Hendry to KV Oostende and Patryk Klimala to NY Red Bulls as well as contingent fees crystallising on previous player transfers. This compares to 2020 where the most significant disposal was the Club record sale of Kieran Tierney to Arsenal.

FINANCE INCOME & COSTS

Finance income and costs include the classification of Preference Share dividends as interest and notional interest charges/income relating to long term player trading receivables and payables, as required under IFRS reporting.

Interest income was £0.9m (2020: £1.5m). This reduction is due to holding lower cash balances during the year and a decrease in notional income derived from instalments in relation to player receivables.

Interest costs were £1.1m (2020: £1.0m). This increase is due to the increased notional interest costs in relation to player transfer instalments, being offset somewhat by the reduction in loan interest charges falling in line with the balance of the term loan decreasing.

TAXATION PROVISION

The corporation tax charge for the year ended 30 June 2021 is £1.1m (2020: £0.5m). An available capital allowance pool of £6.2m (2020: £7.5m) will be carried forward for use in future years.

PROPERTY, PLANT AND EQUIPMENT

The capital expenditure additions to property, plant and equipment in the period of £1.2m (2020: £0.9m) includes the acquisition of new LED grass grow lights and the laying of a new artificial playing surface at our Barrowfield training ground.

In addition to this, and consistent with reporting under IFRS 16, the Group also capitalised leasehold assets of £0.6m.

INTANGIBLE ASSETS

The decrease in the net book value of intangibles during the year of £1.5m to £18.3m reflects the investment in football personnel of £13.4m (2020: £20.7m) less the amortisation charge of £11.8m (2020: £12.2m), the net impairment reversal of £0.3m (2020: charge of £1.8m), and the net book value of disposals of £3.4m (2020: £1.0m). The investment in football personnel is represented by the costs associated with the permanent acquisitions of Alban Ajeti, Vasileios Barkas, David Turnbull, Liam Shaw and Joey Dawson along with the temporary acquisitions of Shane Duffy, Jonjo Kenny, Diego Laxalt and Mohamed Elyounossi. Additionally, the costs associated with the renewal of player contracts and the registration of youth players are also included.

During the financial year the Group permanently disposed of the registrations of Hatem Elhamed, Jeremie Frimpong, Jack Hendry and Patryk Klimala.

INVENTORIES

The level of stockholding at 30 June 2021 of £3.9m compares to £1.3m reported last year. This increase is attributable to the delay of the launch of our new kit partnership which occurred in August 2020 and resulted in a lower balance held at June 2020.

RECEIVABLES

Total receivables as at 30 June 2021 are £35.1m compared with £42.0m in 2020. The current year balance includes the remaining instalments due for the transfers of Patryk Klimala, Jack Hendry and Kieran Tierney. There is also a sell on fee due in respect of Aaron Hickey's transfer from Heart of Midlothian to Bologna FC. As at 30 June 2020 the amounts due included the remaining instalments for the transfers of Moussa Dembele, Stuart Armstrong, Eboue Kouassi and Kieran Tierney.

NON-CURRENT LIABILITIES

The increase in non-current liabilities of £0.3m since June 2020 to £13.2m 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 increase in current liabilities of £2.6m in the year to £52.5m is largely due to the increased balance of deferred income. Deferred income less than one year of £24.1m compares to the £21.3m reported last year and reflects the cash received and invoices raised predominantly in relation to 2021/22 season tickets, prior to 30 June 2021 in respect of the financial year ended 30 June 2021. The increase compared to 2020 is due to the timing of ticket sales, which was impacted by Covid-19.

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 £16.6m (2020: £18.2m) and includes all cash at bank and in hand, offset by bank borrowings. The cash balance of £19.5m has decreased by £2.9m owing to the challenging financial conditions experienced over the past year however the term loan balance has also decreased by £1.3m as a result of the repayments made in the period.

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 33 to the Financial Statements.

BANK FACILITIES

The lending agreement with The Co-operative Bank plc as at 30 June 2021 had a combined borrowing facility of £15.9m (2020: £6.2m), which consisted of a £13.0m (2020: £2.0m) revolving credit facility ('RCF') and a £2.9m (2020: £4.2m) long-term loan. This facility was amended and restated in August 2020 resulting in a revised borrowing facility which increased available RCF from £2.0m to £13.0m. The borrowing facility is subject to net asset and interest cover covenants and the RCF is available until September 2023 and currently remains undrawn.

For the year ended 30 June 2021 the long-term loan bore interest at London Inter-Bank Offered Rate plus 3% and a non utilisation fee of 1.2% was payable on the RCF. The long-term loan 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

Season 20/21 proved to be a challenging one off the park and a disappointing one on the park and it ultimately brought to a close an incredibly successful period in the Club's history. The first team manager had resigned during the year and the Group's long standing CEO retired at the end of the financial year.

Our primary focus, as we approached the end of the financial year, was to put in place a new first team management team with the objective of working within the strategy of the Club, both with regards to the style of play we would look to produce, and in terms of the how the Club operates in relation to developing talent while working within its financial means. In this respect, Ange Postecoglou was appointed as first team manager on 10 June 2021.

As with the introduction of any new manager, there is always an expectation of change both in terms of how they would like to operate and in terms of personnel, in this case most notably with the first team playing squad. As a result, summer 2021 saw a significant level of transfer activity with the registrations of Kristoffer Ajer, Odsonne Edouard, Leo Hjelde, Marian Shved, Vakoun Bayo and Ryan Christie being disposed of, and Kyogo Furuhashi, Liel Abada, Carl Starfelt, Josip Juranovic, Joe Hart, Liam Scales, Georgios Giakoumakis and James McCarthy all joining on a permanent basis along with the loan signings of Cameron Carter-Vickers and Jota Filipe. In particular, the sales of Ajer and Edouard reflect the Group's strategy of developing young talent and selling for a profit which then allows further investment into the squad.

The football calendar, and in particular UEFA competition, returned to a more normalised timetable at the start of season 21/22 with the Club's first UCL qualification tie taking place at Celtic Park on 20 July. Although we could not successfully navigate our way through to the lucrative UCL group stages, we have secured participation in the UEL group which brings a level of vital, secured revenues and allows us an opportunity to earn further amounts by performing well in the competition. The draw for the group stages took place on 27 August and saw us matched up against Bayer Leverkusen, Real Betis and Ferencvaros, which brings an exciting challenge ahead.

The most pleasing aspects at the start of the financial year to 30 June 2022 has been the return to trading of some of our operations and most notably the attendance of fans at football stadia. Although some restrictions remain in place, we have been able to operate at almost full capacity, have lounges and bars open and have full trading in our retail division. The additional revenues which can be achieved through selling individual match tickets are hugely important in allowing us to continue to invest in the team and the infrastructure of the business. It should be noted that once again our season ticket holders have shown incredible loyalty to the Club and the 50,000 plus season tickets sold for 21/22 gives us a solid financial base to build on for the rest of the year.

Our primary aim for the coming year will be to re-establish footballing success again and in particular regain the SPFL Premiership. We are well aware of the challenge ahead and will continue to support the new manager as he looks to provide this sought after success. In addition, we will look to perform well in Europe and target progression beyond the group stages of the UEL.

Despite the current optimism both on and off the park, the Board remains cautious as we move ahead through the financial year. Cost management, particularly in respect of wages and salaries is key as a further period of trading restrictions brought on by Covid-19 could be highly detrimental to the business. However, we must balance this with ensuring we have adequate resources in place to maximise footballing success.

We look forward to the remainder of the season ahead under Ange Postecoglou and, as always, we will collectively look to bring success to the football club.

STAKEHOLDER ENGAGEMENT

During the year, the Board and its Directors confirm they have acted in good faith in a way that promotes the success of Celtic plc for the benefit of its members as a whole, and in doing so have had regard to the stakeholders and key matters set out in Section 172 of the Companies Act 2006. The Group's Company Secretary and in-house legal personnel provide support to the Board to ensure sufficient consideration is given to s172(1)(a)-(f).



The Board considers that the Group's key stakeholders are its shareholders, employees, supporters, commercial partners, suppliers, governing bodies, wider football environment and the wider environment and community. The Directors recognise that they are expected to take into account the interests of those stakeholders whilst prioritising the long-term success of the Group. This can mean that the interests of certain stakeholder groups in the short-term may need to be balanced against such long-term success.

The Board has identified the key stakeholders and principal methods of engagement as shown in the below. The level of engagement informs the Board, both in relation to stakeholder concerns and the likely impact on decisions taken by the Board.

Stakeholder Group	Principal Methods of Engagement
Shareholders	<p>The publication of the annual report, interim statements and periodic trading updates throughout the year facilitates and promotes shareholder engagement. In addition, the Annual General Meeting ('AGM') is recognised as being well attended and this gives all shareholders, many of whom are supporters of the Club, the opportunity to engage directly with the Board on a wide variety of matters. The Board views the AGM as a key event in the calendar in terms of shareholder engagement and particularly in relation to those with smaller shareholdings, many of whom use this opportunity to raise specific queries to the Board which will often result in follow up action in order to find a resolution on these issues. The Board generally also maintains very regular one to one dialogue with major shareholders and takes into consideration their views on a wide variety of matters. In addition, the Group's largest shareholder occupies a seat on the Board and is an active participant in key decisions.</p> <p>Owing to the ongoing prevalence of Covid-19 and the resultant uncertainty, the Board took the decision to delay the publication of the annual report by approximately one month relative to a typical reporting timetable for the year ended 30 June 2020. The key reason for this surrounded the uncertainty caused by Covid-19, the outlook and the need to balance our regulatory requirements in respect of reporting the annual results against providing as much clarity and certainty to shareholders and the market as possible. The delay in the publication was in common with many businesses across many industries and was formally permitted and, in some instances, encouraged by various regulatory bodies including the London Stock Exchange. In doing so, the Board believes that it was able to give shareholders more certainty and a more informed view over the future prospects of the Group. In consultation with our Nominated Advisers the decision was also taken to withdraw market guidance owing to the volatile outlook at hand which was again in common with many businesses.</p> <p>The Covid-19 Government restrictions in force resulted in the Board having to convene a virtual Annual General Meeting ('AGM') for the first time in the Company's history. . In order to provide shareholders with an opportunity to ask questions, as they would normally be entitled to do at the AGM, shareholders were invited to submit any questions they would otherwise have raised at the AGM, in advance of the meeting. We endeavoured to answer some questions at the meeting, with some other questions being followed up with written responses. In the challenging circumstances presented by the restrictions, this gave shareholders the opportunity to engage with the Board on key issues of concern.</p> <p>Ongoing dialogue also took place with shareholders during the year, so that meaningful discussion was able to take place with a wide range of the shareholders, notwithstanding the restrictions.</p>
Employees	<p>The contribution of our employees was invaluable during the year and the Club was fully supportive of the Government's guidance that all employees should work from home where possible. The executive team recognised the impact that the uncertain environment would have on our employees and the lack of traditional colleague interaction. The business invested in and rolled out a suite of online collaboration tools as soon as practicably possible after the working from home guidance was issued. This enabled both a more efficient and more engaging level of employee interaction than would have been the case. This has proven to be a valuable tool in keeping employees engaged and interacting with each other throughout the year.</p> <p>The human resource team convened regular online meetings to encourage and foster relationship building and the CEO hosted an online forum to keep staff up to date with major developments. Further investment was made into the Club's employee assistance programme, which provided valuable resources including mental health support to employees.</p> <p>As part of the regular Board meetings, the board papers contain a dedicated Human Resource report whereby all significant employee matters are brought to the attention of the Board and are actively discussed at Board meetings with follow up actions taken as appropriate.</p>

Stakeholder Group	Principal Methods of Engagement
Supporters	<p>The Club's highly engaged supporter base is undoubtedly one of the Club's greatest assets. The Board continues to recognise the commitment of our supporters and the unique position the Club finds itself in this regard when compared to other businesses. This commitment was exemplified in the last year, with supporters buying in excess of 55,000 season tickets. The contribution of the supporters was truly remarkable and the Board recognises this.</p> <p>Supporters were unable to attend any matches in the season as a result of ongoing restrictions out with the control of the Club and the Board appreciates that this was a source of significant frustration. The Club engages with supporters through a number of channels. These include regular statements and news stories through our public relations team and popular social media channels, direct one to one engagement through our dedicated Supporter Liaison Officer and Disabled Supporters Liaison Officer and through one to one contact through our ticketing teams. In addition, members of the executive team also took the opportunity to call supporters directly to discuss specific matters of concern throughout the year.</p> <p>Following the formal constitution of a fan forum at the AGM in 2016, the Club continued to host its fan forums online during the year as a result of ongoing restrictions. Two virtual forums were convened in the year and minutes of the meetings are available on a dedicated fan forum page on our website at www.celticfc.com.</p> <p>In addition, a number of further online virtual meetings were held during the year with recognised supporter groups and independent supporters. These were attended by the executive team and members of the Board and provided an opportunity to discuss a wide and varied number of issues and also to keep supporters up to date with the factors affecting the Club at the time.</p>
Commercial partners	<p>The Group has a number of key commercial and sponsorship partners who the Club works alongside to promote their brands using the global reach of Celtic.</p> <p>Each partner has a dedicated member of our commercial team who maintains regular dialogue with them and fosters and builds on our relationships many of which are long-term in nature.</p> <p>The head of the commercial team reports directly into the CEO who in turn provides the Board with an update on the status of relationships and major developments concerning our key partners.</p>
Governing bodies & wider football environment	<p>As a professional football club Celtic is subject to the jurisdiction and regulations of governing bodies in respect of the competitions it competes in each season and this includes the SPFL, the SFA and UEFA. Engagement with these bodies is both crucial for the efficient and effective operation of the business and also to promote and enhance the game of football.</p> <p>The CEO, the Financial Director and other members of the executive team represent the Club on various governing body groups covering the domestic and European competitions the Club participates in. During the year, Peter Lawwell served on the Board of the European Club Association and was a member of the Club Competition Committee and Professional Football Strategy Council of UEFA. In addition, in July 2020 he was elected to the Board of the SPFL. The Financial Director is also a member of the European Club Association Finance Working Group.</p> <p>During the year, the Club's executive team participated in regular meetings, committees and boards to discuss and contribute ideas surrounding the various challenges facing the game with a view to promoting the long-term success of football. This was particularly relevant given the impact Covid-19 had on the industry and being at the forefront of these discussions enabled the Club to best position itself for the challenges ahead.</p>
Suppliers and key partners	<p>The Group is reliant on a number of key suppliers and key partners including our nominated advisers, bankers, player representatives, the emergency services, the local authority, software partners and landlords for our leased retail properties.</p> <p>The Financial Director maintains regular dialogue with our bankers, Co-Operative Bank and Canaccord Genuity, our nominated adviser, and provides them with regular high quality financial information to enable them to continue to service our banking arrangements and advise the Company.</p> <p>Open and honest engagement and relationships with our suppliers and subcontractors is critical to the success of our business. The Group has a number of partners that we engage with to support our business in a number of key areas including the management of key football personnel, software, our landlords on leased property, the emergency services and Glasgow City Council. This is important in order to operate major events in a safe and compliant fashion. Engagement with the Safety Advisory Group of Glasgow City Council was regular and in-depth in the last year to ensure that the Club was able to operate matches behind closed doors in a Covid-19 secure fashion. This is also vitally important for public safety reasons and operations meetings take place with the police and relevant safety bodies in advance of all matches.</p> <p>The Group also bi-annually participates and records all relevant data with respect to supplier payment practices reporting. The statistics and reports lodged demonstrates that the Group follows good business conduct with regard to paying its suppliers in a prompt fashion. Additionally, there is a clearly defined process in place to resolve any disputes.</p> <p>Our employees interact with our strategic partners and all other suppliers on a regular basis to strengthen trading relationships and to ensure that the supply chain function continues to operate well to support the business.</p>

Environment and wider community	<p>The Group is cognisant of its carbon footprint and in response to this switched its electricity contracts to a supply derived entirely from renewable wind sources. The Group also recently commissioned a Phase 2 Energy Savings Opportunity Scheme ('ESOS') report and assessed and implemented a number of recommendations around its energy usage. This follows on from a previous decision to install energy efficient LED floodlights which represented a significant capital spend. The Group also meets the requirements of the Streamline Energy and Carbon reporting (SECR) regulations (see page 23) for our SECR reporting.</p> <p>Celtic FC Foundation is a separate organisation set up for charitable purposes with its own independent board of trustees. Recognising its success in part depends on the generosity of many Celtic supporters, the Club provides Celtic FC Foundation with as much support as is required to assist it to fulfil its objectives. More details of the work done can be found at http://charity.celticfc.com.</p>
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The Board held seven board meetings in the year to address and meet its obligations under Section 172 of the Companies Act 2006. The following table covers the key decisions made during the year and the stakeholder group(s) impacted by these decisions.

Key Event/ Decision	Actions and Impact	Key Stakeholder Group's Impacted
Appointment of new manager	<p>Following the resignation of Neil Lennon in February 2021, a new first team manager was required. Recognising the importance of the position, the Board conducted a detailed review of potential candidates and engaged in discussions with a number of these candidates. Following a comprehensive process, the decision to appoint Ange Postecoglou was made in June 2021.</p> <p>The decision was based upon a range of factors, including the successful winning track record of the manager, his style of football and his strength of personality and character. All of these attributes are invaluable and contribute to bringing sustained success for the Club as a whole over the longer term.</p>	Shareholders, Supporters
Ongoing management of the Covid-19 impact	<p>The football industry was adversely affected by Covid-19, owing to the impact of measures on mass gatherings and events. Given the severe operational disruption the business was subjected to in the year, and the desire on the part of the Board to retain all employees, the decision was made to continue to make use of the UK Government Coronavirus Job Retention Scheme.</p> <p>The purpose of the scheme was to enable employers where possible to retain jobs and, owing in part to the UK Government support, the Club was able to retain full employment and go further by 'topping up' the wages and salaries of all employees to ensure that they were paid in full throughout the year. The object of this was to support our colleagues and to seek to ensure that we retained an engaged and motivated workforce to enable the Club to continue to operate and to retain and protect the Club's staffing infrastructure for the long-term.</p> <p>The Club also retained dedicated risk management and public health advisers in order to assist the Club to make the best decisions possible and to seek to ensure the health and wellbeing of our colleagues, supporters and customers.</p>	Shareholders, Employees
Renegotiating of banking facility	<p>Due to the uncertainty around the future trading outlook for the business stemming from Covid-19, the decision was taken to increase the Group's Revolving Credit Facility from £2m to £13m in September 2020. The facility runs to September 2023 and this gives the Club financial headroom, which is important in an environment where a degree of uncertainty still exists surrounding the threat of Covid-19.</p>	Shareholders, Employees, Suppliers
Appointment of new Chief Executive	<p>After 17 years at the Club, in January 2021 Peter Lawwell announced his retirement as CEO and Executive Director effective from 30 June 2021. Recognising the importance of the position, the Board conducted a detailed review of potential candidates and engaged in discussions with a number of these candidates. Following a comprehensive process, the decision was made to appoint Dominic McKay from Scottish Rugby. After a handover period, he took office as CEO and was appointed Executive Director effective from 1 July 2021.</p> <p>The decision was based on a range of factors, including his extensive experience in elite performance sport, including as COO of Scottish Rugby and Chair of Pro 14 Rugby, strong operational, commercial and communications experience and track record of delivery of strategic objectives.</p>	Shareholders, Employees

Key Event/ Decision	Actions and Impact	Key Stakeholder Group's Impacted
Investment in the year	<p>Recognising the importance of refreshing the first team playing squad and improving the team, the Board committed transfer spend of £13.5m in the year. All transfers were subject to the Club's policies in place regarding player trading.</p> <p>The Board also has to approve all capital expenditure projects over certain limits. During the year, approval was granted to install a new Electronic Point of Sale system at the stadium kiosks and investment was made in grow lights for the Celtic Park pitch to ensure the playing surface remains at a high standard. This is aimed at improving the customer experience at the stadium, meeting the recommendations of public health advice around using less cash, and facilitating more efficient operation at the point of sale.</p>	Shareholders, supporters, commercial partners
Season ticket pricing for 2021/22	<p>The Government Covid-19 restrictions meant that no fans were able to attend any matches in respect of season 2020/21, despite purchasing season tickets. The Club instead included the Pass to Paradise as part of the season ticket product, providing fans a live stream of each applicable home match.</p> <p>In recognition of the fact that supporters were unable to attend Celtic Park during season 2020/21, members of the senior management team engaged with a wide variety and cross section of supporters and supporters' organisations with respect to determination of the season ticket pricing proposition for season 2021/22. The consultation took the form of virtual supporter meetings, individual one to one discussions and meetings with representatives of a range of supporter groups.</p> <p>This was understandably an important subject for our supporters. The feedback was wide and varied and the consultation was invaluable. Following the consultation, the decision was made to award every season ticket holder a £50 retail voucher in recognition of the fact that they were unable to attend Celtic Park in season 2020/21.</p> <p>In terms of pricing for season 2021/22, the decision was made to freeze prices and to add a number of benefits to the season ticket package for the year. Given the importance of season ticket income for the Club, the Board considered that this was the best course of action in order to recognise the commitment of season ticket holders, to secure the best long-term outcome for the Club and to give the first team the best chance of restoring football success in the shortest timeframe possible.</p>	Shareholders, Supporters, employees

APPROVED ON BEHALF OF THE BOARD

Michael Nicholson, Acting Chief Executive
Christopher McKay, Financial Director
20 September 2021



DIRECTORS' REPORT

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 2021.

DIVIDENDS

Dividends of £0.5m were paid in cash on 31 August 2021 (2020: £0.5m) to those Preference Shareholders not participating in the scrip dividend reinvestment scheme. The record date for the purpose of the Preference Share dividend was 30 July 2021.

Mandates representing 1,115,648 Preference Shares are in place for the scrip dividend reinvestment scheme. Approximately £39,891 (2020: £64,039) of dividends for the financial year to 30 June 2021 will be reinvested. 35,938 new Ordinary Shares were issued under the scheme at the beginning of September 2021.

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

The loss after tax of £12.6m has been charged to reserves.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Strategic Report sets out the Business Review (pages 8 – 10) and Current Trading and Outlook (page 15). 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 34 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 33 to the Financial Statements.

CORPORATE GOVERNANCE

Details of the Group's Corporate Governance can be found on pages 27 – 32.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL

The Directors serving throughout the year and at 30 June 2021 and their interests, including those of connected persons, in the share capital of the Company were as follows:

Name	30 June 2021			1 July 2020		
	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 2021 and 16 September 2021 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 2021 are provided within the Corporate Governance Report on pages 27 – 32.

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, Ian Bankier 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, Ian Bankier and Brian Wilson each retires and offers himself for re-election annually.

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, Ian Bankier and Brian Wilson is set out at page 31 of this Report.

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

The Articles of Association of the Company require that each Director stands 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 16 September 2021:

Registered Holder	Ordinary Shares of 1p each	Percentage of Issued Ordinary Share capital
The Bank of New York (Nominees) Limited	16,805,588	17.79%
Christopher D Trainer	9,796,784	10.37%
James Mark Keane	5,909,847	6.26%

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 16 September 2021:

Registered Holder	Convertible Preferred Ordinary Shares of £1 each	Percentage of Issued Convertible Preferred Ordinary Shares
Telsar Holdings SA Depfyffer and Associates	1,600,000	12.56%
Hanom 1 Limited	625,000	4.91%
The Bank of New York (Nominees) Limited	500,900	3.93%

DONATIONS

The Group made direct charitable donations of £10,000 (2020: £10,000), which represents a donation to 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

Employee Wellbeing

Following Covid-19 the Club reviewed the wellbeing support in place for colleagues, the objective of which being to ensure the correct level of support continued to be available. This review has resulted in an enhanced programme of support being identified, including further mental health awareness training, the introduction of Mental Health First Aiders and the identification of an enhanced Employee Assistance Programme.

Engagement with Employees

Information on our engagement with employees and our regard to this stakeholder on the principal decisions taken by the Company during the financial year is included in the Stakeholder Engagement report on pages 15 – 20.

Further to this, regular internal communication takes place with all staff providing information on developments within the Club covering major developments e.g. new commercial partners and new player signings. Throughout the Covid-19 pandemic the Group has also maintained regular dialogue with all employees regarding the latest Government advice and resources available that may be of assistance in the challenging Covid-19 environment.

The Group does not currently facilitate an employee share option scheme.

The Group encourages its employees to support Celtic FC Foundation through a payroll giving scheme and to involve themselves in the numerous charitable events organised by Celtic FC Foundation throughout the year.

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, sex, 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 2020, which resulted in the Club securing a Gold award for the first time and the Club's Youth Academy retaining its Gold award for the Investors in Young People accreditation for the third year in a row. The Group also participates through the fully accredited "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.

Suppliers and customers
Information on our engagement with suppliers and customers along with our regard for these stakeholders is detailed further in the stakeholder engagement report on pages 15 – 20. Additionally, we recognise the importance of prompt supplier payment with all payment terms and we report on a half-yearly basis on our payment practices, policies and performances in line with the Reporting on Payment Practices and Performance Regulations 2017.

GREENHOUSE GAS EMISSIONS REPORTING

The Group seeks to minimise the impact of our operations on the environment and is committed to reducing its greenhouse gas ('GHG') emissions. Key sources of energy, primarily electricity and gas utilised in running a football stadium, are monitored by the Group to allow us to be continually mindful of our energy consumption.

The table below shows energy consumption and total gross greenhouse gas emissions in tonnes of CO2 ("tCO2e") in the year ended 30 June 2021 for all UK based operations.

	unit of measurement	Year ended 30 June 2021	Year ended 30 June 2020
Energy consumption used to calculate emissions:			
Gas	kWh	6,824,255	5,804,754
Electricity	kWh	4,581,736	5,849,397
Transport fuel	kWh	742,335	1,003,711
Total	kWh	12,148,326	12,657,862
Emissions from combustion of gas (Scope 1)	tCO2e	1,255	1,067
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO2e	0	0
Emissions from purchased electricity (Scope 2, location based)	tCO2e	1,068	1,364
Emissions from business travel in rental cars or employee-owned vehicles where Company is responsible for purchasing the fuel (Scope 3)	tCO2e	173	234
Total gross CO2e based on above	tCO2e	2,496	2,665
Intensity ratios:			
per home first team fixture (2021: 28; 2020: 26)	tCO2e	89	103
per employee (2021: 667; 2020: 1019)	tCO2e	3.7	2.6

Methodology
Group locations include Celtic Park, Lennoxtown, the Barrowfield training facilities, and all retail stores.
Scope 1 emissions from combustion of natural gas are calculated in kWh from energy supplier invoices.
Scope 1 emissions from combustion of fuel from company owned vehicles are nil.
Scope 2 indirect emissions from purchased electricity are calculated in kWh from energy supplier invoices.
Scope 3 emissions relate to business travel in rental cars or employee owned vehicles where Celtic is responsible for purchasing the fuel. Fuel purchases (in litres) and mileage paid to employees are converted to kWh using UK Government conversion factors.

The Group uses number of first team fixtures taking place in the reporting period to calculate the intensity ratio. Recognising that Celtic Park accounts for the most significant energy consumption, this allows emissions to be monitored over time and is the most appropriate ratio to allow comparison with competitors in the sports events industry.
An additional intensity ratio of emissions per employee is provided to allow comparison with companies in other business sectors.

Energy efficiency action
Celtic seeks to minimise the impact of our operations on the environment and is committed to reducing its greenhouse gas emissions.

Within the period we have replaced the grow lights used for the Celtic Park pitch with energy efficient models, reducing the number of units/bulbs required as well as the usage per bulb.

Additionally, as part of the recent renewing of the Club's vehicle fleet, the Club took delivery of 10 electric vehicles in lieu of traditional combustion engine vehicles. This was a conscious decision to encourage our employees to reduce their carbon footprint whilst travelling on Club business.

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 14 December 2020, BDO LLP was re-appointed as auditor to the Company.

GOING CONCERN

The Group'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 Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report. In addition, Note 33 to the Financial Statements includes the Group'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.

As part of the Directors' consideration of the going concern assumption used in preparing the Financial Statements, different scenarios have been analysed for a minimum period of 12 months from the date of approval of the Financial Statements with outlook assumptions used beyond this time frame. The main factors considered were:

- Current financial stability of the Group and on-going access to funds;
- Current and forecasted trading conditions and any potential adverse impact as a result of Covid-19, primarily the attendance of fans in football stadia;
- Security of revenue streams;
- First team football performance and success; and
- Player transfer market conditions.

The Directors have adopted a prudent approach in the assumptions used in relation to the above, in order to provide additional comfort around the viability of the Group going forward.



At 30 June 2021 the cash net of bank borrowings was £16.6m. In addition, the Group had a net receivables position with respect to player trading payables/receivables. This provides a strong financial base over the short to medium term. Trading for the year to 30 June 2022 has begun well. The Group has sold over 50,000 season tickets for season 21/22; retail outlets are fully operational and performing strongly on the back of new kit and training kit launches; the first team have secured participation in the Europa League group stages; and we have clear visibility over committed labour costs and our player transfer cash flows. In addition to this, the Club has been able to welcome supporters back into football matches again which has a substantial positive impact on ticketing revenues generated for individual match tickets and packages.

The Group has established contracts with a number of commercial partners and suppliers providing assurance over future revenues and costs. In addition, the Group has in recent years, achieved significant gains in relation to player trading and manages the movement of players in and out of the team strategically to ensure maximisation of value where required while maintaining a squad of appropriate quality to ensure, as far as possible, continued on field success. This has again been reflected in our activity during the summer 2021 transfer window.

The most significant effect on trading brought on by Covid-19 primarily relates to the attendance of football fans in stadia. As noted above, we have had fans in attendance once again and at the time of writing we are able to accommodate almost capacity crowds. However, we recognise the potential risk of another 'wave' of Covid-19 and our sensitivity analysis takes into account the impact of such an event.

The Group continues to have access to a £13m RCF with the Co-operative Bank which at the date of signing of this annual report remains undrawn. This provides additional access to funds in the short to medium term should these be required. The current cash flow forecasts over the period of the going concern review do not show a requirement to utilise this facility.

The Group continues to perform a detailed budgeting process each year which looks ahead four years from the current financial year and is reviewed and approved by the Board. The Group also re-forecasts each month and these projections are distributed to the Board. As a consequence, and in conjunction with the additional forecasting and sensitivity analysis which has taken place, the Directors believe that the Company is well placed to manage its business risks successfully despite the continuing uncertain economic outlook.

In consideration of all of the above, 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

Christopher Duffy, Secretary
20 September 2021



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.com) 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. I therefore have a responsibility to ensure the Group is following best practice in corporate governance, appropriate to its size and nature, and 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, the Group has continued to, not only maintain, but enhance 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 by our stakeholders. 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 are the best interests of the Group, 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.

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 or is impractical to physically convene. In such circumstances, meetings are convened by telephone or video conference and/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 ensuring 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, working with them to address concerns that are unable to be discussed 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 monitors the Group's financial performance against budgets and a rolling 5 year business plan as well as making specific decisions on key areas of the Group'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, the Financial Director and otherwise as required.

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 Remuneration Committee Report on page 35.

Nomination Committee

The Nomination Committee comprises Ian Bankier as Chairman, Dermot Desmond and Thomas Allison. 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.

The most significant outcome from the Nomination Committee during the period was in relation to the appointment of Dominic McKay as Chief Executive following the retirement of Peter Lawwell.

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 (73)

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
Member of the Nomination Committee

Key Appointments:

- Chairman of Peel Ports Limited
- Chairman of Tulloch Homes Group Limited
- Chairman of Cammell Laird Shiprepairs and Shipbuilders Limited
- Chairman of Atlantic and Peninsula Marine Services 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 (69)

Appointment Date:
June 2011

Experience:
Mr Bankier's formative career was as a solicitor and he was a partner in McGrigors for 15 years, specialising in corporate law. He moved on to become a corporate adviser and non-executive director of several listed companies and subsequently entered the Scotch whisky industry. He was Managing Director of Burn Stewart Distillers plc, Chief Executive of CL World Brands Limited and is currently Executive Chairman of Glenkeir Whiskies Limited.

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 (71)

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 (62)

Appointment Date:
October 2003

Retirement Date:
June 2021

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 Professional Football Strategy Council of UEFA
- Member of the Scottish Professional Football League board (elected July 2021)

Number of Board Meetings Attended:
7 out of 7

Christopher McKay

Financial Director (46)

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.

Key Appointments:

- Member of European Club Association Finance Working Group

Number of Board Meetings Attended:
7 out of 7

Brian Wilson

Non-executive Director (72)

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 an experienced journalist and Privy Councillor 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
- Director of Shetland Space Centre Limited

Number of Board Meetings Attended:
7 out of 7

Sharon Brown

Non-executive Director (52)

Appointment Date:
December 2016

Experience:
Mrs Brown has served as a Director, and chaired the Audit Committees, of a number of companies, primarily in the retail and financial sectors. Between 1998 and 2013, she was Finance Director and Company Secretary of Dobbies Garden Centres plc and, in addition to her current appointments, was previously a Director of Fidelity Special Values plc and McColl's Retail Group plc.

Committees:
Chair of the Audit Committee

External Appointments:

- Non-executive Director of Baillie Gifford Japan Trust plc
- Non- executive Director of BMO Capital & Income Investment Trust plc
- Non- executive Director of European Opportunities Trust plc

Number of Board Meetings Attended:
7 out of 7

Michael Nicholson

Acting Chief Executive Officer (45)

Appointment Date:
September 2021

Experience:
Mr Nicholson was appointed acting Chief Executive Officer on 10 September 2021. Specialising in sports law, including 11 years as a partner at Harper Macleod LLP, Mr Nicholson joined Celtic in 2013 as Company Secretary and Head of Legal before being promoted to Director of Legal and Football Affairs in 2019. He has previously served as a Council Member for the Law Society of Scotland and currently serves on various committees and working groups of the Scottish football authorities.

External Appointments:

- Arbitrator for the Court of Arbitration for Sport
- Member of the Legal Advisory Pane of the ECA
- Member of the Professional Game Board of the Scottish FA

Number of Board Meetings Attended:
7 out of 7 (as Company Secretary)

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, 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. This represents a significant time commitment beyond the duties included in their respective letters of appointment. However, the Directors view these events as opportunities for facilitating regular dialogue for the Board as well as with external stakeholders.

Independence

The Club has an on-going commitment to applying good corporate governance principles, and as such, the Board assesses 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 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.

Ian Bankier has completed more than nine years’ service as Non-executive Chairman. The Board has considered whether Mr Bankier is independent in character and judgement and whether there are relationships or circumstances, which are likely to affect, or could appear to affect, his judgement. Accordingly, the Board is satisfied that in his work as Non-executive Chairman of the Group, Mr Bankier displays independence of mind and judgement and objectivity in his contribution.

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

The Chairman and the non-executive Directors who have completed more than nine years’ service, Mr Bankier will now resign and offer himself for re-election on an annual basis.

The independent non-executive Directors do not participate in any Company bonus schemes, Executive Long Term Incentive Plans (“ELTIP”) or Long Term Performance Incentive Plans (“LTPIP”). 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 principal risks and uncertainties relevant to the Group are identified within the Strategic Report on pages 11 – 12.

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 Group’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 perceptibly 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). Additionally, significant events which may affect the share price of the Company are communicated through market announcements as required.

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 aims to meet 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.

Owing to the challenges inflicted by Covid-19, the Supporters’ Forum was only able to meet on two occasions in the year. This was in September 2020 and May 2021.

Employee Communication

Colleagues at all levels are kept informed regularly of matters that affect the progress of the Group. 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
20 September 2021



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 2021.

The primary responsibilities of the Committee are to ensure the integrity of the Group and Company'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 Group'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 their remuneration and terms of engagement; and
- Monitor and review the external auditor's independence, objectivity and effectiveness.

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 three times per year with representatives from the external auditors, BDO LLP ("BDO"), and the Financial Director present. 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

The Committee considers and discusses key accounting matters raised by the external auditors and noted in the Independent Auditor's Report and, where necessary, considers other significant matters as they arise.

During the year the most significant accounting matters discussed were those in relation to Covid-19 and how this impacted the annual report, both around the content included to ensure compliance with the Financial Reporting Council (FRC) guidance and the corresponding accounting treatment of certain items within the Financial Statements, most notably revenue recognition.

In addition, the Committee oversaw the independent valuation that was conducted on the Group's main asset, Celtic Park. The purpose of the review was to assess the adequacy of the carrying value of the stadium on the balance sheet of the Company.

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 2021. The auditor is required to rotate the audit partner every five years and as Alastair Rae was appointed as lead partner in 2016, he ended his term at the end of the 2020 audit and has been replaced by Stuart Wood.

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.

BDO ceased providing non audit services in the year ended 30 June 2020. The only non-audit related services provided by BDO relate to its interim review conducted at the half year. In the Committee's view, the nature and extent of the audit related work carried out by BDO did not impair their independence or objectivity. The fees paid to BDO for audit and audit related services for the financial period ended 30 June 2021 are disclosed in 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, the Financial Director 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 a cyclical basis on specific financial, operational and regulatory areas of the business. This is directed through a plan overseen 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
20 September 2021



REMUNERATION REPORT

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 page 28.

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, 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 certain other 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 had previously determined that the Chief Executive at that time, Mr Lawwell, would participate in a Long Term Performance Incentive Plan ("LTPIP"). The purpose of this was 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 was that Celtic FC qualified for and participated in the group stages of the UCL in the applicable financial year. The first LTPIP period was from 1 June 2016 to 30 June 2020 and awards under this arrangement were paid during the prior financial year.

The second LTPIP period was 1 June 2020 to 30 June 2022 the conditions of which were in line with those above. If these conditions were fulfilled, this would have been paid in January 2022 subject to Board approval and the employee remaining employed by the Company on 31 December 2021. Participation in the UCL was not achieved in any of the applicable periods and with Mr Lawwell retiring as of 30 June 2021 the scheme has now ceased.

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 original terms of the ELTIP, in return for these individuals remaining with the Group for a minimum of 4 years up to 30 June 2021, and during that period the Group achieving performance criteria determined by the Board ("vesting criteria"), annual awards are made. These awards accrued in each applicable financial period and were due to be 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.

As a consequence of Covid-19, the decision was taken to postpone the payment date by one year for the benefits accrued as at 30 June 2020. In addition, the individuals who participate in the scheme will be entitled to another year's benefits under the conditions noted above regarding employment and UCL qualification. In the event that an individual should part with the Company prior to 30 June 2021, the benefits accrued to 30 June 2020 would become payable at this point with no benefits payable relating to the year ending 30 June 2021. In the case of one member of the executive team, the scheme was not extended and the accrued benefits were paid in July 2020.

The vesting criteria were 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 served as Chief Executive during the period under review and retired on 30 June 2021. In that time he 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 was also a member of the LTPIP scheme as noted above. No amounts in relation to the LTPIP were accrued or paid during the year ended 30 June 2021.

During the year ended 30 June 2021 Mr Lawwell served on the Executive Board of the European Club Association and the Professional Football Strategy Council of UEFA. No fee was payable for these posts.

Mr Nicholson is currently acting Chief Executive and his service contract with the Group, having previously acted as Company Secretary, remains subject to six months' notice.

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 2021. Accordingly, the awards set out in the table below have vested for the benefit of Mr McKay, during the financial year to 30 June 2021. Payment of these accrued benefits was made in July 2021.

	ELTIP interest at 1 July 2020	Award for year ended 30 June 2021	Total ELTIP interest at 30 June 2021	Qualifying period
C McKay	£150,000	£25,000	£175,000	5 financial years to 30 June 2021

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, Ian Bankier 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.

BY ORDER OF THE BOARD

Christopher Duffy, Secretary
20 September 2021



DIRECTORS' RESPONSIBILITIES STATEMENT

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 international accounting standards in conformity with the requirements of the Companies Act 2006, 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

	2021	2020	2019	2018	2017
FINANCIAL	£000	£000	£000	£000	£000
Revenue	60,781	70,233	83,410	101,573	90,639
(Loss)/profit from trading before asset transactions and exceptional items	(13,572)	(10,316)	(3,494)	14,490	14,310
(Loss)/profit after taxation	(12,601)	(368)	8,738	15,423	6,897
Non equity dividends incurred	569	569	502	573	558
Total equity	68,931	81,467	81,762	72,934	57,423
Shares in issue (excl deferred) no. '000	122,953	122,859	122,812	122,606	122,468
(Loss)/earnings per ordinary share	(13.35)p	(0.39)p	9.30p	16.47p	7.38p
Diluted (loss)/earnings per share	(13.35)p	(0.39)p	6.78p	11.72p	5.46p
Number of employees*	667	1,019	1,029	1,036	507

	2021	2020	2019	2018	2017
FOOTBALL					
League position	2	1	1	1	1
League points**	77	80	87	82	106
Scottish cup	ROUND 4	WINNERS	WINNERS	WINNERS	WINNERS
League cup	ROUND 2	WINNERS	WINNERS	WINNERS	WINNERS
European ties played	7	8	8	7	6

	2021	2020	2019	2018	2017
CELTIC PARK					
Celtic Park investment to date (£'000)	80,572	79,336	78,390	76,042	72,132
Stadium seating capacity (no.)	60,363	60,363	60,363	60,477	60,294
Average home league attendance (no.)	n/a	57,857	56,729	55,943	54,159
Total season ticket sales (no.)	55,320	52,457	52,520	52,229	48,723

* The figures reported for 2017 relate to full time equivalents as opposed to average employee numbers for 2018, 2019, 2020 and 2021.

** League curtailed in season 19/20 owing to Covid-19 with 8 games remaining.



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 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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.

We have audited the financial statements of Celtic plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Statements of Changes in Equity, Consolidated Cash Flow Statement, 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 their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluation of management's assessment in respect to their ability to continue as a going concern for at least twelve months from the date of these annual accounts. This included the mathematical accuracy of the models used.

- Evaluation and challenge of management's key assumptions and judgements made in respect to their going concern assumption. We did this by considering the reasonableness of the assumptions and judgements made by management based on our understanding of the business and challenging management as to the accuracy of these to those actually achieved and then compared these to the history of the Group. We also performed sensitivities based on our own assumptions and judgements comparing results to management's outcomes.
- Evaluation of management's cash flow and challenge of their assumptions in relation to this. Again, we considered the reasonableness of the assumptions and judgements made by management based on our understanding of the business and the history of the Group especially in respect to player sales and purchases and the probability of these cash flows materialising, as well as performing sensitivities based on our own assumptions and judgements and comparing results to managements outcomes.
- Stress testing the Group in order to identify key decline areas or other situations that would be needed in order for the Group to fail and the assessment of the likelihood of these.
- Sensitivities performed in respect to plausible downside scenarios and the effect on the going concern assumption. We performed these sensitivities by identifying what key indicators such as revenue and profit would need to reduce by before the Group would no longer have the ability to repay their debts as they became due. We considered player trading to be one of the main assumptions made by management and duly sensitised this by assuming much reduced player trading profit noting that the Group had sufficient cash and reserves to absorb any such reasonable downside scenarios.
- Ratio analysis to understand the robustness of the Group and identify key risk areas in relation to going concern.
- Procedures performed in respect to identifying any unrecorded liabilities that may exist in the Group. These procedures included inspection of Director meeting minutes, post year end payments and invoice sampling, inspection of correspondence with management's legal team including obtaining confirmation of no material claims or litigations to which the audit team were not previously aware of, as well as challenging new contracts taken out in the year in order to identify any unrecorded liabilities or conditions not otherwise met by the Group.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage ¹	100% (2020: 100%) of Group profit before tax 100% (2020: 100%) of Group revenue 100% (2020: 100%) of Group total assets		
Key audit matters		2021	2020
	Revenue recognition	✓	✓
	Intangible assets	✓	✓
Materiality	Group financial statements as a whole £700,000 (2020: £700,000) based on 1% (2020: 1%) of normalised revenue over a 3 year average.		

¹ These are areas which have been subject to a full scope audit by the group engagement team

An overview of the scope of our audit

Our Group 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. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The group manages its operations from a single location in the UK and has common financial systems, processes and controls covering all significant components.

In assessing the risk of material misstatement in the group financial statements, and to ensure we had adequate quantitative coverage of significant amounts in the financial statements, we determined that two significant components, Celtic plc and Celtic F.C. Limited, represented the principal business units within the group. A full scope audit was undertaken on these components by the group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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) that 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.



Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition	<p>As detailed in note 3 (e) and note 4, the group's revenue is generated from football and stadium operations, merchandising, multimedia and other commercial activities.</p> <p>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.</p> <p>For the year ended 30 June 2021 there is also judgement around the recognition of revenue as a result of the issue of retail vouchers.</p> <p>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 and existence of revenue in all revenue streams.</p> <p>As a result, we consider revenue recognition to be a key audit matter.</p>	<p>We reviewed the revenue accounting policies and Practices as well as the basis of material recognition estimates for consistency of application and whether it was in accordance with the requirements of the applicable accounting standards.</p> <p>We tested the group's material revenue streams individually according to their characteristics, identifying and testing the operating effectiveness of key controls and performing detailed testing, included the use of data analytics, testing samples of revenue items recorded to supporting documentation as well as testing key reconciliations by agreeing to totals to source documentation and re-performing the reconciliation, to gain assurance over the completeness, existence and accuracy of reported revenue.</p> <p>We selected key contracts and arrangements in multimedia and merchandise revenue and confirmed that revenue was accounted for in accordance with the underlying contracted terms and the requirements of the applicable accounting standards. As a result of the Covid-19 pandemic and its effect on the football season including matchday attendance, we reviewed documentation which agreed the amount of revenue to be recognised following discussions with the Group Financial Controller and Finance Director over the fulfilment of performance obligations. For areas of variable consideration, we reviewed documentation of right to revenues and agreed samples of transactions from source documentation to the financial records and receipt of cash.</p> <p>Following the issue of retail vouchers in the year, we performed procedures to identify the year to which these retail vouchers relate. It was identified that 2020/21 season ticket holders were unconditionally entitled to these vouchers and in accordance with IFRS 15, we challenged management on their treatment of recognition, specifically in that these vouchers are a reduction to season ticket income for the year ended 30 June 2021. These were then accounted for correctly and in the correct year.</p> <p>For all material revenue streams we selected a sample of revenue recognised before and after the year end and agreed these to originating documentation such as signed contracts, remittances, till sales and season ticket sales to check that transactions were recorded in the correct period. We also agreed samples of revenue and corresponding cash movements in the periods before and after the year end to originating documentation and the accounting records to gain assurance that the transactions were recorded in the correct period.</p> <p>We tested the calculation of material accrued and deferred revenue amounts by recalculating the expected amounts based on the contractual arrangements in place or confirming amounts to source information.</p> <p>We tested manual journals to revenue outside of expectations to source documentation to check the accuracy and existence of such journals and the validity of these journals to check that there was no evidence of manipulation by management.</p> <p><i>Key observations</i> Based on our procedures we found management's judgements in respect of revenue recognition to be appropriate.</p>

Key audit matter		How the scope of our audit addressed the key audit matter
Intangible assets	<p>As detailed in notes 3(c), 3(d) and 17 to the financial statements, intangible assets relate to football personnel and are reviewed at each balance sheet date for any indicators of impairment. Intangible asset transactions comprise significant individual transactions, a number of which are material to the financial statements.</p> <p>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.</p> <p>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, the calculation of such impairment or if a contract has become onerous.</p> <p>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.</p> <p>Accordingly we considered this to be an area of significant risk for our audit and a key audit matter.</p>	<p>We considered the appropriateness of the intangible assets accounting policies and practices as well as the basis of any recognition estimates and whether it was in accordance with the applicable accounting standards.</p> <p>We agreed a sample of additions to acquisition agreements with football clubs and to agent contracts. We reperformed calculations of discounted purchase agreement amounts and checked that an appropriate discount rate had been used by recalculating the rate with reference to the Group's cost of borrowing and latest market information.</p> <p>We reviewed the amortisation rates applied to intangible assets and confirmed the amortisation charges were calculated in accordance with the stated policy.</p> <p>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 football transfer activity.</p> <p>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.</p> <p>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.</p> <p>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 in accordance with international accounting standards.</p> <p>We verified disposals to supporting contract documentation to gain assurance over the accurate treatment of disposals in respect of checking these were recorded in the correct accounting period and of related receivables, costs payable and discounting adjustments and recalculated the profit or loss on disposal of intangible assets.</p> <p><i>Key observations</i> Based on our procedures we found management's key assumptions in respect of intangible assets to be within an appropriate range.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. 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.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Group financial statements			Parent company financial statements	
	2021 £	2020 £	2021 £	2020 £
Materiality	700,000	700,000	665,000	665,000
Basis for determining materiality	1% of normalised revenue averaged over a three year period.	1% of normalised revenue averaged over a three year period.	95% of Group materiality.	95% of Group materiality.
Rationale for the benchmark applied	We consider this to be the principal consideration in assessing the financial performance of the Group as the Group considers revenue to be their key performance indicator which demonstrates less volatility than other performance measures.	We consider this to be the principal consideration in assessing the financial performance of the Group as the Group considers revenue to be their key performance indicator which demonstrates less volatility than other performance measures.	Calculated as a percentage of Group materiality for Group reporting purposes given the assessment of aggregation risk.	Calculated as a percentage of Group materiality for Group reporting purposes given the assessment of aggregation risk.
Performance materiality	525,000	525,000	498,000	498,000
Basis for determining performance materiality	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.

Component materiality

We set materiality for each component of the Group based on a percentage of 95% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality was established at £665,000. In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to the Committee all individual audit differences in excess of £21,000 (2020: £21,000) for the Group and £19,000 (2020: £19,000) for the Parent Company. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none">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; andthe Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p>
Matters on which we are required to report by exception	<p>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:</p> <ul style="list-style-type: none">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; orthe Parent Company financial statements are not in agreement with the accounting records and returns; orcertain disclosures of Directors' remuneration specified by law are not made; orwe 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, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Group and its subsidiaries and the sector in which it operates we considered the risk of acts by the Group and its subsidiaries which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, UK accounting standards, the UK Companies Act 2006; those that relate to the payment of employees; and industry related such as regulations impacting football club operations including the UEFA Financial Fairplay Regulations whereby throughout our audit work we remained alert to any possible non-compliance especially in relation to player acquisitions. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to accrued income and deferred income, valuation of intangible assets and relevant provisions thereto such as impairment and the expected credit loss provision;
- At the planning stage, we engaged forensic accounting experts in our risk assessment in order to identify areas of potential manipulation or fraud based specifically on football clubs and designed specific and targeted audit tests to address these concerns which included testing for duplicate seat purchases, remaining aware to the possibility of money laundering in seat purchases, testing the accuracy and validity of business interruption insurance claims, testing of discounts and associated gratuities as well as remaining alert to procurement payment transactions in Property, Plant and Equipment and intangible additions;

- Focus was made on revenue year end cut-off procedures and the inclusion of revenue in the correct accounting periods;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords, manual journals to revenue and cash, journals posted by super users and journals posted at weekends;
- Discussions with management, the Audit Committee and Directors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- Review of minutes of Board meetings throughout the period;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations; and
- Targeted testing of payroll in order to identify any fraudulent or tax evasive payments.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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.

Stuart Wood, Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

20 September 2021

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





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021

	Notes	2021 £000	2020 £000
Revenue	4,5	60,781	70,233
Operating expenses (before intangible asset transactions and exceptional items)		(74,353)	(80,549)
Loss from trading before intangible asset transactions and exceptional items		(13,572)	(10,316)
Exceptional operating expenses	8	(333)	(1,957)
Amortisation of intangible assets	17	(11,821)	(12,244)
Profit on disposal of intangible assets		9,435	24,188
Other income		5,000	-
Operating loss	6	(11,291)	(329)
Finance income	12	855	1,479
Finance expense	12	(1,056)	(1,049)
(Loss)/profit before tax		(11,492)	101
Tax expense	13	(1,109)	(469)
Loss and total comprehensive loss for the year		(12,601)	(368)
Basic loss per Ordinary Share for the year	15	(13.35)p	(0.39)p
Diluted loss per Share for the year	15	(13.35)p	(0.39)p

The notes on pages 57 to 83 form part of these Financial Statements.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £000	2020 £000
Assets			
Non-current assets			
Property, plant and equipment	16	57,939	58,752
Intangible assets	17	18,303	19,828
Trade receivables	21	11,312	13,527
		87,554	92,107
Current assets			
Inventories	19	3,860	1,269
Trade and other receivables	21	23,764	28,478
Cash and cash equivalents	22	19,459	22,406
		47,083	52,153
Total assets		134,637	144,260
Equity			
Issued share capital	23	27,166	27,166
Share premium	24	14,914	14,849
Other reserve	24	21,222	21,222
Accumulated profits	24	5,629	18,230
Total equity		68,931	81,467
Non-current liabilities			
Borrowings	25	1,549	2,844
Debt element of Convertible Cumulative Preference Shares	23	4,174	4,174
Trade and other payables	27	4,043	3,542
Lease liabilities	30	540	637
Provisions	28	99	272
Deferred tax liabilities	20	2,793	1,366
Deferred income	29	-	29
		13,198	12,864
Current liabilities			
Trade and other payables	26	20,223	20,744
Lease liabilities	30	645	604
Borrowings	25	1,336	1,364
Provisions	28	6,213	5,942
Deferred income	29	24,091	21,275
		52,508	49,929
Total liabilities		65,706	62,793
Total equity and liabilities		134,637	144,260

The Financial Statements were approved and authorised for issue by the Board on 20 September 2021 and were signed on its behalf by

Michael Nicholson, Director **Christopher McKay**, Director

The notes on pages 57 to 83 form part of these Financial Statements.

COMPANY BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2021 £000	2020 £000
Assets			
Non-current assets			
Property, plant and equipment	16	56,785	57,621
Intangible assets	17	18,303	19,828
Investment in subsidiaries	18	-	-
Trade receivables	21	11,312	13,527
		86,400	90,976
Current assets			
Trade and other receivables	21	13,495	21,353
Cash and cash equivalents	22	16,839	16,841
		30,334	38,194
Total assets		116,734	129,170
Equity			
Issued share capital	23	27,166	27,166
Share premium	24	14,914	14,849
Other reserve	24	21,222	21,222
Accumulated profits	24	729	1,959
Total equity		64,031	65,196
Non-current liabilities			
Borrowings	25	1,549	2,844
Debt element of Convertible Cumulative Preference Shares	23	4,174	4,174
Trade and other payables	27	4,043	3,542
Deferred tax liabilities	20	2,927	1,701
Provisions	28	-	-
		12,693	12,261
Current liabilities			
Trade and other payables	26	32,531	44,433
Borrowings	25	1,336	1,364
Provisions	28	6,143	5,916
		40,010	51,713
Total liabilities		52,703	63,974
Total equity and liabilities		116,734	129,170

A separate statement of comprehensive income for the Company has not been presented as permitted by Section 408 of the Companies Act 2006. The loss for the Company is £1.23m (2020: £0.57m).

The Financial Statements were approved and authorised for issue by the Board on 20 September 2021 and were signed on its behalf by

Michael Nicholson, Director **Christopher McKay**, Director

The notes on pages 57 to 83 form part of these Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2021

Group	Share capital £000	Share premium £000	Other reserve £000	Accumulated (losses)/profit £000	Total £000
Equity shareholders' funds as at 1 July 2019	27,157	14,785	21,222	18,598	81,762
Share capital issued	-	64	-	-	64
Reduction in debt element of convertible cumulative preference shares	9	-	-	-	9
Loss and total comprehensive loss for the year	-	-	-	(368)	(368)
Equity shareholders' funds as at 30 June 2020	27,166	14,849	21,222	18,230	81,467
Share capital issued	-	65	-	-	65
Reduction in debt element of convertible cumulative preference shares	-	-	-	-	-
Loss and total comprehensive loss for the year	-	-	-	(12,601)	(12,601)
Equity shareholders' funds as at 30 June 2021	27,166	14,914	21,222	5,629	68,931
Company	Share capital £000	Share premium £000	Other reserve £000	Accumulated (losses)/profit £000	Total £000
Equity shareholders' funds as at 1 July 2019	27,157	14,785	21,222	2,531	65,695
Share capital issued	-	64	-	-	64
Reduction in debt element of convertible cumulative preference shares	9	-	-	-	9
Loss and total comprehensive loss for the year	-	-	-	(572)	(572)
Equity shareholders' funds as at 30 June 2020	27,166	14,849	21,222	1,959	65,196
Share capital issued	-	65	-	-	65
Reduction in debt element of convertible cumulative preference shares	-	-	-	-	-
Loss and total comprehensive loss for the year	-	-	-	(1,230)	(1,230)
Equity shareholders' funds as at 30 June 2021	27,166	14,914	21,222	729	64,031

The notes on pages 57 to 83 form part of these Financial Statements.

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Loss for the year		(12,601)	(368)
Taxation charge	13	1,109	469
Depreciation	16	2,494	2,640
Amortisation of intangible assets	17	11,821	12,244
Impairment of intangible assets	17	-	2,217
Reversal of prior period impairment charge	8	(297)	(413)
Profit on disposal of intangible assets		(9,435)	(24,188)
Loss on disposal of tangible fixed assets		110	-
Finance income*	12	(855)	(1,479)
Finance costs*	12	1,056	1,049
		(6,598)	(7,829)
(Increase)/decrease in inventories		(2,591)	1,374
Increase in receivables		(1,627)	(1,656)
(Decrease)/increase in payables and deferred income		(698)	4,486
Cash used in operations		(11,514)	(3,625)
Tax paid		(268)	(405)
Interest received*		34	202
Interest paid*		(118)	(188)
<i>Net cash flow used in operating activities</i>		(11,866)	(4,016)
Cash flows from/(used in) investing activities			
Purchase of property, plant and equipment		(482)	(1,175)
Purchase of intangible assets		(13,630)	(23,508)
Proceeds from sale of intangible assets		25,522	19,603
<i>Net cash from/(used in) investing activities</i>		11,410	(5,080)
Cash flows used in financing activities			
Repayment of debt	31 25	(1,280)	(1,280)
Payments on leasing activities		(739)	(798)
Dividend on Convertible Cumulative Preference Shares		(472)	(477)
<i>Net cash used in financing activities</i>		(2,491)	(2,555)
Net decrease in cash equivalents		(2,947)	(11,651)
Cash and cash equivalents at 1 July 2020		22,406	34,057
Cash and cash equivalents at 30 June 2021	22	19,459	22,406

* The cash flow statement for 2020 has been restated to correctly present finance income and finance costs as well as interest paid and interest received on a gross rather than the previously net basis. There is no change to the overall reported cash flows from operating activities.

The notes on pages 57 to 83 form part of these Financial Statements.

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Loss for the year		(1,230)	(572)
Taxation charge	13	1,247	667
Depreciation	16	1,960	2,014
Amortisation of intangible assets	17	11,821	12,244
Impairment of intangible assets	17	-	2,217
Reversal of prior period impairment charge	8	(297)	(413)
Profit on disposal of intangible assets		(9,435)	(24,188)
Loss on disposal of tangible assets		110	-
Finance income*	12	(855)	(1,479)
Finance costs*	12	1,009	1,049
		4,330	(8,490)
Decrease/(increase) in receivables		1,018	(2,800)
(Decrease)/increase in payables		(14,682)	2,575
Cash used in operations		(9,334)	(8,715)
Tax paid		(242)	-
Interest received*		34	192
Interest paid*		(118)	(188)
<i>Net cash flow used in operating activities</i>		(9,660)	(8,711)
Cash flows from/(used in) investing activities			
Purchase of property, plant and equipment		(482)	(1,175)
Purchase of intangible assets		(13,630)	(23,508)
Proceeds from sale of intangible assets		25,522	19,603
<i>Net cash used in investing activities</i>		11,410	(5,080)
Cash flows used in financing activities			
Repayment of debt	31 25	(1,280)	(1,280)
Dividend on Convertible Cumulative Preference Shares		(472)	(477)
<i>Net cash used in financing activities</i>		(1,752)	(1,757)
Net decrease in cash equivalents		(2)	(15,548)
Cash and cash equivalents at 1 July 2020		16,841	32,389
Cash and cash equivalents at 30 June 2021	22	16,839	16,841

* The cash flow statement for 2020 has been restated to correctly present finance income and finance costs as well as interest paid and interest received on a gross rather than the previously net basis. There is no change to the overall reported cash flows from operating activities.

The notes on pages 57 to 83 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 2021 were approved and authorised for issue in accordance with a resolution of the Directors. The comparative information is presented for the year ended 30 June 2020.

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 85.

The principal activities of the Group are described in the Business Review on page 8.

For the year ending 30 June 2021 the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

<i>Subsidiary Name</i>	<i>Companies House Registration Number</i>
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 2021 and 2020, presented, for both the Group and the Company.

The Financial Statements have been prepared in accordance with International Accounting Standards in conformity with the requirement of the Companies Act 2006.

The functional and presentational currency is GBP.

Going concern

The Group’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 Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report. In addition, Note 33 to the Financial Statements includes the Group’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.

As part of the Directors’ consideration of the going concern assumption used in preparing the Financial Statements, different scenarios have been analysed for a minimum period of 12 months from the date of approval of the Financial Statements with outlook assumptions used beyond this time frame. The main factors considered were:

- Current financial stability of the Group and on-going access to funds;
- Current and forecasted trading conditions and any potential adverse impact as a result of Covid-19, primarily the attendance of fans in football stadia;
- Security of revenue streams;
- First team football performance and success; and
- Player transfer market conditions.

The Directors have adopted a prudent approach in the assumptions used in relation to the above, in order to provide additional comfort around the viability of the Group going forward.

At 30 June 2021 the cash net of bank borrowings was £16.6m. In addition, the Group had a net receivables position with respect to player trading payables/ receivables. This provides a strong financial base over the short to medium term. Trading for the year to 30 June 2022 has begun well. The Group has sold over 50,000 season tickets for season 21/22; retail outlets are fully operational and performing strongly on the back of new kit and training kit launches; the first team have secured participation in the Europa League group stages; and we have clear visibility over committed labour costs and our player transfer cash flows. In addition to this, the Club has been able to welcome supporters back into football matches again which has a substantial positive impact on ticketing revenues generated for individual match tickets and packages.

The Group has established contracts with a number of commercial partners and suppliers providing assurance over future revenues and costs. In addition, the Group has in recent years, achieved significant gains in relation to player trading and manages the movement of players in and out of the team strategically to ensure maximisation of value where required while maintaining a squad of appropriate quality to ensure, as far as possible, continued on field success. This has again been reflected in our activity during the summer 2021 transfer window.

The most significant effect on trading brought on by Covid-19 primarily relates to the attendance of football fans in stadia. As noted above, we have had fans in attendance once again and at the time of writing we are able to accommodate almost capacity crowds. However, we recognise the potential risk of another ‘wave’ of Covid-19 and our sensitivity analysis takes into account the impact of such an event.

The Group continues to have access to a £13m RCF with the Co-operative Bank which at the date of signing of this annual report remains undrawn. This provides additional access to funds in the short to medium term should these be required. The current cash flow forecasts over the period of the going concern review do not show a requirement to utilise this facility.

The Group continues to perform a detailed budgeting process each year which looks ahead four years from the current financial year and is reviewed and approved by the Board. The Group also re-forecasts each month and these projections are distributed to the Board. As a consequence, and in conjunction with the additional forecasting and sensitivity analysis which has taken place, the Directors believe that the Company is well placed to manage its business risks successfully despite the continuing uncertain economic outlook.

In consideration of all of the above, 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.

Adoption of new and revised standards

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

International Accounting Standards	Effective date for periods commencing
References to the Conceptual Framework in IFRS standards	1 January 2020
Definition of a Business (Amendments to IFRS 3)	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020
Covid-19 Related Rent Concessions (Amendments to IFRS 16)	1 June 2020

Adoption of the above standards has had no material impact on the Financial Statements of the Group.

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
Interest Rate Benchmark Reform Phase 2	1 January 2021
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	
Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021

The above standards and interpretations will be adopted in accordance with their effective date and are not anticipated to have a material impact on the financial statements.

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 2021.

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 ('FF&E')	10% - 33% reducing balance
IT equipment and other short life assets (included in FF&E)	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, the following is considered:

- (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 not fully recoverable. 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 use 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, an estimate of such revenues cannot be used as a basis for revenue recognition once the performance obligation has been completed because, until notification has been received from the relevant body, it cannot be said that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

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 values 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;
- 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; and
- 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 fair value through profit and loss (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.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case an estimate of the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Right of use assets are initially measured at the amount of the lease liability, reduced for any impairments for loss making rental properties previously recognised in onerous lease provisions.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual.

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/loss 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; the 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 as at 30 June 2021 equates to £18.3m (2020: £19.8m) with an impairment charge in the year of £nil (2020: £2.2m). Within the carrying value, 6 players account for 82% of the overall balance and management is comfortable that the level of risk of further impairment within this amount is minimal. 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.

With regards to other provisions, these are measured at the best estimates required to settle the obligations given the information available at that time. Where necessary, management will take independent expert valuations in order to determine the best estimate for the provision.

(iii) **Revenue**

In respect of revenue where there is an element of variable consideration or potential uncertainty over the performance obligations being fulfilled, management will determine the value to be recognised on the best information available. For changes to contracts or arrangements (some of which have arisen as a result of Covid-19 e.g. the curtailment of the 19/20 SPFL season) management have recognised revenue based on the best information available at the balance sheet date to ensure there is no significant reversal of revenue in future periods. In the case of centrally distributed rights revenues where there is an element of variable consideration, the Group does not make estimates and instead relies on confirmation of revenues from third parties during the year before these are recognised to ensure there is no significant reversal of revenue in future periods. Where there are separate performance obligations to consider, for example in the issuing of discounts or vouchers, the revenue will only be recognised at the point where the obligation is fulfilled.

(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).

(q) Other income

Other income represents incoming cash or receivable to the business which is not deemed to generate from the normal course of business and does not meet the definition of revenue under IFRS15. In the current financial year, this is represented by the receipt of insurance proceeds in relation to business interruption. The amount of income is only recognised when the likelihood and value of any receipt is certain i.e. the cash or confirmation of payment have been received.

Government grant income is offset against the relevant operating cost as permitted under IFRS.

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	2021 £000	2020 £000
Ticketing	21,675	30,756
Merchandise vouchers for season ticket holders	(2,775)	-
Commercial/sponsorship	12,425	8,100
Retail outlets and E-commerce	15,117	11,246
Media rights	11,253	13,664
Stadium operations	1,924	5,041
Other	1,162	1,426
	60,781	70,233

The merchandise vouchers of £2.78m noted in the table above were issued to season ticket holders in relation to season 20/21 only and did not form part of the season ticket sales for season 21/22. Therefore, in line with IFRS15, these have been offset against revenue for the year ended 30 June 2021. Where vouchers have been utilised in the financial year this is recognised within 'Retail outlets and E-Commerce' revenues.

Timing of transfer of goods and services	2021 £000	2020 £000
Point in time (delivery to the customer at the point of sale)	24,165	41,263
Revenue recognised over time	36,616	28,970
	60,781	70,233

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.

	2021 £000	2020 £000
The Group's revenue comprised:		
Football and Stadium Operations	20,825	35,797
Merchandising	22,609	15,042
Multimedia and Other Commercial Activities	17,347	19,394
	60,781	70,233

6 OPERATING LOSS

	Notes	2021 £000	2020 £000
Operating loss is stated after charging/(crediting):			
Staff costs	9	51,710	56,159
Depreciation of property, plant and equipment	16	2,494	2,640
Impairment of intangible assets	17	-	2,217
Reversal of prior period impairment charge	8	(297)	(413)
Amortisation of intangible assets	17	11,821	12,244
Foreign exchange loss		124	257
Cost of inventories recognised as expense		10,279	8,569
Short term and variable lease expense for leases not recognised under IFRS16		60	76

7 AUDITOR'S REMUNERATION

	2021 £000	2020 £000
Fees payable to the Company's auditor and its associates in respect of:		
Audit of the Company's Financial Statements	33	28
Audit of the Financial Statements of the Company's subsidiaries	20	17
Audit related services	12	10
Taxation compliance services	-	16
	65	71

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 33 – 34. The non-audit services were for the Interim Results review and no services were provided pursuant to contingent fee arrangements.

8 EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £0.3m (2020: £1.96m) can be analysed as follows:

	2021 £000	2020 £000
Impairment of intangible assets and other prepaid costs	-	2,351
Reversal of prior period impairment charges	(297)	(423)
Onerous employment contract releases	-	(51)
Settlement agreements on contract termination	630	80
	<u>333</u>	<u>1,957</u>

The impairment of intangible assets in the prior year 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. Where events subsequent to this initial assessment give rise to a reversal of any impairments, such as a transfer or a significant turnaround in performance, an impairment reversal 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.

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

9 STAFF PARTICULARS

Group	2021 £000	2020 £000
Wages and salaries	44,881	49,680
Social security costs	5,985	5,682
Other pension costs	844	797
	<u>51,710</u>	<u>56,159</u>

Included in the above wages and salaries is £0.55m (2020: £1.37m) paid to agency staff.

Employee numbers (Group)	2021 Number	2020 Number
Players and football administration staff	160	157
Administration and retail staff	507	862
Average number of employees	<u>667</u>	<u>1,019</u>

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

Company	2021 £000	2020 £000
Wages and salaries	2,770	4,217
Social security costs	665	624
Other pension costs	195	169
	<u>3,630</u>	<u>5,010</u>

Included in the above wages and salaries is £0.05m (2020: £0.05m) paid to agency staff.

Employee numbers (Company)	2021 Number	2020 Number
Players and football administration staff	79	78
Administration and retail staff	35	33
Average number of employees	<u>114</u>	<u>111</u>

The above includes all part time employees of the Company.

Note that the 2020 figures for both the Group and Company have been amended to exclude the effect of the JRS income (referred to on page 14).

10 DIRECTORS' EMOLUMENTS

	Salary/Fees £	Bonus £	Benefits in kind £	Total Excl pension costs £	Pension Costs £	2021 Total £
T Allison	24,583	-	-	24,583	-	24,583
I Bankier	78,667	-	-	78,667	-	78,667
D Desmond	24,583	-	-	24,583	-	24,583
P Lawwell	1,148,563	-	17,682	1,166,245	-	1,166,245
C McKay	162,250	-	13,169	175,419	24,750	200,169
B Wilson	24,583	-	-	24,583	-	24,583
S Brown	29,500	-	-	29,500	900	30,400
	<u>1,492,729</u>	<u>-</u>	<u>30,851</u>	<u>1,523,580</u>	<u>25,650</u>	<u>1,549,230</u>

	Salary/Fees £	Bonus £	Benefits in kind £	Total Excl pension costs £	Pension Costs £	2020 Total £
T Allison	23,750	-	-	23,750	-	23,750
I Bankier	76,000	-	-	76,000	-	76,000
D Desmond	23,750	-	-	23,750	-	23,750
P Lawwell	1,093,937	-	17,772	1,111,709	-	1,111,709
C McKay	150,492	-	13,060	163,552	23,811	187,363
B Wilson	23,750	-	-	23,750	-	23,750
S Brown	28,500	-	-	28,500	900	29,400
	<u>1,420,179</u>	<u>-</u>	<u>30,832</u>	<u>1,451,011</u>	<u>24,711</u>	<u>1,475,722</u>

The aggregate emoluments and pension contributions of the highest paid Director were £1,166,245 (2020: £1,111,709) and £nil (2020: £nil) respectively. During the year, contributions were paid to defined contribution money purchase pension schemes in respect of 2 (2020: 2) Directors. The Employer's NIC on Directors' remuneration during the year amounted to £199,851 (2020: £198,614). No Directors received share options during the year (2020: £nil).

In both the year to 30 June 2021 and 2020, the Directors took the decision to temporarily reduce their salaries/fees in response to the impact of Covid-19. No increases to salaries/fees were made during the current year.

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 2021. Accordingly, the awards set out in the table on page 36 have accrued for the benefit of Mr McKay. Payment remains subject to the operation of the ELTIP conditions.

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 £728,008 (2020: £627,134) and £131,342 (2020: £134,829) respectively. Group and Company contributions of £59,717 (2020: £65,680) and £11,444 (2020: £13,133) 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	2021 £000	2020 £000
Finance income:			
Notional interest receivable on deferred consideration		821	1,277
Interest receivable on bank deposits		34	202
		855	1,479
Finance expense:			
Interest payable on bank and other loans		108	179
Notional interest payable on deferred consideration		379	301
Dividend on Convertible Cumulative Preference Shares	14	569	569
		1,056	1,049

13 TAX ON ORDINARY ACTIVITIES

The corporation tax receivable as at 30 June 2021 was £0.61m (2020: £0.02m). The current year tax credit was £0.32m and total tax payments in the year were £0.27m, which related to prior years. The available capital allowances pool is approximately £6.23m (2020: £7.53m). 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% (2020: 19%).

	Note	2021 £000	2020 £000
Current tax expense			
UK corporation tax		(609)	262
Adjustments in respect of prior periods		290	(20)
Total current tax expense		(319)	242
Deferred tax expense			
Origination of temporary timing differences	20	827	254
Adjustments in respect of prior periods		(69)	(27)
Effects of changes in tax rates		670	-
Total deferred tax		1,428	227
Total tax expense		1,109	469

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:

	2021 £000	2020 £000
(Loss)/profit on ordinary activities before tax	(11,492)	101
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%)	(2,183)	19
Effects of:		
Fixed asset differences	226	260
Expenses not deductible for tax purposes	67	185
Dividends reclassified as interest	108	108
Income not taxable for tax purposes	(121)	(210)
Adjustments in respect of prior periods	221	(46)
Tax rate changes	670	-
Adjust opening deferred tax to average rate	-	153
Utilisation of previously unrecognised deferred tax assets	2,121	-
Total tax expense	1,109	469

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 £0.53m (2020: £0.51m) was paid on 31 August 2021 to those holders of Convertible Cumulative Preference Shares on the share register at 30 July 2021. A number of shareholders elected to participate in the Company's scrip dividend reinvestment scheme for the financial year to 30 June 2021. 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 £nil (2020: £nil) in respect of statute barred preference dividends in accordance with the Company's Articles of Association.

15 (LOSS)/EARNINGS PER SHARE

	2021 £000	2020 £000
Reconciliation of basic loss to diluted earnings (loss)/earnings:		
Basic loss	(12,601)	(368)
Non-equity share dividend	569	569
Diluted (loss)/earnings	(12,032)	201
	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	94,366	94,276
Dilutive effect of convertible shares	42,286	42,358
Diluted weighted average number of ordinary shares	136,652	136,634

Loss per share and diluted loss per share of 13.35p (2020: loss per share of 0.39p) has been calculated by dividing the loss for the period of £12.60m (2020: loss £0.37m) by the weighted average number of Ordinary Shares of 94.4m (2020: 94.3m) in issue during the year. When considering a loss per share scenario, no adjustment is made for the preference share dividend and therefore the diluted loss per share is equal to the basic loss per share. This is the case in the year ended June 2021 and June 2020.

16 PROPERTY, PLANT AND EQUIPMENT

Group	Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2020	57,271	4,140	25,071	86,482
Right of use assets at 1 July 2020	1,580	177	-	1,757
Additions	229	-	1,005	1,234
Right of use assets additions	190	367	-	557
Disposals	-	(464)	(853)	(1,317)
At 30 June 2021	59,270	4,220	25,223	88,713
Accumulated Depreciation				
At 1 July 2020	7,252	3,349	18,260	28,861
Right of use assets at 1 July 2020	485	141	-	626
Charge for year	864	108	988	1,960
Right of use assets charge for the year	427	107	-	534
Disposals	-	(354)	(853)	(1,207)
At 30 June 2021	9,028	3,351	18,395	30,774
Net Book Value				
At 30 June 2021	50,242	869	6,828	57,939
At 30 June 2020	51,114	827	6,811	58,752

Company	Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2020	57,271	4,140	25,071	86,482
Additions	229	-	1,005	1,234
Disposals	-	(464)	(853)	(1,317)
At 30 June 2021	57,500	3,676	25,223	86,399
Accumulated Depreciation				
At 1 July 2020	7,252	3,349	18,260	28,861
Charge for year	864	108	988	1,960
Disposals	-	(354)	(853)	(1,207)
At 30 June 2021	8,116	3,103	18,395	29,614
Net Book Value				
At 30 June 2021	49,384	573	6,828	56,785
At 30 June 2020	50,019	791	6,811	57,621

17 INTANGIBLE ASSETS

Group and Company	2021 £000	2020 £000
Cost		
At 1 July	49,845	44,651
Additions	13,455	20,700
Disposals	(13,741)	(15,506)
At 30 June	49,559	49,845
Amortisation		
At 1 July	30,017	30,495
Charge for year	11,821	12,244
Provision for impairment	-	2,217
Reversal of prior period impairment	(258)	(413)
Disposals	(10,324)	(14,526)
At 30 June	31,256	30,017
Net Book Value		
At 30 June	18,303	19,828

	2021 No.	2021 £000	2020 No.	2020 £000
The number of players with a book value in excess of £1m by contract expiry date is as follows:				
Contract expiry within 1 year	1	1,326	2	3,714
Contract expiry within 2 years	4	9,570	-	-
Contract expiry within 3 years	2	5,685	5	13,013
Contract expiry within 4 years	-	-	-	-
	7	16,581	7	16,727

No individual intangible asset included above accounted for more than 21% of the total net book value of the intangible assets (2020: 29%).

The impairment provision in the 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 nil value. The Directors have considered whether any impairment is required in the current year and have concluded that this is not the case. The impairment reversal in the current and prior years relate to previously impaired assets where some of the value was subsequently recovered.

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

	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
Raw materials	31	50	-	-
Finished goods	3,829	1,219	-	-
	3,860	1,269	-	-

Inventories written down during the year amounted to £0.23m (2020: £0.31m).

20 DEFERRED TAX

Group

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were enacted in the Finance Act 2021 on 10 June 2021. Therefore, deferred taxes on the balance sheet have been measured at 25% (2020: 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

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

	2021 £000	2020 £000
At 1 July	1,366	1,139
<i>Recognised in Consolidated Statement of Comprehensive Income</i>		
Origination of temporary timing differences	1,496	254
Adjustments in respect of prior periods	(69)	(27)
At 30 June	2,793	1,366

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 £2.1m (2020: £nil) 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, and amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	Asset 2021 £000	Liability 2021 £000	Net 2021 £000	Charged/(credited) to Consolidated Statement of Comprehensive Income 2021 £000
Accelerated capital allowances	-	(2,867)	(2,867)	1,142
Short term temporary differences	74	-	74	285
Tax assets/(liabilities)	74	(2,867)	(2,793)	1,427
Net tax assets/(liabilities)	74	(2,867)	(2,793)	1,427

	Asset 2020 £000	Liability 2020 £000	Net 2020 £000	Charged/(credited) to Consolidated Statement of Comprehensive Income 2020 £000
Accelerated capital allowances	-	(1,725)	(1,725)	375
Short term temporary differences	359	-	359	(148)
Tax assets/(liabilities)	359	(1,725)	(1,366)	227
Net tax assets/(liabilities)	359	(1,725)	(1,366)	227

Company		
The movement on the deferred tax account is as shown below:		
	2021 £000	2020 £000
At 1 July	1,701	1,327
<i>Recognised in Company Statement of Comprehensive Income</i>		
Origination of temporary timing differences	1,034	397
Adjustments in respect of prior periods	192	(23)
At 30 June	2,927	1,701

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

	Asset 2021 £000	Liability 2021 £000	Net 2021 £000	Charged/(credited) to Consolidated Statement of Comprehensive Income 2021 £000
Accelerated capital allowances	-	(2,931)	(2,931)	1,151
Short term temporary differences	4	-	4	75
Tax assets/(liabilities)	4	(2,931)	(2,927)	1,226
Net tax assets/(liabilities)	4	(2,931)	(2,927)	1,226

	Asset 2020 £000	Liability 2020 £000	Net 2020 £000	Charged/(credited) to Consolidated Statement of Comprehensive Income 2020 £000
Accelerated capital allowances	-	(1,780)	(1,780)	454
Short term temporary differences	79	-	79	(79)
Tax assets/(liabilities)	79	(1,780)	(1,701)	375
Net tax assets/(liabilities)	79	(1,780)	(1,701)	375

21 TRADE AND OTHER RECEIVABLES

	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
Trade receivables	25,624	33,300	18,662	28,066
Provision for doubtful debts (see below)	(494)	(329)	-	(20)
	25,130	32,971	18,662	28,046
Prepayments and accrued income	2,010	1,433	321	359
Other receivables	7,327	7,579	5,824	6,475
Corporation Tax	609	22	0	-
	35,076	42,005	24,807	34,880

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

	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
Trade receivables	11,312	13,527	11,312	13,527

	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
The movement in the provision for doubtful debts was as follows:				
Opening balance	329	280	20	20
Balances written off	(34)	(13)	(20)	-
Change in provision	199	62	-	-
Closing balance	494	329	-	20

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. Note that in each of the tables below the total receivables balance considered under IFRS9 has been adjusted to strip out football debts and any other significant material items which are not yet due as at the year end and are not considered to be of any risk of non-recovery.

At 30 June 2021 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	0.00%	0.01%	8.48%	4.31%	73.78%	
Gross Carrying Amount (£000)	2,885	3,525	23	104	660	7,197
Loss Provision (£000)	-	-	2	5	487	494

At 30 June 2020 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	0.43%	0.04%	1.88%	3.34%	43.18%	
Gross Carrying Amount (£000)	522	3,578	334	1,628	568	6,630
Loss Provision (£000)	2	1	6	55	265	329

The expected loss rates are based on the Group's historical credit losses on receivables, excluding those for the disposal of intangible assets and other balances deemed to be not applicable to the calculation, experienced over the three year period prior to the period end. All non-current receivables are due within 3 years of 30 June 2021. 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 2021 trade receivables of £0.30m (2020: £0.25m) had lifetime expected credit losses of the full value of the receivables. These 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

	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
Cash at bank	19,437	22,382	16,839	16,841
Cash on hand	22	24	-	-
Cash and cash equivalents	19,459	22,406	16,839	16,841

23 SHARE CAPITAL

Group and Company	Authorised		Allotted, called up and fully paid			
	2021 No.'000	2020 No.'000	2021 No.'000	2021 £000	2020 No.'000	2020 £000
Equity						
Ordinary Shares of 1p each	223,680	223,608	94,421	944	94,292	943
Deferred Shares of 1p each	676,246	672,833	676,246	6,762	672,833	6,728
Convertible Preferred Ordinary Shares of £1 each	14,722	14,757	12,734	12,734	12,769	12,769
Non-equity						
Convertible Cumulative Preference Shares of 60p each	18,298	18,298	15,798	9,479	15,798	9,479
Less reallocated to debt under IAS 32:						
Initial debt				(2,753)		(2,753)
	932,946	929,496	799,199	27,166	795,692	27,166

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. During the year to 30 June 2021 34,857 CPOs were converted to 72,501 Ordinary Shares. Since 30 June 2021 and up to 16 September 2021, the last practicable date before publication, no request for conversion of Convertible Preferred Ordinary Shares have been received.

Each 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. On 28 August 2020, 55,686 new Ordinary Shares of 1p each were issued in respect of mandates received from holders of Convertible Cumulative Preference Shares ("CCPs") to reinvest their dividends. During the year ended 30 June 2021, there were no CCPs conversions. Since 30 June 2021 and up to 16 September 2021, the last practicable date before publication, the Company has converted 500 CCPs. 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.

On 31 August 2021, 35,938 new Ordinary Shares of 1p each were issued in respect of mandates received from holders of CCPs to reinvest their dividends.

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 £4.17m (2020: £4.17m). 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.

	2021 No.'000	2020 No.'000
Reconciliation of number of Ordinary Shares in issue:		
Opening balance	94,292	94,202
Shares issued re scrip dividend scheme	56	39
Shares issued re Convertible Preferred Ordinary Share conversions	73	15
Shares issued re Preference Share conversions	-	36
Closing balance	94,421	94,292

	2021 No:000	2020 No:000
Reconciliation of number of Deferred Shares in issue:		
Opening balance	672,833	669,962
Shares issued re Convertible Preferred Ordinary Share conversions	3,413	746
Shares issued re Preference Share conversions	-	2,125
Closing balance	676,246	672,833

	2021 No:000	2020 No:000
Reconciliation of number of Convertible Preferred Ordinary Shares in issue:		
Opening balance	12,769	12,776
Convertible Preferred Ordinary Share conversions to Ordinary and Deferred Shares	(35)	(7)
Closing Balance	12,734	12,769

	2021 No:000	2020 No:000
Reconciliation of number of Convertible Cumulative Preference Shares in issue:		
Opening balance	15,798	15,834
Convertible Cumulative Preference Share conversions to Ordinary and Deferred Shares	-	(36)
Closing Balance	15,798	15,798

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 (2020: £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 £14.85m to £14.91m 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

	2021 £000	2020 £000
Current portion of interest bearing liabilities	1,236	1,264
Other current borrowings	100	100
Non current portion of interest bearing liabilities	1,549	2,844
	2,885	4,208

The interest bearing liabilities as at 30 June 2021 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)

	Notes	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
Accrued expenses		12,511	15,645	5,288	7,617
Trade and other payables		7,712	5,099	5,705	4,122
Leasehold liabilities	30	645	604	-	-
Corporation tax		-	-	-	393
Amounts owing to Group companies		-	-	21,538	32,301
		20,868	21,348	32,531	44,433

27 TRADE AND OTHER PAYABLES (NON CURRENT)

	Notes	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
Trade and other payables		4,043	3,542	4,043	3,542
Leasehold liabilities	30	540	637	-	-
		4,583	4,179	4,043	3,542

28 PROVISIONS

Group Cost	Total £000
At 1 July 2020	6,214
Provided during the year	343
Release of provision	(236)
Utilised during the year	(9)
At 30 June 2021	6,312
Due within one year or less	6,213
Due after more than one year	99
At 30 June 2021	6,312

Company	Total £000
Cost	
At 1 July 2020	5,916
Provided during the year	343
Release of provision	(107)
Utilised during the year	(9)
At 30 June 2021	6,143
Due within one year or less	6,143
Due after more than one year	-
At 30 June 2021	6,143

The Group provides for dilapidations on retail outlets and certain commercial contracts. The opening balance on dilapidations was £0.3m and the closing balance was £0.2m with £0.1m released during the year. These provisions in respect of dilapidations are expected to unwind over the terms of the contracts associated with them.

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 recognise the relevant corresponding sums within debtors. No separate disclosure is made in relation to such claims, proceedings or matters as to do so could seriously prejudice the position of the Group and Company.

29 DEFERRED INCOME

	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
Income deferred less than one year	24,091	21,275	-	-

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. The opening balance of £21.3m has been fully recognised in the Statement of Comprehensive Income for the year ended 30 June 2021 with the closing balance of £24.1m will be recognised in the year ended 30 June 2022.

	2021 Group £000	2020 Group £000	2021 Company £000	2020 Company £000
Income deferred after more than one year	-	29	-	-

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 2021/22. The opening balance of £0.03m has been transferred to deferred income less than one year.

30 LEASES

All leases are accounted for by recognising a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

IFRS 16 was adopted 1 July 2020 without restatement of comparative figures.

Nature of Leasing activities

The Group leases various retail units located in the UK and Ireland and includes high street stores and units within shopping centres. As at 30 June 2021 there were 9 such leases in place with end dates ranging from September 2021 to July 2024. Some of the agreements have extension options as described below and the Group will consider whether to exercise these on individual basis, taking into account industry conditions at the relevant point in time, and determine whether to exercise the options under current terms, re-negotiate for more favourable conditions or terminate. The lease agreements currently in place do not impose any covenants and leased assets may not be used as security for borrowing purposes.

In addition the Group also leases a fleet of vehicles as well as some individual vehicles which cover the provision of contracted employee cars and general usage for Club activities. The end dates vary across the different categories of vehicles included.

The corresponding balances and movements for the year ended 30 June 2021 are as below. The right of use assets are included within 'Land and Buildings' and 'Plant and Vehicles' respectively in Note 16 with the Lease Liabilities shown within Note 26 'Trade and Other Payables'.

At 30 June 2021

Right of Use Assets	Land & Buildings £000	Plant & Vehicles £000	TOTAL £000
At 30 June 2020	1,095	35	1,130
Additions	190	368	558
Depreciation	(427)	(107)	(534)
At 30 June 2021	858	296	1,154

Lease Liabilities	Land & Buildings £000	Plant & Vehicles £000	TOTAL £000
At 30 June 2020	1,206	35	1,241
Additions	298	367	665
Interest expense	41	5	46
Lease payments	(654)	(113)	(767)
At 30 June 2021	891	294	1,185
Lease liabilities < 1 year	500	145	645
Lease liabilities > 1 year	391	149	540
Total lease liabilities	891	294	1,185

At 30 June 2020:

Right of Use Assets	Land & Buildings £000	Plant & Vehicles £000	TOTAL £000
At 30 June 2019	-	-	-
Initial recognition under IFRS16	1,528	176	1,704
Impairment of assets (practical expedient)	(486)	-	(486)
Additions	462	-	462
Impairment reversal	75	-	75
Depreciation	(484)	(141)	(625)
At 30 June 2020	1,095	35	1,130

Lease Liabilities	Land & Buildings £000	Plant & Vehicles £000	TOTAL £000
At 30 June 2019	-	-	-
Initial recognition under IFRS16	1,528	176	1,704
Additions	295	-	295
Interest expense	33	6	39
Lease payments	(650)	(147)	(797)
At 30 June 2020	1,206	35	1,241
Lease liabilities < 1 year	580	24	604
Lease liabilities > 1 year	626	11	637
Total lease liabilities	1,206	35	1,241

	Up to 3 months £000	Between 3 – 12 months £000	Between 1 – 2 years £000	Between 2 – 5 years £000	Over 5 years £000
At 30 June 2021					
Leases	198	447	398	142	-

	Up to 3 months £000	Between 3 – 12 months £000	Between 1 – 2 years £000	Between 2 – 5 years £000	Over 5 years £000
At 30 June 2020					
Leases	180	423	369	269	-

31 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 2020	2,880	1,380	4,174	8,434
Cash flows	-	(1,280)	-	(1,280)
Non-cash flows	-	-	-	-
- Debt converted to equity	-	-	-	-
- Loans and borrowings classified as non-current at 30 June 2020 becoming current during 2021	(1,280)	1,280	-	-
At 30 June 2021	1,600	1,380	4,174	7,154

	Non-current loans and borrowings £000	Current loans and borrowings £000	Debt element of Convertible Cumulative Preference Shares £000	Total £000
At 1 July 2019	4,160	1,380	4,183	9,723
Cash flows	-	(1,280)	-	(1,280)
Non-cash flows	-	-	-	-
- Debt converted to equity	-	-	(9)	(9)
- Loans and borrowings classified as non-current at 30 June 2020 becoming current during 2021	(1,280)	1,280	-	-
At 30 June 2020	2,880	1,380	4,174	8,434

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.

32 CAPITAL AND OTHER FINANCIAL COMMITMENTS**a. Capital commitments**

	2021 £000	2020 £000
Group and Company		
Authorised and contracted for	85	107

b. Other commitments

Lease payments recognised in the Consolidated Statement of Comprehensive Income for the period which have not been accounted for under IFRS 16 amounted to £0.06m (2020: £0.08m).

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 2021 are noted below:

	2021 £000	2020 £000
Group and Company		
Conditions for triggering additional amounts payable:		
Appearances	1,706	2,130
Success achievements	2,987	2,579
Registered at a future pre-determined date	381	460
	5,074	5,169
Number of players contingent transfer fees payable relates to:	33	33

	2021 £000	2020 £000
Group and Company		
Conditions for triggering additional amounts receivable:		
Appearances	3,076	880
Success achievements	4,029	2,035
	7,105	2,915
Number of players contingent transfer fees receivable relates to:	11	7

33 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).

	Fair Value through Profit and Loss £000	Amortised Cost £000	Total £000
30 June 2021			
Cash	-	19,459	19,459
Trade Receivables	-	33,575	33,575
Trade Payables	-	24,266	24,266
Bank Borrowings	-	2,785	2,785
Other Creditors	-	100	100
Lease Liabilities	-	1,185	1,185
Convertible Cumulative Preference Shares	-	4,174	4,174
Foreign Exchange Forward	-	-	-

	Fair Value through Profit and Loss £000	Amortised Cost £000	Total £000
30 June 2020			
Cash	-	22,406	22,406
Trade Receivables	-	37,259	37,259
Trade Payables	-	24,287	24,287
Bank Borrowings	-	4,108	4,108
Other Creditors	-	100	100
Lease Liabilities	-	1,408	1,408
Convertible Cumulative Preference Shares	-	4,174	4,174
Foreign Exchange Forward	399	-	399

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 (2020: £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. In the Directors' assessment, the principal risks remain unchanged from 2020.

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).

During 2020/21, fixed rate periods were for three months and the average balance on the loans was £3.5m (2020: £4.7m). During the course of the year, the average balance on the RCF facility was £nil (2020: £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 2021 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 £0.03m (2020: £0.05m). 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 2020.

(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 expected credit loss ('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 2021, £0.10m representing 0.42% of trade receivables of the Group of £25.06m (2020: £35.78m) were past due but not impaired (2020: £0.52m, 1.5%). For the Company, there are no balances past due but not impaired (2020: £nil) from the total receivables of £18.68m (2020: £29.66m). Group trade receivables of £0.30m (2020: £0.24m) 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 2021, 19% of trade payables of the Group were due to be paid within one month (2020: 22%) and 3% of trade payables of the Company were due to be paid within one month (2020: 4%). 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.

	2021 Group £000	2021 Group £000	2021 Group £000	2021 Group £000	2021 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	21	64	1,594	-	1,679
Current portion of borrowings	332	997	-	-	1,329
Total	353	1,061	1,594	-	3,008

	2020 Group £000	2020 Group £000	2020 Group £000	2020 Group £000	2020 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	34	101	2,959	-	3,094
Current portion of borrowings	332	997	-	-	1,329
Total	366	1,098	2,959	-	4,423

Other loans held by the Company of £0.10m (2020: £0.10m) are repayable on demand.

The Company's financial liabilities include the annual payment of £0.57m (2020: £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 £0.57m 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 RCF in existence as at 30 June 2021 bear interest at LIBOR plus 3% (2020: 3%) and base rate plus 3% (2020: 3%) 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.

The available bank facilities as at 30 June 2021 were £15.9m (2020: £6.2m), of which £2.9m is represented by long-term loans and £13.0m by RCF (2020: £2.0m).

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.

34 POST BALANCE SHEET EVENTS

Since the Balance Sheet date, the Group secured the permanent registrations of Kyogo Furuhashi, Carl Starfelt, Joe Hart, James McCarthy, Liel Abada, Osaze Urhoghide, Bosun Lawal, Josip Juranovic, Liam Scales, Ciaran Dickson and Georgios Giakoumakis as well as the temporary registrations of Jota Filipe and Cameron Carter-Vickers.

The registrations of Odsonne Edouard, Kristoffer Ajer, Ryan Christie, Marian Shved, Vakoun Bayo and Leo Hjelde were disposed of on a permanent basis. The registrations of Leigh Griffiths, Lee O'Connor, Jonathon Afolabi, Barry Coffey, Scott Robertson and Ross Doohan were temporarily transferred to other clubs.

Dominic McKay, who was appointed CEO on 1 July 2021 resigned from his post on 10 September 2021. Michael Nicholson has been appointed to the Board as acting CEO.

35 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 £14.62m (2020: £22.48m) with £21.54m (2020: £32.30m) 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 – retired 30 June 2021) | Christopher McKay (Financial Director) | Brian D H Wilson* | Dominic McKay (Chief Executive – appointed 1 July 2021, retired 10 September 2021) | Michael Nicholson (acting Chief Executive – appointed 10 September 2021)

COMPANY SECRETARY | Christopher Duffy

COMPANY NUMBER | SC3487

REGISTERED OFFICE | Celtic Park, Glasgow, G40 3RE

DIRECTORS OF THE CELTIC FOOTBALL AND ATHLETIC COMPANY LIMITED | Peter T Lawwell | Dominic McKay (appointed 1 July 2021, retired 10 September 2021) | 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.com

*Senior Independent Director *Independent Non-Executive Director

