Celtic plc
Annual Report
Year Ended
30 June 2009

THE CELTIC FOOTBALL CLUB
1888

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Chairman's Statement

"… we firmly believe that Tony Mowbray and his coaching staff are the right choice to take the Club forward." Dr John Reid

SUMMARY OF THE RESULTS

Operational Highlights

Winners of the Co-operative Insurance Cup

Participation in the group stages of the UEFA Champions League playing 3 home European fixtures (2008: 5)

Season ticket sales of 54,252 (2008: 53,517) following a price freeze and introduction of low-priced concession tickets

26 home matches played at Celtic Park in the year (2008: 28)

Appointment of Tony Mowbray as football manager

NIKE'S appointment as kit manufacturer extended for 5 years until 2015

Financial Highlights

Group revenue reduced by 0.5% to £72.59m (2008: £72.95m)

Operating expenses reduced by 4.3% to £61.36m (2008: £64.09m)

Profit from trading before asset transactions and exceptional operating expenses of £11.23m (2008: £8.86m)

Exceptional operating expenses of £2.78m (2008: £3.19m)

Gain on disposal of intangible assets of £1.55m (2008: £5.70m)

Profit before taxation of £2.00m (2008: £4.44m)

Year end bank debt of £1.51m (2008: £3.52m) net of cash

Investment of £8.53m (2008: £5.11m) in the acquisition of football players

I am pleased to report on the Company's performance in the year to 30 June 2009. It was a year of great challenges, promise and expectation, both financially and from a football perspective. The financial storm of 2008/2009 has been weathered successfully, so far, but our objective of achieving four SPL championships in a row was not fulfilled; once again we have seen just how closely fought the SPL title can be. Losing the SPL title and the accompanying direct entry place to this year's Champions League to our greatest rivals is not easy to accept; it is not in our nature to be satisfied with second best.

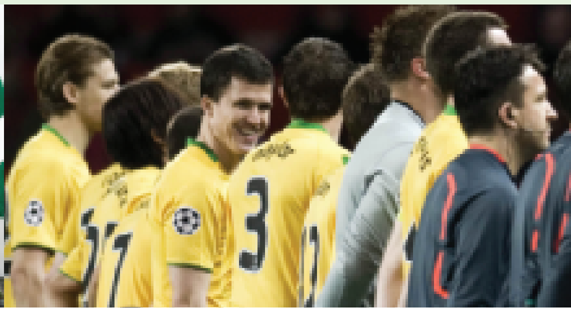
It is a measure of how far we have come in recent years, and the high standards that have been set, that our football fortunes in a year in which we won the CIS Cup, participated once again in the group stage of the UEFA Champions League and challenged until the very last for a fourth consecutive SPL title, could be described as mixed. This highlights the contribution and achievements of Gordon Strachan and his backroom staff in their time with the Club, for which we thank them.

The new management team have much to live up to, but we firmly believe that Tony Mowbray and his coaching staff are the right choice to take the Club forward.

From a financial perspective our results for the year continue to provide us with a solid footing and remain highly creditable. Turnover, at £72.59m, was on a par with the £72.95m of 2007/2008, despite playing only 26 home games rather than the 28 of the year before. Merchandising sales improved and multi-media sales increased. Operating expenses reduced by 4.3% in the year (£2.74m) to £61.36m. Exceptional operating expenses of £2.78m were incurred, mainly relating to player impairment values and costs from onerous contracts and employment contract terminations. These are good results in the present economic context.

Gains on player trading of £1.55m this year against £5.70m last time, and higher amortisation costs from investment in players, offset by the savings in operating expenses, result in our profit before tax of £2.00m compared with £4.44m the year before. Our year end bank debt, net of cash, was £1.51m, down from £3.52m the previous year.

Investment in players increased from £5.11m to £8.53m, reflecting our policy of and commitment to strengthening the team within the parameters of a sustainable financial model. Put simply, last year we brought in less from selling players and spent more in bringing in new players than in the previous year. At 53.4% the ratio of total labour cost to turnover



has been maintained at the same level as last year – reflecting a total outlay on labour of £38.75m.

These results have been achieved in trying and often frustrating circumstances and substantially in reliance upon the tremendous contribution of the Celtic support. In football, at home and abroad, and in other fields, many organisations are in financial difficulty. We have placed a premium on financial prudence in order to safeguard this Club for future generations.

Unlike other sectors, the football transfer market has not been depressed by recessionary influences; indeed wages for good quality players, as well as transfer fees have increased, buoyed mainly by the broadcasting money available in England. The Scottish broadcasting deal negotiated by the SPL with Setanta last summer - although in no way as lucrative as that offered by SKY in England - was held out as a substantial increase on the agreement then in place. Celtic did not support that new agreement, preferring the SKY option. We believed that in selecting Setanta instead of SKY in the competitive bid process, an opportunity for the SPL to benefit from the greater status, stability, reach and financial resources of one of the world's largest broadcasters was lost, as became apparent when Setanta entered into administration just after the end of the season. The recently agreed arrangements with SKY / ESPN are significantly less than could have been the case had SKY's offer been accepted last year, and are a hard lesson in what could and should have been a far more positive outcome for all of the SPL clubs.

This only adds to the many challenges we face in the coming season: money is tight for all of our customers; much of Scottish football is now edging along the narrow line of solvency; we must continue to seek to ensure that supporters are satisfied that they are receiving value for the money that they are asked to spend; and, for ourselves, we face a difficult path to our initial goal of Champions League Group Stage qualification.

We will face those challenges undaunted. As a result of a magnificent away performance in Moscow earlier this month we are assured of further European football this season. I believe that is of great importance to our fans.

I also believe that although we have a strong financial base, we cannot be immune from the pressures that weigh on our supporters and their families. Accordingly, Season Ticket prices have been frozen again this year and we have retained the extensive concessionary schemes introduced last year, as part of the family aspect of Celtic Football Club and our policy of attracting the supporters of the future. A record 54,252 season tickets were sold last season, up on 53,517 the year before. Our season ticket sales so far are encouraging but we will have to work extremely hard to match our performance last year. Your support in doing so will be vital.

The difficult economic circumstances are no reason for us to cut back on our Foundation and Charity work. Indeed in many ways these become more important in times of greater deprivation. That is why I am delighted that the Celtic Foundation continues to tackle social inequality in many fields, with over 6,500 young people and adults participating in its programmes each week and a staggering 1,250,000 young people and adults having been involved in some way with its work since its activities began in May 2003. Celtic Charity Fund has again had a major effect on the lives of many of the least fortunate in society, both at home and abroad, with almost £446,500 donated in cash to good causes in the year. As a sum equivalent to 0.61% of Group turnover this year, we are well on our way to achieving the target of 0.7% I set for us at last year's AGM, a commendable effort during an economic recession. I am proud that over the last 12 months the Club has been involved in more charitable, educational and community work than it has at any other time in its history.

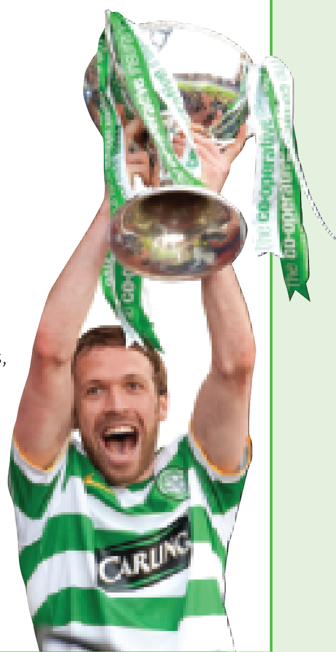
This coming year sets us further football challenges. We look forward very much to working with our new manager Tony Mowbray and his team. Tony is in the process of rebuilding the squad. In recent weeks we have been joined by new faces on the playing staff, including Fortune, N'Guemo and Fox. We will continue to seek to strengthen where we can and within our means, and to invest for the longer term in youth development, scouting, and sports science as we have done in previous years. The first full year of operations at Lennoxtown has been very successful and we will be investing further sums in pitch facilities during the year. Attractive, exciting and, importantly, winning football is something that our fans expect, and we aim to provide.

My fellow director, Brian McBride will not be standing for re-election at this year's AGM, after almost 5 years on the Board. I record my own and the Club's appreciation to Brian.

I also express my personal thanks to our supporters, customers, shareholders and staff for their continuing outstanding contribution to maintaining the traditions, standards, success and vibrancy of this great Club.

Dr John Reid

Chairman
14 August 2009



Chief Executive's Review

Peter T Lawwell

INTRODUCTION

In another very eventful year we won the CIS Cup while narrowly missing out on the Clydesdale Bank Scottish Premierleague and we participated in the UEFA Champions League group stage, which greatly assisted the financial performance of the Company.

Having promised much we disappointingly fell away at the final hurdle to concede the title on the last day of the season, narrowly missing out on four in a row.

Failing to win the Clydesdale Bank Scottish Premierleague last season was additionally disappointing as the title winners secured automatic direct qualification to the group stage of the UEFA Champions League, whilst we as the second placed club are required to negotiate two demanding qualifying rounds before we can take a place in the group stage. Following victory over Dinamo Moscow in the first of those rounds, we now require to overcome Arsenal to progress in the Champions League, although failure to do so will see Celtic participate in the new Europa League in season 2009/2010.

During the course of the 2008/9 season we had mixed fortunes in Europe's premier club competition, beating Villarreal at Celtic Park and only conceding a late equaliser to the holders Manchester United. However, a goalless draw at home to the Danish side Aalborg eventually contributed to us missing out on progression to the last 16.

At the end of the season Gordon Strachan resigned as manager after four successful years in charge, during which we won three SPL titles, one Scottish Cup, two League Cups and reached the last 16 of the UEFA Champions League on two occasions. We are grateful for his contribution to the Club's success during his tenure as manager.

Tony Mowbray, an ex-Celtic player and former manager of Hibernian and West Bromwich Albion, has been appointed to succeed Gordon. Tony has a reputation for playing open, attacking football and giving home grown players their chance, and has been well received by the Celtic supporters. We believe he will continue to bring success to the Club. Tony has been joined at Celtic by Mark Venus, Peter Grant and Neil Lennon in the new Celtic football management team.

FINANCIAL PERFORMANCE

In general it is recognised that much of the football sector continues to be challenged financially. A number of clubs remain heavily in debt and incurring ongoing losses. This has been exacerbated in Scotland by the collapse of Setanta, the most recent media rights holder for SPL football. Conversely the lucrative television deals recently secured in England, particularly by the English Premier League, have resulted in increased transfer values and much higher wages at clubs in that league and fuelled wage and transfer fee inflation around Europe.

The impact of the credit crunch on the world economy has been significant and trading conditions have been and continue to be extremely difficult. But Celtic's trading results for the year to 30 June 2009 are again strong, benefiting dramatically from participation in the UEFA Champions League group stage, tighter cost control and player trading.

In the year to 30 June 2009 turnover was £72.59m, which is a slight reduction of £0.37m, 0.5% against the previous year having played 26 home matches in comparison to 28 last year. Much of this net reduction is due to lower ticket revenue with two fewer high value home European matches being played. This reduction has been partially offset by an increase in multi-media, £0.59m, and merchandise sales, £1.09m, largely as a result of there being three kit launches in the current year as against one the previous.

In the year to 30 June 2009 total operating expenses reduced over the previous year by approximately £2.74m, 4.3% to £61.36m. Much of this cost saving is as a result of a reduction in cost of sales, labour, travel and accommodation together with reduced match day costs from playing two fewer home games this season.

During the financial year to 30 June 2009, £8.53m was invested in strengthening the first team squad, which resulted in an amortisation charge of £7.43m in comparison to £5.60m the previous year. In addition a gain on sale of £1.55m resulted from the sales of Sno and Riordan and a contingent receipt in respect of Petrov, this compared to £5.69m last year. Exceptional costs of £2.78m were incurred in comparison to £3.19m last year. This in the main relates to a provision for impairment to player values together with costs arising from onerous contracts and the early termination of certain employment contracts.

As a result of the above, and after various exceptional costs, the Company announced a retained profit for the year to 30 June 2009 of £2.00m which compares with the previous year's £4.44m. Further details can be found in the Financial Director's Review.

FOOTBALL INVESTMENT

Planned trading of players and the development of younger players continue to be integral parts of our longer-term strategy. As in recent seasons any new signings and contract extensions must be at a financially viable level.

The playing squad was further enhanced during the 2008/9 season by the £8.53m investment mentioned above. The funds achieved from the sale of players

together with the incremental contribution arising from participation in the group stage of the UEFA Champions League helped fund the acquisition of new players. A number of experienced players were brought in along with younger often locally developed players who offer much potential.

For the 2008/9 season significant sums were invested to strengthen the playing squad, with new signings including Marc Crosas from Barcelona, Georgios Samaras from Manchester City, Shaun Maloney from Aston Villa, Glen Loovens from Cardiff City, Milan Misun from IFK Pribram and both Paddy McCourt and Niall McGinn from Derry City.

Important contract extensions were also secured for Scott McDonald and Aiden McGeady, amongst others.

Of the senior players, Thomas Gravesen, Derek Riordan and Evander Sno left the club in Summer 2008, whilst players loaned out during the year included John Kennedy, Chris Killen and Cillian Sheridan. At the end of the season a number of senior players' contracts came to an end, including those of Bobo Balde, Shunsuke Nakamura, Jean-Joel Perrier-Doumbe, Jan Vennegoor of Hesselink and Paul Hartley.

The Club plans to continue to build on the success achieved in recent years, seeking to further strengthen the first team squad under Tony Mowbray, whilst managing our financial resources responsibly. For season 2009/10 Lukasz Zaluska has been secured from Dundee United, Daniel Fox has arrived from Coventry City and both Marc-Antoine Fortune and Landry N'Guemo have joined Celtic from FC Nancy in France, the latter on a 12 month loan.

In the coming year we plan to augment the infrastructure at Lennoxtown, with a further pitch to be installed. Such investment is intended to provide our football operation with the best possible resources, systems and facilities.

We are in the process of strengthening the scouting department to create a world class scouting system which will enhance player identification and recruitment at all levels, including the introduction of more sophisticated player monitoring and assessment procedures.

FOOTBALL OPERATIONS
During season 2008/9 the Club played 51 competitive matches, winning 31 and losing just 8, with 12 matches drawn. After a thrilling penalty shootout in the semi-final against Dundee United, Celtic went on to beat Rangers in the final to lift the CIS Cup. Furthermore, no less than eighteen Celtic players were called up for senior International duty, spanning eleven different nations.

The reserve side under Willie McStay won the SPL Reserve Championship for the eighth year in a row, losing just 2 of its 22 competitive matches. Willie has since departed to take up a great managerial opportunity at Ujpest in Hungary.

YOUTH ACADEMY
Six new coaches joined the Academy in 2008/9, including Tommy McIntyre as Head of Professional Academy and Stephen Frail as Under 19 Head Coach. Two new teams were added at Under 9s and Under 10s in order to prepare players for participating in the SFA Youth league at Under 11s. We now have squads from Under 9s through to Under 19s.

The season started well for the Under 19s winning the Glasgow Cup by beating Rangers 3-1 in the final. They then went on to record their highest ever position in the prestigious Villarreal Tournament.

TICKET SALES
Season 2008/9 was another successful year. Standard season ticket sales exceeded 51,000 with a value of circa £17m. The introduction of new concessionary prices for kids' season tickets was very well received by supporters, with nearly 10,000 taking advantage of the discounted tickets. Sales were boosted by a highly successful half season ticket sale, which accounted for 2,100 season sales worth over £180,000. Taking into account Corporate and Premium ticket sales the total number of seasonal tickets sold reached over 54,000, which is amongst the highest in the UK.

Match ticket sales of over 300,000, generated revenue in excess of £7million. Nearly 160,000 UEFA Champions League tickets were sold at a value of £4.2m, whilst many SPL games were sold out.

Given the current economic climate the Board took the decision to maintain prices again for the new season.

CELTIC DEVELOPMENT
Approximately 2.3 million lottery chances were sold by Celtic Development Pools Limited during the period July 2008 to June 2009. Around £840,000 was donated to Celtic's Development Division for the purposes of youth development. Over £900,000 in prize money was paid out to supporters from all over the country.

The weekly Celtic Pool lottery continues to out-perform most football club and charitable lottery products; the Paradise Windfall match day lottery continues to be very popular, with a top prize of £8,500 last season being the biggest cash prize in UK football. Prize money of approximately £1.9 million has now been paid out to Celtic supporters at Celtic Park since the start of the Windfall in 1995.


CELTIC FOUNDATION
Through a number of projects the Celtic Foundation has again demonstrated its ability to tackle the social inequalities that children, youths and adults encounter living in Glasgow and elsewhere.

The Foundation has also strengthened its partnerships arrangements with the private, public and voluntary sectors to deliver on key policy initiatives in respect of young people and adults. These include improving health, social well-being and educational attainment, promoting positive behaviour, increasing confidence and raising self-worth, providing training and/or employment opportunities and working with young people who are at risk of offending or who have offended.

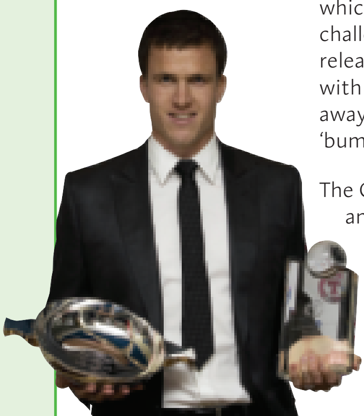
The Celtic Foundation has attracted over 1,250,000 young people and adults from across Scotland, Ireland and beyond since the inception of the programme in May 2003. Currently over 6,500 young people and adults participate in the Celtic Foundation's programmes each week.

Under the Play for Celtic programme, 36 Community Academy teams operate across the country, with the aim of establishing a further 30 teams during season 2009/10. In recent years over 30 youngsters have graduated from our community programmes into the Celtic Youth Academy.

The Girls Community / Youth Academy and Celtic Ladies Senior teams also continue to make good progress with all Youth Academy sides winning their respective Leagues and additional cup successes during season 2008/9.

Celtic Football Club is fully committed to the continuation of the Celtic Foundation and its community work and has invested substantially in infrastructure and programme delivery. The community aspect plays a key role in the Club's social ethos and corporate social responsibilities. Over the past 12 months the Club has been involved in more charitable, educational and community work than at any time in its history.

MERCHANDISING
Merchandising revenue for the year reached £17.18m, which was 6.8% up on the previous year despite the challenging market place. The international away kit released in June 2009 has also proved to be a success with initial sales ahead of expectations. An additional away kit was launched in August 2009 and the iconic 'bumble-bee' design has been well received.



The Club now operates fourteen stand-alone shops and licenses one franchise store. Two temporary units were opened in Livingston and Braehead to benefit from the Christmas trading period. The Argyle Street store was extensively refurbished in February of this year in conjunction with NIKE.

Autumn 2008 also saw the successful release of the Club's Official History DVD and in the Spring of 2009 a tribute DVD to Tommy Burns was issued. Both have performed well.

MULTI MEDIA & MARKETING
The Multi Media Division now includes the Company's marketing function, a change effected in February 2009 to ensure consistency in communicating the Club's message.

Channel 67, the Club's online portal to view live matches, is now in its eleventh year and continues to provide quality streams of Celtic matches to the worldwide fan base. Going forward and subject to broadcasting rights, the intention is to further develop the Channel 67 brand following the collapse of the Setanta operation in the UK.

Celticfc.net and Celticfc.jp websites have seen new functionality and features in the past year and development work continues in these areas.

Multi Media & Marketing had production and technical input into the successful Tony Roper play the 'Celts in Seville' and is working with other writers and producers with a view to staging more Celtic productions in future.

The department continues to produce high quality, sell-thru'DVD products to the retail and wholesale markets. In the past financial year we have released The Official History of Celtic Football Club as well as producing and successfully releasing 'Faithful Through and Through – The Tommy Burns Story'.

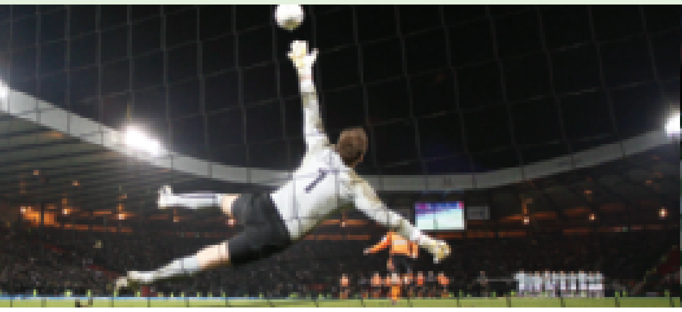
Television advertisements and all video-related promotional material continue to be produced by the Club's in-house team of production staff, editors and camera operators. This service affords other parts of the business a cost-effective solution to advertising and promotion on both internal and external media.

The department continued to provide a solution for cost-effectively producing and presenting top-quality Club dinners and events. In the past year these have included Player of the Year, the Joe McBride and Stevie Chalmers Tribute Nights, and the Club's Annual Charity Dinner among others.

The commercial aspect of publishing also sits within the department with oversight of the Celtic View, match day programme and various book titles.

PUBLIC RELATIONS
The level of media interest and activity around the Club was again extremely high during the year, given the Club's UEFA Champions League participation and involvement in domestic competitions.

The PR Department continued to manage a substantial level of media coverage for a range of Club activities at a national level, including commercial, charitable and community events. In addition, the Department plays



an important role in dealing with supporter enquiries, working closely with supporter organisations and liaising directly with Glasgow City Council and other bodies to ensure the Club maintains its important social dimension.

BRAND PROTECTION

Celtic protects its intellectual property rights internationally and seeks to prevent unauthorised bodies from using the Celtic brand. This work ensures that the Celtic brand remains a valuable asset of the Club and also assists in raising the Club's global profile.

The Club continues to work closely with the enforcement authorities. Counterfeit goods to the value of around £200,000 were removed from the marketplace, with other investigative and enforcement work conducted on an ongoing basis.

PARTNER PROGRAMME

NIKE and Celtic agreed an extension of their relationship which is now in place until 2015; the deal continues to support Celtic's global commercial strategy and gives the Club an excellent platform to gain new partners. In 2008/9, Emirates, Citylink, Konami, Wish Telecoms and Albert Bartlett became new Club partners and with Powerade and Shields Autoparks already signed for the season ahead, Celtic's partner portfolio continues to grow.

Key contract extensions have been agreed with Thomas Cook, BT and Seat Exchange. The implementation of LED perimeter advertising boards at Celtic Park has given partners a new way to advertise and the Club will strive to find further ways to support our sponsors going forward. The focus for season 2009/10 will be to continue to explore new revenue streams, both domestically and overseas, with an emphasis on "Platinum" partnerships.

STADIUM

Spectator safety remains of paramount importance for fans attending matches both home and away. During the course of the year, Celtic Football Club continued to enhance its close liaison and valuable partnership with the Glasgow City Council Safety Team for Sports Grounds.

We continued to develop the training of colleagues responsible for public safety duties. To meet the requirements of the Guide to Safety at Sports Grounds (Edition Five), the year saw the successful completion of accredited training in Spectator Safety Management and the introduction of training towards the SVQ Level 2 qualification for Event Stewards. In addition, the Club was delighted to be invited to provide an input to the Match Commanders Training Programme held at the Scottish Police College and to UEFA Safety and Security Seminars held in Amsterdam, Athens and Belarus.

The success of the travel stewarding arrangements continued. with Celtic travel stewards accompanying our fans to assist in local operations, ensuring the wellbeing of Celtic supporters who continue to attract praise from safety authorities for their positive support of the team.

FACILITIES

The Facilities team undertook a number of maintenance and refurbishment projects during a busy year, enhancing the environment for customers and colleagues alike.

Streamlining of purchasing procedures and a focus on energy saving initiatives resulted in improved efficiency and cost control.

We will strive to further improve service and upgrade facilities throughout the Stadium and at the Training Ground in Lennoxtown, with Health and Safety continuing to be of the utmost importance.

Celtic continues to invest in its Information, Communications and Technology (ICT) systems to ensure it has a modern, robust and secure infrastructure to support business operations going forward. Over the course of the next year, we will be looking to drive efficiencies in our ICT infrastructure whilst looking to provide improved services, communication and information to our customers.

CATERING AND CORPORATE HOSPITALITY

The Number 7 Restaurant has experienced an impressive level of sales growth over last season, with our children's menu receiving a Gold Award from the Soil Association. The presentation was made by HRH The Prince of Wales and this is the highest accreditation that has ever been presented to a football club in the UK.

Conference and Banqueting performed well in a difficult competitive climate. We provided hospitality services for a number of prestigious events, including the Young Scottish Muslim Awards, Player of the Year dinners in Glasgow and Ireland, Celtic Supporters Club Annual Rally and various tribute dinners.

In terms of match day services, the strong partnership with Lindley Catering has continued to grow, whilst food and beverage sales in the hospitality lounges performed ahead of budget.

Corporate Hospitality also performed well, with excellent customer feedback. Corporate and Premium seasonal sales were strong in all areas ending the season ahead of budget.

The Visitor Centre beat its sales targets in another challenging market and regularly welcomed visitors from Asia, North America and across the United Kingdom.

SUPPORTER RELATIONS

Our Customer Relationship Management (CRM) system has continued to be developed and enhanced over the past year. This system has allowed us to bring together supporter information gathered from many business areas. By creating one central database we can obtain a complete picture of each supporter's transactions with the Club.

The number of supporters on the database has continued to grow, with a 14% increase seen in the last year. Analysis of this data helps us to communicate with and market to supporters in a more targeted and effective manner, reducing costs and driving revenues for both the Club and for our partners and sponsors.

The use of lower cost communication channels such as e-mail and SMS messaging in conjunction with the CRM system has been successful in reducing costs and generating income, particularly in the promotion of ticket sales and events. But communicating with our supporters is not just about marketing products; a new weekly e-mail newsletter has been introduced to provide supporters with news, videos, interviews, and competitions.

CELTIC CHARITY FUND

Celtic Charity Fund, the Club's charitable arm, again enjoyed a highly successful year, donating over £446,000 to a range of worthy causes. A detailed summary of its activities is set out on pages 27 to 28.

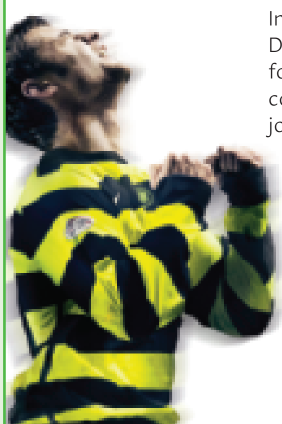
The Club's commitment to supporting worthy causes will continue in 2009/10 as we look to increase the fundraising impetus and, in turn, our donations to registered charities in Scotland, Ireland and across the globe.

HUMAN RESOURCES

Celtic remains the only SPL club to date to become an "Investor in People". This prestigious award was gained in 2007 in recognition of attaining the national standard for people management and development. We are now the only Scottish club to hold this award, whilst in England there are just four clubs with full or part-recognition.

Remuneration and benefits are regularly reviewed and benchmarked and employee welfare remains an important consideration. Recruitment and induction processes have been revised and updated, whilst all Celtic colleagues now have access to a free Employee Assistance Programme and a comprehensive voluntary benefits package called Celtic Choice.

In January 2009 Celtic was awarded the "Positive about Disabled People" symbol by Job Centre Plus for the fourth successive year, reflecting the fact that we continue to meet our commitments to colleagues and job applicants with a disability.



Celtic also continues to hold "Tommy's" accreditation, which is recognition of the Company's good-practice policies in respect of pregnant employees.

55 pupils from local schools enjoyed a week of structured work experience at Celtic Park during the year. This is a highly successful ongoing programme open to all, which has received plaudits from pupils, parents and the education authorities.

The hard work and contribution of all colleagues in another exciting year is greatly appreciated.

SUMMARY AND OUTLOOK

Football success continues to have a major effect on trading performance which, in addition to the gains reported from player trading, has resulted in strong financial results again for the year to 30 June 2009. However, our failure to progress beyond the group stage of the Champions League has contributed to a profit performance that fell short of last year.

The football sector remains financially difficult, particularly given recent economic pressures. To some extent, football has been protected from the harshest of these forces but overall attendances dipped a little and this had knock-on consequences for our merchandise and hospitality businesses. Furthermore, the collapse of the Setanta broadcasting contract for the SPL and associated demise of Celtic TV had a negative impact on income at the end of the financial year.

Revenues generated by progress in European competitions remain of major significance and provide greater flexibility regarding player investment.

We continue to maximise revenues and develop the Celtic brand at home and abroad and together with the ongoing management of costs we should maintain a sustainable financial model.

Trading at the beginning of the new financial year has been quite encouraging in a challenging marketplace. Celtic enjoys partnerships with several international companies, which will continue to provide income streams going forward. However, additional revenue generating opportunities continue to be sought.

It is imperative that we attain domestic success and compete successfully, particularly in the Clydesdale Bank Scottish Premierleague. Wage and transfer fee inflation at the highest level continues to rise. The gap with major European nations widens and thus the cost of attracting quality new players increases. As such the emphasis on careful and patient use of our financial resources and development of talent will characterise our efforts to strengthen the first team squad.

We will continue to invest strategically on our technical functions, talent identification, Academy, Sports Science and performance analysis, with the objective of achieving excellence and creating Champions League quality players.

Once again, the biggest challenge facing the Board is the management of salary and transfer costs whilst achieving playing success in order to yield satisfactory financial results. Clearly, European progression is key in enabling the Club to achieve its financial objectives.

Peter T Lawwell
Chief Executive
14 August 2009

Financial Review

Financial Director, Eric J Riley

BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

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

FINANCIAL RESULTS

Celtic's financial results for the year to 30 June 2009 are again impressive particularly given the difficult economic climate. The trading results emphasise the significant benefits from participation in the group stage of the UEFA Champions League and maintaining tight cost control. The Group's reported profit of £2.00m is again a most pleasing result in a financially demanding football sector, although down on the previous year's profit performance of £4.44m due largely to a reduced contribution from player trading and higher amortisation costs resulting from the significant investment in the playing squad in the year offset by savings in operating expenses.

Group revenue at £72.59m has been maintained in comparison to the £72.95m reported last year despite having only played 26 home games in season 08/09 in comparison to 28 last season. With turnover broadly being maintained it is pleasing to report savings in total operating expenses which have reduced over last year by £2.74m, 4.3%, to £61.36m.

As a result profit from trading before asset transactions and exceptional items of £11.23m compares with £8.86m last year. Retained earnings for the year after exceptional operating expenses, amortisation of intangible assets, gain on disposal of property, plant and equipment, gain on disposal of intangible assets, interest and tax amounted to £2.00m in comparison to a profit of £4.44m in 2008.

REVENUE

A summary of revenue per business segment is set out in Notes 3 and 4 to the Financial Statements and a detailed analysis of performance of each operating division is given in the Chief Executive's Review on pages 3 to 7. The major movements in revenue in comparison to last year are noted below.

Income from football and stadium operations reduced by £2.05m, 5.3%, to £36.53m largely as a result of playing 2 fewer high value home European matches in comparison to last year. In addition lower seasonal and domestic matchday ticket sales were offset by increased match fee revenues from pre-season friendlies and higher revenues from non matchday events.

Merchandising reported an uplift in turnover of £1.09m, 6.8%, to £17.18m in a retail market that has been extremely competitive in a generally difficult economic climate. This increase is largely as a result of there being three kit launches in the current year in comparison to one kit being launched last year.

Multimedia and other commercial revenue has increased by £0.59m, 3.2%, to £18.87m, almost entirely as a result of improved sponsorship income and higher media revenues this year.

OPERATING EXPENSES

Total operating expenses, excluding exceptional operating costs, have reduced over last year by £2.74m, 4.3%, to £61.36m, predominantly due to a reduction in cost of sales, labour, rent, rates, medical, travel and accommodation costs together with reduced matchday costs from playing 2 fewer home games this year offset by a full year of charges for the Lennoxtown Training Academy and higher depreciation and utility costs.

Total wage costs decreased by £0.23m, 0.6%, to £38.75m largely due to reduced labour costs in professional football and youth development over last year. The reduction in football wage costs from last year is mainly due to reduced first team costs of European and domestic bonuses offset by increases to core salary costs following the changes in playing personnel during the transfer window.

The ratio of the total labour cost to turnover at 53.4% has been maintained at the same level as last year. This ratio, which incorporates the income generated from European progression, compares with an average of 61.5% recently reported for the English Premiership in Season 2007/08. Wage inflation is an area of concern throughout the worldwide football industry which will need to be carefully controlled. The Board recognises the need to maintain strict control of wage costs and this will continue to be closely monitored. While the collapse of Setanta has resulted in reduced television values being generated by the Scottish Premier League, Celtic plans to achieve a managed ratio between revenue and labour costs against a backdrop of enhanced television contracts agreed in England. Ongoing 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 £2.78m (2008: £3.19m) reflect a provision for impairment to intangible assets of £0.80m (2008: £0.35m) and £1.98m (2008: £2.84m) in respect of costs largely arising as a result of onerous contracts and the early termination of certain employment contracts.

AMORTISATION OF INTANGIBLE ASSETS

Total amortisation costs at £7.43m represent an increase of £1.84m, 32.8% in comparison to the previous year, mainly as a result of the charge relating

to the players acquired for or during the season including Crosas, Loovens, Maloney, McCourt and Samaras offset by elimination of the charge in respect of the football players who left following the end of the 2007/08 season and the reduction arising from the contract extensions agreed.

PROFIT ON DISPOSAL OF INTANGIBLE ASSETS
The profit on disposal of £1.55m in the current year is largely represented by the sales of Sno and Riordan and a contingent receipt in respect of Petrov in comparison to £5.70m from the sale of Beattie, Marshall, Bjarnason, Jarosik and Miller last year.

GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT
The gain on disposal of property, plant and equipment in the year of £0.23m mainly reflects the gain on disposal of certain areas of land in the vicinity of Celtic Park offset by the loss on disposal of fixtures, fittings and equipment following the refurbishment work carried out during the close season and the replacement of out of date IT equipment.

FINANCE COSTS
The finance costs charge for the year to 30 June 2009 of £0.79m (2008: £1.06m) reflects interest due on the Group's overdraft and term loan facilities together with the classification of the Preference dividends as interest as required by IFRS.

TAXATION PROVISION
No provision for Corporation Tax is required in respect of the year ended 30 June 2009. The provisional tax computation for accounts purposes provides tax losses carried forward of approximately £25m (2008: £27m) and an available capital allowances pool of approximately £16.3m (2008: £17.1m) as at 30 June 2009.

The value of the deferred tax asset not reflected in the Financial Statements of the Group was £7.15m (2008: £7.70m), which will be recoverable to the extent of future taxable profits of the Group.

PROPERTY, PLANT AND EQUIPMENT
The additions to property, plant and equipment in the year of £2.94m are represented mainly by the acquisition of the Westthorn site, installation of the LED boards, new car park, pitch growing system, the refurbishment of the Argyle Street store, sports science equipment, Jimmy Johnstone statue, safety improvements to the stadium and further enhancements to information technology equipment.

INTANGIBLE ASSETS
The increase in the net book value of intangible assets from 30 June 2008 of £0.28m to £12.15m reflects the investment in the playing squad of £8.53m less the amortisation charge of £7.43m, an impairment provision of £0.80m and the net book value of disposals of £0.02m. The investment in the playing squad is largely represented by the acquisitions of Crosas, Loovens, Maloney and Samaras. Additional capital instalments were also paid in respect of existing players.

INVENTORIES
The level of stockholding at 30 June 2009 of £2.02m is down on the £2.41m reported last year given the successful launch of the new white international kit at the beginning of June 2009.

RECEIVABLES
The decrease in the level of receivables from 30 June 2008 of £1.64m to £4.43m is primarily as a result of a reduction in amounts receivable in respect of the disposal of intangible assets at the year-end.

NON CURRENT LIABILITIES
The reduction in non-current liabilities from 30 June 2008 of £0.57m to £15.28m is largely as a result of a reduction in deferred income due after more than one year.

CURRENT LIABILITIES
The reduction in trade and other payables from 30 June 2008 of £2.05m to £14.32m mainly reflects reduced amounts payable in respect of player transfers and accrued expenditure.

DEFERRED INCOME LESS THAN ONE YEAR
The increase in deferred income of £1.15m from 30 June 2008 to £12.81m largely reflects the increased season ticket monies received prior to 30 June 2009 relating to next year, following an earlier season ticket launch than 2008.

NET ASSETS AND FUNDING
Celtic has adopted IFRS which require elements of the Preference Shares and the Convertible Preferred Ordinary Shares to be classified as debt and non-equity dividends to be classified as interest. The effect of this is to reduce reported net assets by £3.03m to £43.35m and increase reported debt by £3.03m to £4.68m were these shares accounted for in line with their legal form.

Net debt, excluding the reallocation from equity under IFRS, at 30 June 2009 is £1.65m (2008: £3.68m) and includes all bank borrowings and other loans offset by cash at bank and in hand. The reduction from 30 June 2008 is principally as a result of the cash generated from trading in the 12 months to 30 June 2009 being offset by capital expenditure in respect of net transfer fees paid for player acquisitions, property, plant and equipment additions and dividend and interest payments.

The Group has internal procedures in place to ensure efficient cashflow and treasury management in order to maximise return and minimise risks where appropriate. Details of the Group's financial instruments and debt profile are included in Notes 20, 24, 25,27 and 28 to the Financial Statements.

Eric J Riley
Financial Director
14 August 2009


UEFA


TOMMY BURN
1956 2008
THANKS
FOR THE


PLAYER OF THE YEAR
AWARDS

The Directors present their Report together with the audited Financial Statements for the year ended 30 June 2009.

PRINCIPAL ACTIVITIES
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 the principal assets of the business whilst the majority of operating activity is carried out by the subsidiary, 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.

RESULTS AND DIVIDENDS
Group revenue is reported as £72.59m compared with £72.95m in 2008. Operating expenses of £61.36m result in a profit from trading before asset transactions and exceptional items of £11.23m (2008: £8.86m). The profit before taxation amounted to £ 2.00m (2008 : £4.44m).

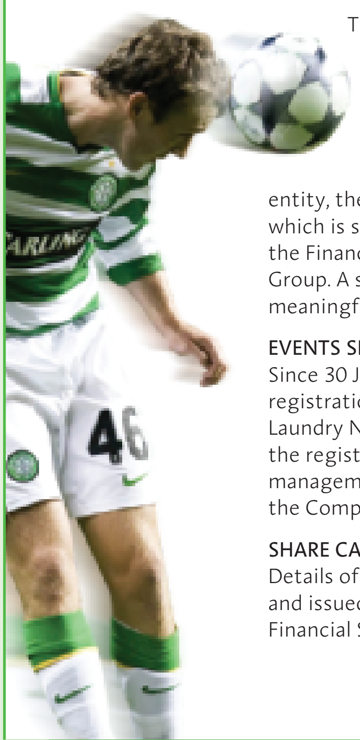
Dividends will be paid in cash on 1 September 2009 to those Preference Shareholders not participating in the scrip dividend reinvestment scheme.

The record date for the purpose of the Preference Share dividend is 31 July 2009.

Mandates representing 1,571,842 Preference Shares are in place for the scrip dividend reinvestment scheme. Approximately £50,927 (2008: £106,510) of dividends for the financial year to 30 June 2009 will be reinvested. 215,723 new Ordinary Shares were issued under the scheme in August 2008.

New Ordinary Shares due under the scheme during the current financial year will be allotted on 1 September 2009, with certificates and tax vouchers despatched shortly after that. Authority will be sought at the forthcoming Annual General Meeting to extend the operation of the scheme for a further 5 years.

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



The profit of £2.00m has been taken to retained reserves

BUSINESS REVIEW AND FUTURE DEVELOPMENTS
As the Company and its principal subsidiary are managed and controlled as a single entity, the review of business and future developments, which is set out in the Chief Executive's Review and the Financial Review, reflects the performance of the Group. A separate review of the Company would not be meaningful and is therefore not presented.

EVENTS SINCE THE YEAR END
Since 30 June 2009, Celtic has acquired the registrations of Marc Antoine Fortune, Daniel Fox, Laundry N'Guemo and Lukasz Zaluska and transferred the registration of Scott Cuthbert. A new football management team, led by Tony Mowbray, joined the Company.

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

FINANCIAL INSTRUMENTS
Details and changes to the financial instruments used by the Group are included in Note 28 to the Financial Statements.

RISKS AND UNCERTAINTIES
The principal risks and uncertainties associated with running a professional football club such as Celtic are set out below.

There are many inherent uncertainties in professional football due to the nature of the game. The type of risk, the likelihood of that event occurring and the impact it may have if it did occur vary. These risks are included within a risk matrix which is regularly reviewed on behalf of the Board and updated as necessary. The Company's operations are managed so as to reduce the likelihood of these events occurring and to mitigate their potential impact if they did occur, but it is not possible to eliminate these risks entirely.

The Directors consider that the principal risks to the performance of the business continue to be the player transfer market and wages, attendance levels at home matches and revenues from broadcasting contracts and football competitions. Each of these is influenced significantly by factors beyond the control of the Company. Substantial increases in transfer fees or player wages, or significant decline in attendances or in revenues from broadcasting and football competitions could have a detrimental impact on financial performance.

Key Performance Indicators
The Company monitors performance against the following key performance indicators:

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

A detailed review of performance of the Group and each operating division is given in the Chief Executive's Review on pages 3 to 7 .

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL
The Directors serving throughout the year and at 30 June 2009 and their interests, including those of connected persons, in the share capital of the Company were as follows:

Peter Lawwell's shares are held personally and in the name of R.C. Greig Nominees Limited. The beneficial interest of Brian McBride is held in the name of Barclayshare Nominees Limited. Dermot Desmond's beneficial interests are held by Line Nominees Limited. Tom Allison's interest incorporates the interest of the Tom Allison Funded Unapproved Retirement Benefit Scheme.

No changes in Directors' shareholdings between 30 June 2009 and 13 August 2009 have been reported to the Company.

Brief biographical details of the Directors serving as at 30 June 2009 are as follows:

Name	30 June 2009: No. of Convertible Preferred Ordinary Shares of £1 each	30 June 2009: No. of Ordinary Shares of 1p each	30 June 2009: No. of Convertible Cumulative Preference Shares of 60p each	1 July 2008: No. of Convertible Preferred Ordinary Shares of £1 each	1 July 2008: No. of Ordinary Shares of 1p each	1 July 2008: No. of Convertible Cumulative Preference Shares of 60p each
Dr John Reid	-	3,000	3,000	-	3,000	3,000
Thomas E Allison	-	3,357,505	-	-	3,357,505	-
Dermot F Desmond	8,000,000	32,772,073	5,131,300	8,000,000	32,772,073	5,131,300
Peter T Lawwell	-	356,000	-	-	356,000	-
Ian P Livingston	1,600	505	500	1,600	505	500
Brian J McBride	-	7,187	-	-	2,187	-
Eric J Riley	8,000	76,169	5,000	8,000	75,841	5,000
Brian D H Wilson	-	3,000	500	-	3,000	500

Dr John Reid (62) was appointed to the Board with effect from 1 October 2007. He became Chairman in November 2007. Dr Reid is a member of the Remuneration Committee and chairs the Nomination Committee. He holds a PhD in Economic History and has been a Member of Parliament since 1987. During his career Dr Reid has held nine ministerial posts, eight of them at Cabinet level, culminating as Home Secretary. He resigned from that post in June 2007 but retains his position as the Member of Parliament for Airdrie and Shotts. He is an Honorary Professor of University College London and has an Honorary Doctorate from Stirling University.

Thomas E. Allison (61) has been a non-executive Director since September 2001. He is Chairman of the Remuneration Committee and a member of the Nomination Committee. Mr Allison is the nominated Senior Independent Director, Chairman of Peel Ports Limited and a director of Peel Holdings plc. He is Chairman of Keepmoat Limited and a member of the Council of CBI Scotland.

Dermot F. Desmond (59) has been a non-executive Director of the Company since May 1995. He is chairman and founder of International Investment & Underwriting, a private investment company. Mr Desmond is a member of the Nomination and Audit Committees.

Peter T. Lawwell (50) Chief Executive, joined the Company in October 2003 from his position as commercial director with Clydeport plc. Previously he held senior positions with ICI, Hoffman-La-Roche and Scottish Coal.

Ian P Livingston (45) was appointed to the Board as an independent non-executive director with effect from 1 October 2007 and chairs the Audit Committee. Mr Livingston is Chief Executive of BT Group plc, having also served as chief executive of BT Retail and as Group Finance Director. Mr Livingston has also previously been Group Finance Director of Dixons Group plc and a non-executive director of Ladbrokes plc (formerly Hilton Group plc). He qualified as a Chartered Accountant in 1987.

Brian J. McBride (53) was appointed to the Board as a non-executive Director in January 2005. Mr McBride is managing director of Amazon UK. He is a member of the Remuneration and Audit Committees.

Eric J. Riley (51) is the Financial Director and joined the Company in August 1994. Mr Riley is a chartered accountant and has executive responsibility for operational areas of corporate strategy and finance. During the year Mr Riley served as a member of the Council of the Scottish Football Association.

Brian Wilson (60) was appointed as a non-executive Director in June 2005. Formerly a Member of Parliament, Mr Wilson also held several ministerial posts during his political career. He is an experienced journalist and writer and a director of several private companies.

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 and re-election of Directors

In accordance with the Articles of Association of the Company, Tom Allison, Brian McBride and John Reid retire by rotation. Tom Allison and John Reid being eligible, offer themselves for re-election. Brian McBride has intimated that he is not standing for re-election.

Dermot Desmond has served more than 9 years and in accordance with Rule A7.2 of the Combined Code he retires and offers himself for re-election.

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

The Directors recommend that Tom Allison, John Reid and Dermot Desmond be re-elected as Directors of the Company.

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

SUBSTANTIAL INTERESTS

In addition to the Directors' interests set out above, the Company has been notified or is aware of the following interests of over 3% in its issued Ordinary Share capital as at 13 August 2009:

Registered Holder	Ordinary Shares of 1p each	Percentage of Issued Ordinary Share capital
Christopher D Trainer	9,607,765	10.71%
Bank of New York (Nominees) Limited	5,988,337	6.67%
James Mark Keane	5,900,747	6.58%
Michael D Culhane	3,435,680	3.83%

In addition to the Directors' interests as 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:-

Registered Holder	Convertible Preferred Ordinary Shares of £1 each	Percentage of Issued Convertible Preferred Ordinary Shares
Telsar Holdings SA Depfyffer and Associes	1,600,000	11.37%
Hanom 1 Limited	625,000	4.44%
Vidacos Nominees Limited	503,010	3.58%
Bank of New York (Nominees) Limited	500,000	3.55%

DONATIONS

Details of the charitable activities of Celtic and the charitable donations made by Celtic Charity Fund during the year are narrated on pages 27 to 28. The Group also made direct charitable donations of £14,142 (2008: £10,467) the main element of which in both years was represented by the costs of hosting the Celtic Charity Fund annual dinner.

CREDITORS PAYMENT POLICY

It is the Group's policy to pay creditors within the terms agreed when the contract of supply is made, to the extent that the creditors have fulfilled and performed their contractual obligations. Where no terms are agreed, creditors are paid within thirty days of the month end in which the invoice is received. The ratio expressed in days between amounts invoiced to the Group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 28 days (2008: 32 days).

GENERAL GROUP AND COMPANY POLICIES

Employee Communications

Colleagues at all levels are kept informed regularly of matters that affect the progress of the Company and Group and may be of interest. Presentations are given to colleagues at Celtic Park with copies circulated to all those unable to attend. Representatives of senior management also meet formally with employee representatives nominated by all business units to consult on business development and operational matters.

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

Employment Policies

The Company and the Group 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, 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. Recognition from Jobcentre Plus has been maintained, with retention of the right to use the "Positive about Disabled People" logo.

Investors In People status continues, with good practice in relation to pregnant employees also commended through the Tommy's accreditation.

Social Responsibility

The Company is proud of its charitable origins and operates policies designed to encourage social inclusion. These are referred to in the Chief Executive's Review. The activities of Celtic Foundation are detailed on page 5.

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

HEALTH AND SAFETY

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

THE INTRODUCTION OF THE EURO

The majority of the Group's business continues to be carried out within the UK, which remains outside European Monetary Union ("EMU"). Should that position change, limited modification of certain systems and some training will be required in order to accommodate dual currencies. These modifications will be performed within the timescale of any UK entry into EMU. Although the costs associated with these modifications cannot be readily quantified at this time, in the opinion of the Directors these are unlikely to have a material impact upon future results.

INFORMATION SUPPLIED TO AUDITORS

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 auditors are unaware; and

2 Each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

At the Annual General Meeting on 17 October 2008 PKF (UK) LLP were re-appointed as auditors to the Company.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

BY ORDER OF THE BOARD

Robert Howat, Secretary

14 August 2009
Celtic Park, Glasgow, G40 3RE

CORPORATE GOVERNANCE

The Company's 3 main classes of share – Ordinary, Convertible Preferred Ordinary and Preference- continued to be listed throughout the year on the AIM market operated by the London Stock Exchange.

Although not obliged under the AIM Rules to do so, the Board continued to apply the Combined Code on Corporate Governance during the year and to report on the basis of the principles contained in it.

The Group has complied with the provisions of the Combined Code in force for the accounting period ending 30 June 2009.

Board of Directors

As at 30 June 2009 the Board of Directors consisted of a non-executive chairman, five other non-executive Directors and two executive Directors.

Tom Allison remains the Senior Independent Director.

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

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

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

Independence

The Board has assessed the independence of each of the non-executive Directors, taking account of the factors stated in the Combined Code.

Dermot Desmond has completed more than nine years' service and has a substantial shareholding. The Board has considered the tests stated in the Combined Code and is satisfied that in his work for and support of the Company Mr Desmond displays independence of mind and judgement and objectivity in the contribution he makes, notwithstanding the level of his shareholding and his length of service.

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

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

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

Review of Director Performance

The Board has conducted an evaluation of its performance and that of its Committees, the Chairman and each of the non-executive Directors. This was done principally by way of individual discussions with the Chairman. The results have been considered in detail by the Board, and comments noted.

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

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

Attendance

Nine Board meetings were held during the year.
The Audit Committee met 3 times, and the Remuneration Committee met four times.
The Nomination Committee met once.

All of the Directors, with the exception of Mr Desmond, attended all Board and Committee meetings which they were eligible to attend.

Mr Desmond was represented by his alternate Michael Walsh at all meetings that he was eligible to attend and consequently did not attend personally. The Chairman speaks with Mr Desmond before Board meetings as well as regularly with all Directors and where they are unable to attend or be represented at a meeting, establishes and communicates their views on the business of the meeting, on their behalf.

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

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

Board Committees

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

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

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

The Audit Committee has a number of key roles:

1 review of Group's accounting policies, internal controls and financial reporting

2 monitoring health and safety

3 risk management and business continuity planning

4 monitoring the scope, quality and independence of the external and internal audit functions

5 appointment and fees of the external auditors.

The auditors are required to disclose any potential conflicts, contracts with the Company and non-audit work conducted by them. The Company has guidelines in place governing the appointment of professional advisers, including the auditors.

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

Remuneration Committee
This Committee met four times during the financial year. Tom Allison chairs this Committee, with Brian McBride, Brian Wilson and John Reid all serving during the year.

The Remuneration Committee determines the terms of engagement and remuneration of the Company's executive Directors, Company Secretary and certain senior executives, on behalf of the Board. The Committee also monitors the Company's executive share option scheme and implementation of other executive and employee incentive and bonus schemes. The Remuneration Report is set out in detail on pages 19 to 22.

Nomination Committee
This Committee comprises Dr John Reid as Chairman, Dermot Desmond and Tom Allison. It meets as necessary, principally to consider and recommend new appointments to the Board and senior positions in the Company for succession purposes. The Committee met once during the financial year. Executive search consultants are used by the Committee where considered appropriate but were not used in the course of this year.

INVESTOR COMMUNICATION
Matchday events and investor dinners are used as informal, but effective methods of communicating with major shareholders. The Annual General Meeting in particular is used to encourage participation of shareholders. At each of these events shareholders are invited to ask questions and to meet with the Directors informally.

Regular consultation meetings also take place with supporters' associations, shareholder groups and customer groups on general issues, as well as on specific proposals.

The Company's website is used to provide information on an ongoing basis and the Group Financial Statements and other information are published there shortly after release.

REPORTING AND INTERNAL CONTROLS
The Board's Review of Internal Control
Risk management, compliance and internal control programmes are approved, monitored and reviewed by the Audit Committee throughout the year on behalf of the Board. The results of these programmes are reported to the Audit Committee in detail at each of its meetings and then communicated to the Board at the next following Board meeting.

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

Internal Financial Control
The Board has ultimate responsibility for ensuring that a balanced and understandable assessment of the Group's financial position and prospects is presented. The Annual Report and Financial Statements are an essential part of this presentation. The Directors are committed to achieving high levels of disclosure within the confines of preserving the Group's competitive position and maintaining commercial confidentiality.

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 key features of the control system are as follows:

Control Environment: an appropriate framework is in place to plan, control and monitor the Group's activities including an annual budget and a rolling five year plan.

Business Risk Assessment: the financial implications of significant business risks are kept under review and controlled by the Board.

Financial Reporting: ccomprehensive internal forecasting is carried out and updated regularly. Monthly results are reported and significant variances from budget identified and investigated.

The effectiveness of the system of internal financial control takes account of any material developments that have taken place in the Group and in applicable rules and legislation. The review is currently performed on the basis of the criteria in the Turnbull Guidance.

This Report has been prepared in accordance with applicable law. It has been approved and adopted by the Remuneration Committee and the Board.

The Remuneration Committee ("the Committee")
The Committee has formal terms of reference which are published on the Company's website. The Committee members serving during the year are identified on pages 14 and 60.

Remuneration Policy
The Company has complied with the Combined Code during the year in connection with executive remuneration in force during that time.

The main objective of the policy remains to attract, retain and motivate experienced and capable individuals who will make a significant contribution to the Company's success but without paying more than is reasonable or necessary. Account is taken of remuneration packages within other comparable companies and sectors, the Company'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 Company.

The Committee obtains advice from the Company Secretary and from independent research reports. No external consultants were used during the year.

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 Company operates an annual bonus scheme for most of its regular employees in order to encourage out-performance and motivate and retain staff.

Remuneration of Executive Directors and Senior Executives
Payments made to Directors in the financial year are set out on page 21.

There are several main elements to the Company's executive remuneration packages:

Basic salary and benefits
The Committee reviews basic salaries for executive Directors and certain senior executives annually.

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

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

Annual Performance Related Bonus Scheme
The Group operates a bonus scheme for executive Directors and most full and part-time employees on regular contracts, with the following key objectives:

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

Performance conditions cover corporate financial performance and personal objectives. Corporate financial performance includes performance against budget and against the previous year's results. Maximum award levels depend upon seniority and contractual entitlements, ranging from 20% of basic salary to 60% of basic salary. The Committee reviews the bonus scheme structure and 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 the Financial Director, several senior executives and a number of other employees participate. Pension contributions for Peter Lawwell are made to an independent pension provider. Stakeholder arrangements are available to qualifying employees. The Company does not operate any defined benefit (final salary) schemes.

Share options
The Celtic plc Executive Share Option Scheme ("the Scheme") expired in December 2004, having been in place for ten years. No further grants of options can be made under it. Options already granted, unless exercised or lapsing earlier, lapse on the tenth anniversary of the date of the grant.

The only Directors participating in the Scheme are Peter Lawwell and Eric Riley.

Performance Conditions
All outstanding options are exercisable in total only after three years from the date of grant and provided that over three consecutive financial years:

1 the increase in market value of the Company's shares would place the Company in the top one third of companies within the Leisure, Entertainment and Hotels sector of the FTSE; and
2 if the percentage growth in earnings per share over three consecutive financial years exceeds percentage growth in RPI over the same period by an average of at least 3% per year.

The performance criteria stated above were regarded as a challenging test of comparative financial performance, with a view to securing consistent growth and shareholder return against the sector.

Outstanding Option Grants
2001 Grant
Options were granted over Ordinary Shares of 1p each on 15 September 2001 at a price of 107.5p. The number and exercise price of these options were adjusted, with the consent of H M Revenue & Customs and following advice from the Company's auditors, in the financial year to 30 June 2007 to reflect the dilutive impact of the share issue that took place in December 2005. No options over Ordinary Shares from the grant in September 2001, as adjusted, lapsed during the year. The total number outstanding at 30 June 2009 was 752,901. (2008: 752,901)

2003 Grant
Options over Ordinary Shares of 1p were granted under the Scheme on 27 October 2003 to Peter Lawwell, at an option price of 51p. These were also adjusted in the year to 30 June 2007 to reflect the dilutive impact of the December 2005 share issue. No options from this grant lapsed during the year. The total number outstanding at 30 June 2009 was 722,889 (2008: 722,889).

Details of the options held by executive Directors are given below.

The closing market price of Ordinary Shares on 30 June 2009 was 40.5p (2008: 55.5p). The closing price range during the year was 55.0p to 37.0p.

Long Term Incentive Plan ("LTIP")
An LTIP was introduced in 2007 as a replacement for the share option scheme which expired in December 2004. The LTIP was approved by shareholders at the Annual General Meeting in November 2007. The main objective of the LTIP is to retain and reward, through financial incentives, key executives within the Company over the medium to long term.

Under the terms of the LTIP, in return for these individuals remaining with the Company for a minimum of 4 years and during that period also meeting performance criteria imposed by the Board, annual awards are made, which then accrue and are released at the end of the 4 year period, assuming the LTIP conditions have been met.

The LTIP applies to the financial years from 2007/2008 onwards, the financial year 2008/2009 being the second year of its operation. The performance conditions applied are those personal performance conditions applied as part of the annual bonus scheme together with such further conditions as the Board, acting through the Remuneration Committee, consider appropriate. Those conditions are required to be challenging but achievable. Performance conditions under the annual scheme have both personal and corporate performance elements.

These parameters have been selected because the Board believes that the objectives of the annual scheme for senior executives are also substantially based on the medium to longer term strategic objectives of the Company, taking account of the rolling 5 year business plan and the nature of the Company's business.
Some projects may take a number of years to complete, with various milestones through that period, or have a longer term impact.

Peter Lawwell and Eric Riley participate in the LTIP. The Remuneration Committee was satisfied that each of these individuals had satisfied the applicable criteria for the financial year to 30 June 2009. Accordingly, the awards set out in the table below have vested for the benefit of Mr. Lawwell and Mr. Riley, respectively. Payment remains subject to satisfaction of the LTIP conditions and in particular these individuals remaining in post for the whole of the initial 4-year period of the LTIP.

	Balance at 1 July 2008 Number (Adjusted)	Exercise Price (Adjusted)	Grants 2008/2009	Exercised/ Lapsed 2008/2009	Balance at 30 June 2009	Class	Option Period
P Lawwell	722,889	41.5p	-	-	722,889	Ordinary 1p	Oct 2006/13
E Riley	508,045	87.4p	-	-	508,045	Ordinary 1p	Sept 2004/11

	LTIP interest at 1 July 2008	Award for year ending 30 June 2009	Total LTIP interest	Qualifying period
P Lawwell	£50,000	£100,000	£150,000	4 financial years to 30 June 2011
E Riley	£25,000	£50,000	£75,000	4 financial years to 30 June 2011

Service Agreements

Executive Directors

Chief Executive

Peter Lawwell's service contract commenced on 25 October 2003. It continues subject to 12 months' notice by him to the Company or by the Company to him. In September 2008 amendments were made to Mr Lawwell's remuneration package in order to retain his services and reflect remuneration being paid elsewhere within the football sector. As a result of these changes Mr Lawwell's basic salary was increased, and has been fixed for 2008/2009 and the 2 following financial years at that increased level.

Mr Lawwell continues to be entitled to a maximum payment under the Company's bonus scheme of 60% of basic salary, if all performance conditions are satisfied, but this is subject to an overall maximum of £200,000 per year, notwithstanding the increase in his basic salary. The level of Mr Lawwell's maximum participation in the LTIP remains unaltered and is subject to the conditions of that scheme. An additional loyalty award is payable to Mr Lawwell at the end of financial year 2010/ 2011 if he remains employed by the Company throughout the period. The amount of that payment is dependent upon performance under the LTIP but the aggregate of payments due under the LTIP and the loyalty award cannot exceed £650,000.

Financial Director

Eric Riley's service contract commenced on 19 August 1994 and continues subject to termination on twelve months' notice from the Company, or three months' notice from Mr Riley. Mr Riley is entitled to a maximum payment under the Company's bonus scheme of 50% of basic salary, if all performance conditions are satisfied.

Mr Riley served on the Council of the Scottish Football Association during the year. No fee was payable for that post. Mr Riley participates in the LTIP.

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 and additionally in Mr Lawwell's case, a prorated amount of the loyalty bonus.

Non-executive Directors

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

Dermot Desmond has been a director since 12 May 1995 and retires from office annually. Tom Allison was appointed on 15 September 2001 and is completing the second year of his third term of office. Brian Wilson, who joined the Board on 1 June 2005, is serving the second year of his second period in office. Dr Reid and Ian Livingston are each serving the second year of their initial period of 3 years. Brian McBride is serving the second year of his second term in office but retires at this year's Annual General Meeting.

Remuneration of Directors

Directors' remuneration and benefits for the year to 30 June 2009 are set out in the table below.

	Salary /Fees £	Bonus £	Benefits in kind £	Pension Contributions £	2009 Total £	2008 Total £
Dr J Reid	50,000	-	-	-	**50,000**	34,066
P Lawwell	454,585	200,000	16,214	68,188	**738,987**	550,122
E Riley	140,122	43,788	26,012	21,018	**230,940**	207,307
T Allison	25,000	-	-	-	**25,000**	25,000
D Desmond	25,000	-	-	-	**25,000**	25,000
I Livingston	30,000	-	-	-	**30,000**	30,000
B McBride	25,000	-	-	-	**25,000**	25,000
B Wilson	25,000	-	-	-	**25,000**	25,000
B Quinn CBE*	-	-	-	-	**-**	19,167
	774,706	243,788	42,226	87,206	**1,149,927**	940,662

* Retired 19 November 2007

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

Non-executive Directors' fees were increased to current levels in July 2007. No increase is being applied for 2009/2010. 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. They are not members of the Company's pension scheme and do not participate in any bonus scheme, share option or other profit schemes. All Directors are entitled to one seat in the Presidential Box without charge for each home match, to assist them in performing their duties.

Shareholder Return

The graph below compares the total shareholder return on an investment of £100 in the Ordinary Shares of Celtic plc over a five year period commencing on 1 July 2004 with the total shareholder return over the same period on a notional investment of £100 made up of shares of the same kinds and number as those by reference to which the FTSE Travel and Leisure index is calculated.

In the opinion of the Directors, the FTSE Travel and Leisure index, of which the Company was a constituent, is currently the most appropriate index against which the total shareholder return of the Company should be measured, as it is most likely to be used by investors, shareholders and management as a measure of performance in the leisure and hotel sector. This index includes other listed football clubs and is utilised as the benchmark against which performance under the Company's Executive Share Option Scheme is assessed. Total shareholder return represents the change in value of a holding of shares over the relevant period assuming immediate reinvestment of dividends.

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

BY ORDER OF THE BOARD

Robert Howat, Secretary
14 August 2009

Celtic Park, Glasgow, G40 3RE

Celtic Vs. FTSE Travel and Leisure index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The Directors are responsible for preparing the Annual 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, as required by the AIM Rules of the London Stock Exchange, prepared the Group Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and have also elected to prepare the Company Financial Statements in accordance with those standards. The Financial Statements are required to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these Financial Statements the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that The Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

FIVE YEAR RECORD

Financial	2009 £000	2008 £000	2007 £000	2006 Restated £000	2005 Restated £000
Revenue	**72,587**	72,593	75,237	57,411	62,168
Profit from trading before asset transactions and exceptional items	**11,229**	8,859	15,954	3,737	4,100
Profit/(loss) after taxation	**2,003**	4,435	15,040	(4,222)	(8,706)
Non equity dividends paid	**544**	544	1,895	1,445	1,445
Total equity	**43,350**	41,241	36,729	22,097	11,728
Shares in issue (excl deferred) no. '000	**120,592**	119,930	115,992	115,828	65,762
Earnings/(loss) per ordinary share	**2.24p**	5.09p	18.53p	(7.19p)	(28.27p)
Diluted earnings/(loss) per share	**1.87p**	3.70p	11.48p	(7.19p)	(28.27p)
Number of employees	**508**	500	496	489	453

Football	2009	2008	2007	2006	2005
League position	**2**	1	1	1	2
League points	**82**	89	84	91	92
Scottish Cup	**QUARTER FINAL**	QUARTER FINAL	WINNERS	THIRD ROUND	WINNERS
League Cup	**WINNERS**	QUARTER FINAL	QUARTER FINAL	WINNERS	QUARTER FINAL
European ties played	**3**	5	4	1	3

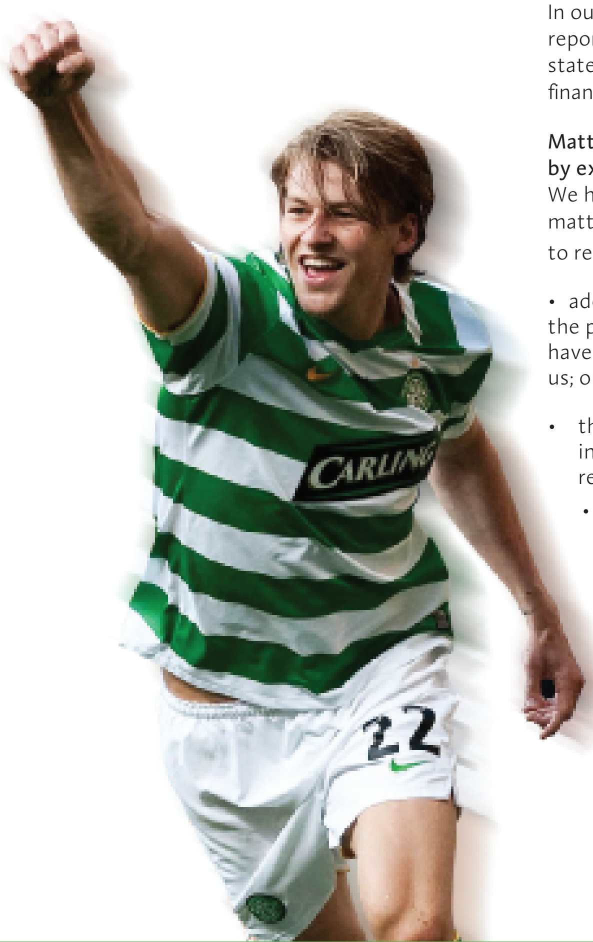
Celtic Park	2009	2008	2007	2006	2005
Stadium investment to date	**60,842**	60,249	59,268	58,439	58,328
Stadium seating capacity (no.)	**60,355**	60,355	60,355	60,355	60,355
Average home league attendance (no.)	**57,570**	55,539	57,629	58,193	57,965
Season ticket sales (no.)	**54,252**	53,517	53,040	53,602	53,369

We have audited the financial statements of Celtic plc for the year ended 30 June 2009 which comprise the group and parent company balance sheets, the group income statement, the group and parent company cash flow statements, the group and parent company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company’s members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.



Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group’s and the parent company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and the parent company’s affairs as at 30 June 2009 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matter on which we are required to report by exception

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

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

Alastair Rae (Senior statutory auditor)
for and on behalf of **PKF (UK) LLP.**
Statutory auditors
Glasgow
14 August 2009

Formed in 1995, Celtic Charity Fund formalised and revitalised our support of charitable causes, focusing on Brother Walfrid's founding principles for Celtic Football Club. Due to the fantastic support received in 2008/9, a total of £446,474 was donated to 115 charitable organisations, on behalf of the Celtic Family.

Fundraising activities included:-

Celtic Charity Cup, October 2008
The second year of the Celtic Charity Cup 5-a-side tournament raised money for main beneficiary CHAS (Children's Hospice Association Scotland) through Celtic Charity Fund.

Hoops 'n Halos Christmas Draw 2008
Celtic Charity Fund and Celtic Development Pools ran this prize draw in the lead up to Christmas 2008, with net proceeds donated to Celtic Charity Fund and Celtic Youth Development. Celtic Charity Fund subsequently made donations to nominated beneficiaries Yorkhill Children's Foundation and the New Jerusalem Children's Home in South Africa.

2009 Annual Sporting Dinner, March 2009
A total of almost £52,000 was generated on the night. The principal beneficiary – Bobath Scotland - received a donation of £25,000.
The charity provides intensive and effective therapy to children with Cerebral Palsy and employs professional therapists skilled in the Bobath Concept.

Charity Badge Day, May 2009
The generosity of supporters on the day raised a total of almost £12,500.

Staff & Supporter Fundraising Schemes
These were introduced to co-ordinate the fundraising efforts of Celtic staff and supporters. Monies are diverted through Celtic Charity Fund, topped up by 25% (before any Gift Aid calculations) and then donated, on behalf of the staff member or supporter, to their nominated registered charity. During 2008/9 over £86,000 was donated to 14 charities.

Tommy Burns Tribute Match, May 2009
This Tribute Match in honour of Tommy Burns, was contested by the Celtic first team and a TB Select. The net proceeds of the game will be passed to the Burns family, with donations to be made by the family to Celtic Charity Fund and the Tommy Burns Skin Cancer Trust.

In addition to the many cash donations received, Celtic Football Club once again contributed a substantial level of in-kind support to Celtic Charity Fund including staff, accommodation and support costs. Catering, staff and venue hire, plus a wide range of auction and raffle prizes, were provided free of charge for the Annual Sporting Dinner, with a market value of around £42,000.

The Club made direct in-kind contributions to a wide range of worthy causes throughout the season in the form of match tickets, signed merchandise, stadium tours and a range of other items, with an overall estimated retail value in excess of £60,000.

In terms of allocating the funds raised, the Trustees make decisions based primarily on alignment with the Fund's principal and subsidiary areas of support:-

PRINCIPAL 1 - Charities in support of children's needs

Examples:-
Barnardo's Scotland – Their Glasgow Safer Choices Service strives to support children and young people who are vulnerable to the dangers of sexual exploitation and all its associated risks.
Bonnie Babies – This Scottish charity aims to advance public education regarding premature birth and child loss. The Charity Fund award assisted continuation of these vital services.
Scottish Spina Bifida Association – This is the only charity in Scotland offering support for children, young people and adults with Spina Bifida/ Hyrdrocephalus. Our donation was used to meet the costs of the Inclusive Play Project which was initiated to create a specialised outdoor play area at the family support centre in Cumbernauld.

PRINCIPAL 2 - Community action on drugs

Examples:-
ADDACTION – This is the UK's largest specialist drug and alcohol treatment charity. The Charity Fund award allowed an Art Group to be set up, with a professional instructor.
Notre Dame Centre – This Glasgow-based, non-denominational organisation provides assessment and ongoing therapeutic treatment for children, young people and their families who are experiencing emotional difficulties. Our donation assisted a project to support children being cared for by grandparents.
Scottish Association for Mental Health – SAMH is Scotland's leading mental health charity and supports people who have experienced mental health problems and other forms of social exclusion including homelessness and addiction. The Celtic Charity Fund award helped fund an educational DVD.

PRINCIPAL 3 - Projects that develop and promote religious and ethnic harmony

Examples:-
Amnesty International UK – Its purpose is to protect individuals wherever justice, fairness, freedom and truth are denied. Our donation supported Amnesty's existing 'Lift Off' project which is a cross-border human rights education initiative in the Republic of Ireland and Northern Ireland to promote an understanding of human rights issues amongst primary school children.

The Hidden Gardens Trust – This charity offers a greenspace and community resource in the Pollokshields area of Glasgow. The aim is to increase understanding, exchange and integration between people of all cultures, faiths and backgrounds. The CCF donation was used to support the Parent and Toddler Group.

Scottish Detainee Visitors – This provides practical and emotional support to detainees in Dungavel Immigration Removal Centre. Our donation contributed to the provision of essential items for the detainees.

SUBSIDIARY 1 - Supporting the homeless

Examples:-

Homeplus NI Ltd – Homeplus provides practical and emotional support to those homeless in Belfast. The Celtic Charity Fund award was used to support a street outreach programme.

Missing People – This charity works with young runaways, missing and unidentified people, their families and others who care for them.
Our donation supported the production of posters of missing children.

Shelter Scotland – provides advice, advocacy and practical assistance to support homeless people, including specific provision for the needs of homeless children. The Charity Fund award supported three Families Projects to provide one-to-one support for children.

SUBSIDIARY 2 - Helping the unemployed

Examples:-

The Prince's Trust – The Prince's Trust helps young people aged 14-30 to develop their confidence and skills and get into education, training or employment. Our donation was used to fund Development Awards for 15 young people in Northern Ireland.

Spinal Injuries Association – This is the national charity for spinal cord injured people. The Celtic Charity Fund Award contributed to the Workwise Project which supports paralysed people as they return to the workplace.

Women's Centre Information & Support Project – Based in Easterhouse, this Project provides a safe and secure environment for women over the age of 16. Many users have been in receipt of benefits for many years so our donation funded a 10 week course on skill enhancements and confidence building to help them find work.

SUBSIDIARY 3 – Support and research for projects aiding the afflictions of illness, famine and innocent families within areas of war

Examples:-

Balcraig Foundation – This Scottish charity assists in the relief of human suffering and deprivation at home and overseas. Current projects include Kenya Children's Home Orphanage.
Our donation was used to integrate 30 orphaned children into the home.

Operation Smile UK – This Volunteer Medical Services charity provides reconstructive surgery to over 115,000 children and young adults in 31 countries. The primary focus is on children with cleft lip and palates. The CCF award helped to provide surgery and post-operative care to children in Ethiopia.

Scottish International Relief – This overseas aid organisation is working in 13 of the world's poorest countries. Their main campaign is 'Mary's Meals' which provides daily school meals to impoverished children. Our donation provided Mary's Meals to an additional 360 children in Malawi for a full year.

As in previous years, we would like to record our sincere thanks to the Celtic Charity Fund Raising Action Group members Charles Barnett, Marc Keenan and Chris Traynor for their efforts during 2008/9.
After many years' service, Marc resigned from the group during the year and we welcomed Chris Traynor as his replacement.

The three Trustees have also worked tirelessly to ensure the continued success of Celtic Charity Fund and the maintenance of the Club's charitable principles.

You can help us build on this.
Individual charitable donations make a genuine difference but if we pool our resources and make cumulative contributions on behalf of the Celtic Family, together we can generate a huge impact.

We have a formidable and much admired reputation for lending a hand to those less fortunate, so please help us continue this vital work, which lies at the heart of our Club. Any amount you can afford, however large or small, would be greatly appreciated.

Every penny raised is given back to worthy causes
If you wish to support Celtic Charity Fund, please contact:-

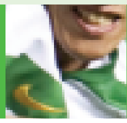
Jane Maguire
Celtic Charity Fund
Celtic Football Club
GLASGOW
G40 3RE

Tel:- 0141 551 4262
Email:- janemaguire@celticfc.co.uk

Consolidated Income Statement

Year Ended 30 June 2009

		2009			2008
	Notes	Operations excluding player trading £000	Player trading £000	Total £000	£000
Continuing operations:					
Revenue	3, 4	72,587	-	72,587	72,953
Operating expenses	5	(61,358)	-	(61,358)	(64,095)
Profit from trading before asset transactions and exceptional items		11,229	-	11,229	8,858
Exceptional operating expenses	7	(1,985)	(797)	(2,782)	(3,189)
Amortisation of intangible assets	5, 16	-	(7,434)	(7,434)	(5,598)
Profit on disposal of intangible assets			1,546	1,546	5,695
Profit/(loss) on disposal of property plant and equipment		231	-	231	(268)
Profit/(loss) before finance costs and tax		9,475	(6,685)	2,790	5,498
Finance costs:	11				
Bank loans and overdrafts				(243)	(519)
Convertible preference shares				(544)	(544)
Profit before tax				2,003	4,435
Taxation	12			-	-
Profit for the year from continuing operations				2,003	4,435
Profit for the year attributable to equity holders of the parent				2,003	4,435
Basic earnings per Ordinary Share	14			2.24p	5.09p
Diluted earnings per share	14			1.87p	3.70p



Consolidated Balance Sheet

Year As at 30 June 2009

		2009	2008
	Notes	£000	£000
Assets			
Non-current assets			
Property, plant and equipment	15	56,689	56,315
Intangible assets	16	12,145	11,862
		68,834	68,177
Current assets			
Inventories	18	2,020	2,410
Trade and other receivables	20	4,427	6,063
Cash and cash equivalents	21	10,489	8,475
		16,936	16,948
Total assets		85,770	85,125
Equity			
Issued share capital	22	24,204	24,122
Share premium		14,309	14,205
Other reserve		21,222	21,222
Capital redemption reserve		2,686	2,766
Accumulated losses		(19,071)	(21,074)
Total equity		43,350	41,241
Non-current liabilities			
Interest-bearing liabilities/bank loan	24	12,000	12,000
Debt element of convertible preference shares		3,027	3,027
Deferred income	26	254	820
		15,281	15,847
Current liabilities			
Trade and other payables	25	14,188	16,224
Current borrowings	25	140	154
Deferred income	26	12,811	11,659
		27,139	28,037
Total liabilities		42,421	43,884
Total equity and liabilities		85,770	85,125

The financial statements were approved and authorised for issue by the Board on 14 August 2009 and were signed on its behalf by

Peter T Lawwell   Director

Eric J Riley   Director

Company Balance Sheet

As at 30 June 2009

		2009	2008
	Notes	£000	£000
Assets			
Non-current assets			
Property, plant and equipment	15	56,689	56,315
Intangible assets	16	12,145	11,862
Investment in subsidiaries	17	-	-
		68,834	68,177
Current assets			
Trade and other receivables	20	5,484	8,070
Cash and cash equivalents	21	10,064	8,236
		15,548	16,306
Total assets		84,382	84,483
Equity			
Issued share capital	22	24,204	24,122
Share premium		14,309	14,205
Other reserve		21,222	21,222
Capital redemption reserve		2,686	2,766
Accumulated profits		766	1,649
Total equity		63,187	63,964
Non-current liabilities			
Interest bearing liabilities/bank loans	24	12,000	12,000
Debt element of convertible preference shares		3,027	3,027
		15,027	15,027
Current liabilities			
Trade and other payables	25	6,028	5,338
Current borrowings	25	140	154
		6,168	5,492
Total liabilities		21,195	20,519
Total equity and liabilities		84,382	84,483

The financial statements were approved and authorised for issue by the Board on 14 August 2009 and were signed on its behalf by

Peter T Lawwell Director

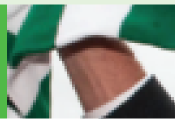
Eric J Riley Director

Group	Share capital £000	Share premium £000	Other reserve £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Equity shareholders' funds as at 1 July 2007	23,452	14,129	21,222	2,440	(24,514)	36,729
Share capital issued	1	76	-	-	-	77
Transfer to Capital Redemption Reserve	669	-	-	326	(995)	-
Profit for the period	-	-	-	-	4,435	4,435
Equity shareholders' funds as at 30 June 2008	24,122	14,205	21,222	2,766	(21,074)	41,241
Share capital issued	2	104	-	-	-	106
Transfer to Capital Redemption Reserve	80	-	-	(80)	-	-
Profit for the period	-	-	-	-	2,003	2,003
Equity shareholders' funds as at 30 June 2009	24,204	14,309	21,222	2,686	(19,071)	43,350

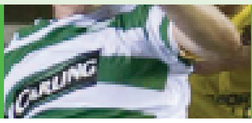
Company	Share capital £000	Share premium £000	Other reserve £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Equity shareholders' funds as at 1 July 2007	23,452	14,129	21,222	2,440	2,163	63,406
Share capital issued	1	76	-	-	-	77
Transfer to Capital Redemption Reserve	669	-	-	326	(995)	-
Profit for the period	-	-	-	-	481	481
Equity shareholders' funds as at 30 June 2008	24,122	14,205	21,222	2,766	1,649	63,964
Share capital issued	2	104	-	-	-	106
Transfer to Capital Redemption Reserve	80			(80)		-
Profit for the period	-	-	-	-	(883)	(883)
Equity shareholders' funds as at 30 June 2009	24,204	14,309	21,222	2,686	767	63,187

Consolidated Cash Flow Statement

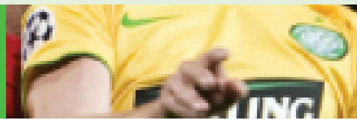
Year Ended 30 June 2009



	Note	2009 £000	2008 £000
Cash flows from operating activities			
Profit for the year		2,003	4,435
Depreciation	15	2,204	1,925
Amortisation of intangible assets	16	7,434	5,598
Impairment of intangible assets	16	797	353
Profit on disposal of intangible assets	16	(1,546)	(5,695)
(Profit)/ Loss on disposal of property, plant and equipment		(231)	268
Finance costs	11	787	1,063
Sub total		11,448	7,947
Decrease in inventories		390	973
Increase in receivables		(406)	(123)
(Decrease) /increase in payables and deferred income		(2,415)	2,824
Cash generated from operations		9,017	11,621
Interest paid		(243)	(519)
Net cash flow from operating activities - A		8,774	11,102
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,574)	(3,605)
Purchase of intangible assets		(6,970)	(12,254)
Proceeds from sale of property, plant and equipment		596	-
Proceeds from sale of intangible assets		3,639	8,048
Net cash used in investing activities - B		(6,309)	(7,811)
Cash flows from financing activities			
Repayment of debt		(14)	(887)
Dividends paid		(437)	(935)
Net cash used in financing activities - C		(451)	(1,822)
Net increase in cash equivalents A+B+C		2,014	1,469
Cash and cash equivalents at 1 July		8,475	7,006
Cash and cash equivalents at 30 June	21	10,489	8,475



	Note	2009 £000	2008 £000
Cash flows from operating activities			
(Loss)/ Profit for the year		(883)	481
Depreciation	15	2,204	1,925
Amortisation of intangible assets	16	7,434	5,598
Impairment of intangible assets	16	797	353
Profit on disposal of intangible assets	16	(1,546)	(5,695)
(Profit)/ Loss on disposal of property, plant and equipment		(231)	268
Finance costs	11	787	1,063
Sub total		8,562	3,993
Decrease in receivables		508	15,904
Decrease in payables		(239)	(1,640)
Cash generated from operations		8,831	18,257
Interest paid		(243)	(519)
Net cash flow from operating activities – A		8,588	17,738
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,574)	(3,605)
Purchase of intangible assets		(6,970)	(12,254)
Proceeds from sale of property, plant and equipment		596	-
Proceeds from sale of intangible assets		3,639	8,048
Net cash used in investing activities – B		(6,309)	(7,811)
Cash flows from financing activities			
Repayment of debt		(14)	(887)
Dividends paid		(437)	(935)
Net cash used in financing activities - C		(451)	(1,822)
Net increase in cash equivalents A+B+C		1,828	8,105
Cash and cash equivalents at 1 July		8,236	131
Cash and cash equivalents at 30 June	21	10,064	8,236



1 BASIS OF PREPARATION

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

These Financial Statements have been prepared in accordance with IFRS as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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

Statement of compliance

Adoption of standards effective in 2008

The following standards have been applied by the Group from 1 July 2008:

IFRS 7 Financial Instruments: disclosure
IAS 39 Financial Instruments: recognition and measurement

The application of IFRS 7 and IAS 39 in the year ended 30 June 2009 have not affected the balance sheets or income statement as the standards are consistent with the requirements of standards already applied by the Group.

IFRS effective in 2008 but not relevant

The following amendment was mandatory for accounting periods beginning on or after 1 January 2008 but is not relevant to the operations of the Group or Company.

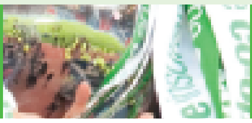
IFRIC 13 – Customer loyalty programmes
IFRIC 14 – (IAS 19) The limit on a defined benefit asset, minimum funding requirements and their interaction
IFRIC 12 – Service concession arrangements

EU adopted IFRS not yet applied

The following IFRS was available for early application but has not yet been applied by the Group or Company in these Financial Statements: IFRS 8 Operating segments for years commencing on or after 1 January 2009.

The application of IFRS 8 in the year ended 30 June 2009 would not have affected the balance sheet or income statement as the standard is concerned only with disclosure.

Other pronouncements issued but not yet effective will not have a material impact on the Financial Statements when adopted.



2 ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidation includes the Financial Statements of the Company and its subsidiary undertakings and is based on their audited Financial Statements for the year ended 30 June 2009. All subsidiaries are accounted for using the purchase method. Entities in which the Group holds an interest on a long-term basis and which are controlled jointly by the Group and other parties are treated as joint ventures.

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

The Group's income statement follows the Financial Reporting Guidance for Football Clubs issued in February 2003 by The Football League, The FA Premier League and the FA, although the revenue within Notes 3 and 4 continues to be analysed in accordance within the headings of the business operations of the Group.

(b) Depreciation

Property, plant and equipment is stated at cost and written off to residual value over their estimated useful lives at the following annual rates:

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

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate. Gains or losses on disposal are reported in the income statement. 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 whenever there is an indication of impairment, impairment losses are recognised in the income statement.

Freehold land is not depreciated.

Freehold land and buildings include capitalised interest of £0.43 m (2008: £0.43m).

(c) Intangible assets

Initial costs directly attributable to the acquisition and retention of football personnel are capitalised and treated as intangible assets. Subsequent amounts relating to the retention of football personnel are capitalised only when they become unavoidable due to the elimination of all contingent events relating to their payment. All of these amounts are amortised to the income statement over the contract period remaining from their capitalisation to nil residual values.

When a playing contract is extended, any costs associated with securing the extension are capitalised and the unamortised balance is amortised to a residual value of nil on a straight line basis over the remaining term of the contract period.

(d) Impairment policy

The Group and company tests impairment at each balance sheet date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(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 derived from matchday and non-matchday catering and banqueting, visitor centre revenues, soccer school revenues, donations received from Celtic Development Pools Limited and revenues derived from the hiring of Celtic Park for football and non-football events.

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

Multimedia and other commercial activities revenue includes all revenue derived from television rights sales, sponsorship, publications, internet products and joint marketing initiatives with commercial partners.

All revenue is recognised when the event to which it relates takes place. Revenue relating to future events is treated as deferred.

(f) Grants

Grants in respect of capital expenditure on property, plant and equipment, which are depreciated, are treated as deferred income, a proportion of which is transferred to revenue annually over the estimated useful life of the asset. Other grants of a revenue nature are credited to the income statement as received.

(g) Financial instruments

The Group and Company classifies 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.

(h) Leasing obligations and hire purchase

Leasing charges in respect of operating leases are recognised in the Group and Company income statements over the lives of the lease agreements as incurred on a straight line basis.

Assets acquired under hire purchase contracts are treated as property, plant and equipment and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the income statement over the period of the agreement on the effective interest basis.

(i) Inventories

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

(j) Trade receivables

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

(k) Trade payables

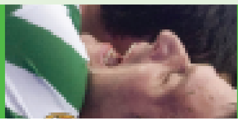
Trade payables are stated at their amortised cost. They are recognised on the trade date of the related transactions.

(l) 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.

(m) Foreign exchange

Transactions denominated in foreign currency are translated at the date of the transaction. Monetary foreign currency assets and liabilities at the year-end are translated at the year end exchange rate. Any resulting exchange gain or loss is dealt with in the Group income statement at the date of crystallisation.



(n) Deferred tax

Deferred tax is provided using the full provision method and is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date. Deferred tax assets are incorporated within the Financial Statements to the extent that it is more likely than not that they will be recoverable in the foreseeable future.

(o) Share based payments

The Group has applied the exemption available under IFRS 1 and elects to apply IFRS 2 only to awards of equity instruments made after 7 November 2002 that had not vested by 1 January 2006. Options are measured at fair value at grant date using the Black-Scholes model. The fair value is expensed on a straight line basis over the vesting period, based on an estimate of the number of options that will eventually vest. Cash settled share-based payment transactions results in the recognition of a liability at its current fair value.

(p) Critical accounting estimates and judgements

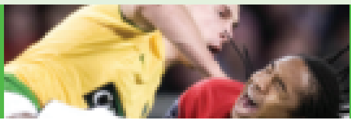
Judgements used and applied in the preparation of the Financial Statements are continually evaluated by management. The critical judgements applied within the Financial Statements are in respect of income recognition, as noted at 2(e) above, impairment of intangible assets, 2(d) above, and the calculation of the debt element of compound financial instruments, noted at 2(g) above.

(q) Financial Instruments

Investments: Equity financial instruments held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity, except for impairment losses. When these investments are sold the cumulative gain or loss previously recognised directly in equity is recognised in the income statement.

Cash and cash equivalents: Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

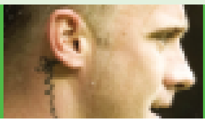
Interest bearing borrowings: Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the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



3 SEGMENTAL REPORTING

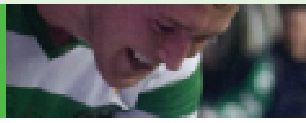
The Group is organised into three main operating divisions: Football and Stadium Operations, Merchandising and Multimedia and other commercial activities. These divisions are the basis on which the Group reports its primary segment information. The Group operates in the UK and as a result does not have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

Year to 30 June 2009	Football and stadium operations £000	Merchandising £000	Multimedia and other commercial activities £000	Consolidated £000
External revenue	36,534	17,180	18,873	72,587
Segment result	(12,756)	6,861	17,124	11,229
Exceptional operating expenses				(2,782)
Amortisation of intangible assets				(7,434)
Profit on disposal of intangible assets				1,546
Loss on disposal of Property, plant and equipment				231
Profit before finance costs and tax				2,790
Finance costs				(787)
Taxation				-
Profit for the year				2,003
Other information:				
Segment assets	66,720	4,340	3,145	74,205
Unallocated corporate assets				11,565
Consolidated total assets				85,770
Segment liabilities	18,156	2,066	2,226	22,448
Unallocated corporate liabilities				19,973
Consolidated total liabilities				42,421
Capital expenditure	2,665	221	56	2,943
Depreciation	1,981	219	4	2,204
Intangible asset additions	8,529	-	-	8,529
Amortisation	7,434	-	-	7,434
Impairment losses	797	-	-	797



3 SEGMENTAL REPORTING

Year to 30 June 2008	Football and stadium operations £000	Merchandising £000	Multimedia and other commercial activities £000	Consolidated £000
External revenue	38,580	16,092	18,281	72,953
Segment result	(11,599)	4,820	15,637	8,858
Exceptional operating expenses				(3,189)
Amortisation of intangible assets				(5,598)
Profit on disposal of intangible assets				5,695
Loss on disposal of Property, plant and equipment				(268)
Profit before finance costs and tax				5,498
Finance costs				(1,063)
Taxation				-
Profit for the year				4,435
Other information:				
Segment assets	69,372	4,737	1,192	75,301
Unallocated corporate assets				9,824
Consolidated total assets				85,125
Segment liabilities	19,535	2,428	123	22,086
Unallocated corporate liabilities				21,798
Consolidated total liabilities				43,884
Capital expenditure	2,630	26	-	2,656
Depreciation	1,695	226	4	1,925
Intangible asset additions	5,116	-	-	5,116
Amortisation	5,598	-	-	5,598
Impairment losses	353	-	-	353



4 REVENUE

	Note	2009 £000	2008 £000
The Group's revenue comprises:			
Football and Stadium Operations		**36,534**	38,580
Merchandising		**17,180**	16,092
Multimedia and other commercial activities		**18,873**	18,281
		72,587	72,953

5 PROFIT/ (LOSS) BEFORE FINANCE COSTS AND TAX

		2009 £000	2008 £000
Group profit/(loss) before finance costs and tax:			
Staff costs (Note 8)		**38,751**	38,981
Depreciation of property, plant and equipment (Note 15)		**2,204**	1,925
Amortisation of intangible assets (Note 16)		**7,434**	5,598
Impairment losses on intangible assets	16	**797**	353
Operating lease expense	27	**1,023**	1,042
Cost of inventories recognised as expense		**7,787**	8,677

6 AUDITORS' REMUNERATION

			2009 £000	2008 £000
Auditors' remuneration	: audit fees – Celtic plc		**10**	9
	: other assurance		**26**	21
	: taxation		**8**	15
	: other services		**2**	14

7 EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £2.78m (2008: £3.19m) reflect £1.98m (2008: £2.84m) in respect of labour and other ancillary costs largely arising as a result of onerous contracts and the early termination of certain employment contracts and £0.80m (2008: £0.35m) in respect of a provision for impairment of intangible assets.

8 STAFF PARTICULARS

Group	2009 £000	2008 £000
Wages and salaries	34,420	34,722
Social security costs	3,837	3,675
Other pension costs	494	584
	38,751	38,981

Company	2009 £000	2008 £000
Wages and salaries	2,266	1,680
Social security costs	287	215
Other pension costs	157	108
	2,710	2,003

Employee numbers Group	Number 2009	Number 2008
Average number of full time equivalents employed in the year:	508	500

Company	Number 2009	Number 2008
Average number of full time equivalents employed in the year:	93	92

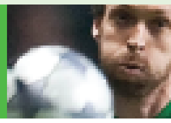
9 DIRECTORS' EMOLUMENTS

	2009 £000	2008 £000
Aggregate emoluments of Directors	1,051	876
Pension contributions	87	56
	1,138	932

Aggregate emoluments and pension contributions of the highest paid director were £670,799 (2008: £514,138) and £68,188 (2008: £35,984) respectively. During the year contributions were paid to defined contribution money purchase pension schemes in respect of 2 (2008: 2) directors.

10 RETIREMENT BENEFIT OBLIGATIONS

The Group and Company pension arrangements are operated through a defined contribution money purchase scheme. The assets of the pension scheme are held separately from those of the Group and Company by The Standard Life Assurance Company. Contributions made by the Group and Company to the scheme during the year amounted to £203,763 (2008: £181,675) and £61,145 (2008: £58,882) respectively. Group and Company contributions of £18,803 (2008: £15,487) and £7,127 (2008: £6,702) respectively were payable to the fund at the year-end. In addition to this the Group and Company also made contributions to the personal pension plans of certain employees.



11 FINANCE COSTS

	2009 £000	2008 £000
Finance costs comprised:		
On bank and other loans	243	519
Convertible Cumulative Preference Shares of 60p each	544	544
Total interest payable	787	1,063

Borrowing costs capitalised to property, plant and equipment amounted to £nil (2008: £0.15m). A general borrowing rate of 6.25% was used to capitalise interest expenditure on these assets in 2008.

12 TAX ON ORDINARY ACTIVITIES – GROUP

No provision for corporation tax or deferred tax is required in respect of the year ended 30 June 2009. Estimated tax losses available for set-off against future trading profits amount to approximately £25m (2008: £27m). This estimate is subject to the agreement of the current and prior years' corporation tax computations with H M Revenue and Customs.

The corporation tax assessed for the year is different from the standard rate of corporation tax in the United Kingdom of 28% (2008: 30%). The differences are explained below:

	2009 £000	2008 £000
Profit/(loss) on ordinary activities before tax	2,003	4,435
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 28% (2008: 30%)	561	1,330
Effects of:		
Expenses not deductible for tax purposes	12	81
Capital allowances for the period in excess of depreciation	-	(328)
Depreciation for the period in excess of capital allowances	78	-
Dividends reclassified as interest	152	163
Untaxed income	(239)	(237)
Other	17	-
Losses utilised in the year	(581)	(1,009)
Current corporation tax charge for year	-	-

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

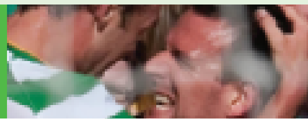
13 DIVIDENDS PAYABLE

A 6% (before tax credit deduction) non-equity dividend of £0.54m (2008: £0.54m) is payable on 1 September 2009 to those holders of Convertible Cumulative Preference Shares on the share register at 31 July 2009. On 31 August 2007 the entitlement to a dividend on the Convertible Preferred Ordinary Shares ceased. A number of shareholders have elected to participate in the Company's scrip dividend reinvestment scheme for this financial year. Those shareholders will receive new Ordinary Shares in lieu of cash. The implementation of the presentational aspects of IAS32 ("Financial Instruments: disclosure") in the preparation of the annual results, requires that the Group's Preference Shares and Convertible Preferred Ordinary Shares, as compound financial instruments, are classified as a combination of debt and equity and the attributable non-equity dividends are classified as finance costs. No dividends were payable or proposed to be payable on the Company's Ordinary Shares.

14 EARNINGS PER SHARE

	2009 £000	2008 £000
Reconciliation of net profit to basic earnings:		
Net profit attributable to equity holders of the parent	2,003	4,435
Basic earnings	2,003	4,435
Reconciliation of basic earnings to diluted earnings:		
Basic earnings	2,003	4,435
Non-equity share dividend	544	544
	2,547	4,979
	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	89,584	87,171
Dilutive effect of share options	-	-
Dilutive effect of convertible shares	46,346	47,252
Diluted weighted average number of ordinary shares	135,930	134,423

Earnings per share has been calculated by dividing the profit for the period of £2.00m (2008: £4.44m) by the weighted average number of Ordinary Shares of 89.58m (2008: 87.17 m) in issue during the year. Diluted earnings per share as at 30 June 2009 has been calculated by dividing the earnings for the period by the weighted average number of Ordinary Shares, Preference Shares and Convertible Preferred Ordinary Shares in issue, assuming conversion at the balance sheet date, and the full exercise of outstanding share purchase options, if dilutive, in accordance with IAS33 Earnings Per Share. As at June 2008 and June 2009 no account was taken of potential share purchase options, as these potential Ordinary Shares were not considered to be dilutive under the definitions of the applicable accounting standards.



15 NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT

The movement on these accounts during the year to 30 June 2009 was as follows:

Group and Company	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2008	46,880	3,782	20,486	71,148
Additions	1,640	712	591	2,943
Disposals	(245)	-	(180)	(425)
At 30 June 2009	**48,275**	**4,494**	**20,897**	**73,666**
Accumulated Depreciation				
At 1 July 2008	892	1,643	12,298	14,833
Charge for year	192	289	1,723	2,204
Eliminated on disposal	-	-	(60)	(60)
At 30 June 2009	**1,084**	**1,932**	**13,961**	**16,977**
Net Book Value				
At 30 June 2009	**47,191**	**2,562**	**6,936**	**56,689**
At 30 June 2008	45,988	2,139	8,188	56,315

Group and Company

The movement on these accounts during the year to 30 June 2008 was as follows:

	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2007	45,776	3,153	19,930	68,859
Additions	1,123	629	904	2,656
Disposals	(19)	-	(348)	(367)
At 30 June 2008	**46,880**	**3,782**	**20,486**	**71,148**
Accumulated Depreciation				
At 1 July 2007	704	1,523	10,771	12,998
Charge for year	188	120	1,617	1,925
Eliminated on disposal	-	-	(90)	(90)
At 30 June 2008	**892**	**1,643**	**12,298**	**14,833**
Net Book Value				
At 30 June 2008	**45,988**	**2,139**	**8,188**	**56,315**
At 30 June 2007	45,072	1,630	9,159	55,861

Freehold land and buildings include capitalised interest of £0.43 m (2008: £0.43m).

16 NON-CURRENT ASSETS - INTANGIBLE ASSETS

Group and Company	2009 £000	2008 £000
Cost		
At 1 July	26,526	28,982
Additions	8,529	5,116
Disposals	(8,929)	(7,572)
At 30 June	26,126	26,526
Amortisation		
At 1 July	14,664	15,992
Charge for year	7,434	5,598
Provision for impairment	797	353
Disposals	(8,914)	(7,279)
At 30 June	13,981	14,664
Net Book Value		
At 30 June	12,145	11,862

The net gain on sale of player registrations in the year was £1.55m (2008: £5.70m). The impairment provision in 2009 and 2008 reflects the Directors' view that the recoverable amount of a specific player or players is lower than the carrying value, and recognises a write down to net realisable value of such assets.

17 INVESTMENTS

Subsidiaries

The Company's subsidiary undertaking continued 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
Protectevent Limited	Dormant
Glasgow Eastern Developments Limited	Management of properties
The Celtic Football and Athletic Company Limited	Football Club management & promotional services

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

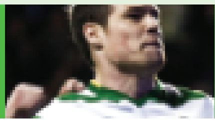
Other Investments

The Company also holds an investment of 8.33% in the equity share capital of The Scottish Premier League Limited, a company registered in Scotland.

18 INVENTORIES

	2009 Group £000	2008 Group £000	2009 Company £000	2008 Company £000
Raw Materials	35	26	-	-
Finished goods	1,985	2,384	-	-
	2,020	2,410	-	-

Inventories written down during the year amounted to £0.25m (2008: £0.37m). Inventories of £nil (2008: £nil) are carried at net realisable value.



19 DEFERRED TAX ASSET

Group

The Group follows the accounting treatment for deferred taxation as prescribed in IAS 12 Income Taxes. At the balance sheet date the value of deferred tax asset was £7.15m (2008: £7.70m). This asset would be recoverable against future taxable profits of the Group. In addition advance corporation tax of £250,000 would be recoverable against future taxable profits of the Group. In line with IAS 12 Income Taxes and given the financial difficulties currently being experienced by the football sector, the Group has not recognised the deferred tax asset nor the advance corporation tax asset in the financial statements due to doubt over whether or not this represents a temporary or permanent timing difference.

Company

At 30 June 2009, the deferred tax asset not reflected in the Company's Financial Statements was £nil (2008: £nil).

20 TRADE & OTHER RECEIVABLES

Receivables comprised:	2009 Group £000	2008 Group £000	2009 Company £000	2008 Company £000
Trade and other receivables	4,590	6,250	5,484	8,070
Provision for doubtful debts	(163)	(187)	-	-
	4,427	6,063	5,484	8,070
Analysed as follows:				
Prepayments and accrued income	1,399	1,339	83	65
Related party receivables	-	-	5,176	5,724
Trade and other receivables	3,028	4,724	225	2,281
	4,427	6,063	5,484	8,070

The reduction in trade receivables is largely as a result of reduced amounts receivable in instalments in respect of the disposal of intangible assets.

Related party receivables reflects the intercompany balance between the Company and its principal subsidiary, Celtic F.C. Limited.

21 CASH AND CASH EQUIVALENTS

	2009 Group £000	2008 Group £000	2009 Company £000	2008 Company £000
Balances with banks	10,462	8,449	10,064	8,236
Cash on hand	27	26	-	-
Cash and cash equivalents	10,489	8,475	10,064	8,236

22 SHARE CAPITAL

	Authorised 30 June		Allotted, called up and fully paid 30 June			
Group and Company	2009 No 000	2008 No 000	2009 No 000	2008 £000	2008 No 000	2008 £000
Equity						
Ordinary Shares of 1p each	219,901	219,006	89,726	897	88,615	886
Deferred Shares of 1p each	486,460	444,285	486,460	4,865	444,285	4,443
Non-equity						
Convertible Preferred Ordinary Shares of £1 each	16,060	16,490	14,072	14,072	14,502	14,502
Convertible Cumulative Preference Shares of 60p each	19,294	19,295	16,794	10,077	16,795	10,078
Less reallocated to debt under IAS 32	-	-	-	(5,707)	-	(5,787)
	741,715	699,076	607,052	24,204	564,197	24,122

On 1 September 2008 215,723 new Ordinary Shares of 1p each were issued in respect of mandates received from holders of Convertible Cumulative Preference Shares ("CCP Shares).

From 1 September 2007, the Convertible Preferred Ordinary Shares may be converted into Ordinary Shares and Deferred Shares on the election of the shareholder. The number of Ordinary Shares and Deferred Shares to which a holder of Convertible Preferred Ordinary Shares is entitled on conversion was determined by reference to the middle market price of Ordinary Shares in the three dealing days immediately prior to 1 September 2007. As a result each Convertible Preferred Ordinary Share converts into 2.08 Ordinary Shares and 97.92 Deferred Shares.

Each Convertible Cumulative Preference Share of 60p carries the right, subject to the availability of distributable profits, to the payment of a fixed preference dividend equal to 6% (before tax credit deduction) of its nominal value, cumulative with effect from 1 July 1996. The first dividend was paid on 31 August 1997. Holders of Preference Shares of 60p are entitled on or at any time after 30 June 2001 to convert each Preference Share into one Ordinary Share of 1p and 59 Deferred Shares of 1p each. During the year ended 30 June 2009, 1,500 Preference Shares were converted in accordance with these provisions. The Ordinary Shares of 1p each, arising on conversion rank pari passu in all respects with the existing Ordinary Shares of 1p each. The Deferred Shares are non-transferable, carry no voting rights, no class rights and have no valuable economic rights. As at 13 August 2009, the latest practicable date before publication, conversion notices had been received in respect of 1,200 Preference Shares.

Reconciliation of number of Ordinary Shares in issue:	2009 No. 000	2008 No. 000
Opening balance	88,615	81,181
Shares issued re scrip dividend scheme	216	129
Shares issued re Convertible Preferred Ordinary Share conversions	894	7,301
Shares issued re Preference Share Conversion	1	4
Closing Balance	89,726	88,615

Reconciliation of number of Deferred Shares in issue:	2009 No 000	2008 No 000
Opening balance	444,285	100,362
Shares issued re Convertible Preferred Ordinary Share conversions	41,585	343,744
Shares issued re Preference Share Conversion	590	179
Closing Balance	486,460	444,285

Reconciliation of number of Convertible Preferred Ordinary Shares in issue:	2009 No 000	2008 No 000
Opening balance	14,502	18,012
Convertible Preferred Ordinary Share conversions to Ordinary and Deferred Shares	(430)	(3,510)
Closing Balance	14,072	14,502

Reconciliation of number of Cumulative Convertible Preference Shares in issue:	2009 No 000	2008 No 000
Opening balance	16,795	16,799
Convertible Cumulative Preference Share conversions to Ordinary and Deferred Shares	(1)	(4)
Closing Balance	16,794	16,795

23 RESERVES

In accordance with Resolution No 8 at the 2002 Annual General Meeting and the Court Order obtained on 9 May 2003, the previous Share Premium Account balance was cancelled and transferred to the Other Reserve. Under the terms of this cancellation, an amount equal to three times the Executive Club loans, currently equal to £420,000 (2008: £462,000) will remain non-distributable from this Other Reserve until such loans are repaid by the Company.

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

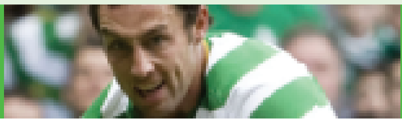
The increase in the share premium account reflects the premium on the Ordinary Shares issued in the year.

The loss for the year for the parent company was £0.88m (2008: £0.48m profit).

24 BORROWINGS – Group and Company

The Co-operative Bank	2009 £000	2008 £000
Interest bearing liabilities	12,000	12,000
	12,000	12,000

The Interest bearing liabilities are represented by loans from the Co-operative Bank. These loans bear interest at London Inter-Bank Offered Rate plus 1.125%. The loans are floating rate loans and therefore expose the Group to cash flow risk. These loans form part of a £24.00m loan facility which is repayable in equal quarterly instalments from October 2009 until April 2019 and £16.69m is repayable in July 2019. The Group has the option to repay the loans earlier than these dates without penalty. The bank loans are secured over Celtic Park, and land adjoining the stadium and at Westhorn and Lennoxtown.



25 TRADE AND OTHER PAYABLES

	2009 Group £000	2008 Group £000	2009 Company £000	2008 Company £000
Other loans	140	154	140	154
Accrued expenses	9,922	13,173	3,318	4,373
Trade and other payables	4,266	3,051	2,710	965
	14,328	16,378	6,168	5,492

The decrease in trade payables is largely as a result of reduced amounts due in respect of the acquisition of intangible assets.

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

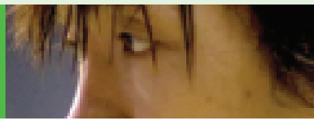
26 DEFERRED INCOME

	2009 Group £000	2008 Group £000	2009 Company £000	2008 Company £000
Income deferred less than one year	12,811	11,659	-	-

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.

	2009 Group £000	2008 Group £000	2009 Company £000	2008 Company £000
Income deferred after more than one year	254	820	-	-

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 2009/10.



27 CAPITAL AND OTHER FINANCIAL COMMITMENTS

a. Capital commitments

Group & Company	2009 £000	2008 £000
Authorised and contracted for	**122**	765

b. Other commitments

At 30 June 2008 the Group had commitments under operating leases as follows:

	Land & Buildings		Other	
Amounts payable:	**2009 £000**	2008 £000	**2009 £000**	2008 £000
Within 1 year	**996**	1,021	**15**	21
Between 2 and 5 years	**3,692**	3,791	**-**	15
In more than 5 years	**3,538**	3,549	**-**	-

Lease payments recognised in the income statement for the period amounted to £1.02m (2008: £1.05m)

c. Contingent transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of the transfer of player registrations, additional amounts would be payable/receivable by the Group if specific future conditions are met. Amounts in respect of such contracts at 30 June 2009 could result in an amount payable of £3.61m (2008: £1.80m), of which £1.79m could arise within one year and amounts receivable of £0.31m (2008: £1.16m), of which all (2008: all) could arise within one year.

d. Cross guarantees

Cross guarantees exist between the Company and its subsidiary undertakings. The extent of these at 30 June 2009 was £nil (2008: £nil).

28 FINANCIAL INSTRUMENTS – Group and Company

The principal financial instruments during the financial year ended 30 June 2009 and as at the balance sheet date were trade receivables and payables, bank borrowings, cash and compound financial instruments.

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

The principal risks arising from the Group's and the Company's financial instruments are interest rate risk and credit risk. The majority of the transactions undertaken in the year are in sterling; therefore the Group's and Company's exposure to foreign currency risk is minimal. Where appropriate, the Group and Company may hedge its position utilising forward contracts. The Group and Company benefitted from falling interest rates during the year.

It is widely accepted that the economic conditions have not improved over the last year with several major banks requiring financial support from the Government to continue to trade. To date Celtic has not seen a material impact on its business and subject to that there has been no change in financial risks from 2008.

Interest Rate Risk

The working capital of the Group and Company is funded largely by bank borrowings. The Group and Company has a £36m facility with the Co-operative Bank of which £12m is in the form of overdraft and £24m in long-term loans. While the nature of the overdraft results in the application of a floating rate, the loans offer the possibility to lock into a longer-term interest rate. £12m (2008: £12m) of the loan facility is required to be drawn down for the term of the facility agreement. In 2009 fixed rate periods varied between one and three months and the average balance on the loans was £12m (2008: £12m). During the course of the year the Group had an average credit balance on the overdraft facility of £7.26m (2008: £4.59m). The average overdraft rate applicable during the year was 3.49% (2008: 6.25%) and the average loan rate 3.64% (2008: 6.41%). In terms of the overall risk management process, executive management liaise closely with advisers in managing the risk profile of the Group and Company. In times of interest rate volatility, executive management take advice as to the various instruments that may protect the Group and Company against increased costs, whether this be an interest rate cap, collar or other mechanism. No such mechanisms were utilised during the year nor in 2008.

On the basis of the average levels of debt in the year to 30 June 2009 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 £0.04m (2008: £0.07m). The calculation in both years incorporates the terms and conditions of the agreement with the Co-operative Bank as noted above, the terms of which have not altered from 2007.

The bank loans and overdraft bear interest at LIBOR plus 1.125% and base rate plus 1.0% respectively, as was the case in the year ended 30 June 2008. 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 maturity profile of the Group and Company's financial liabilities at 30 June 2009 and 30 June 2008 and details of applicable interest rates on these liabilities are disclosed in Notes 24 and 25.

The Group achieves short-term liquidity flexibility through use of a bank overdraft.

Of the available bank facilities of £36m (2008: £36m), of which £24m is represented by long-term loans and £12m by overdraft, £24m (2008: £ 24m) remains undrawn at the balance sheet date as follows:

	2009 £000	2008 £000
Loans repayable within one year	1,313	-
Loans repayable between two and five years	3,000	2,813
Loans repayable in more than five years	7,687	9,187
Overdraft repayable on demand	12,000	12,000
	24,000	24,000

Credit Risk

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.

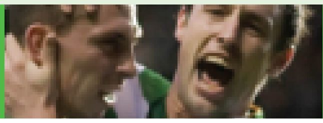
As at 30 June 2009, £0.47m representing 15.4% of trade receivables of the Group of £3.03m were past due but not impaired (2008: £1.65m) and £0.01m representing 5.8% of the trade receivables of the Company of £0.22m were past due but not impaired (2008: £0.54m, 23.7%). Group trade receivables of £0.16m (2008: £0.19m) were considered to be impaired at the year end. These were predominantly individually insignificant values arising predominately because of customer trading difficulties. Details of trade receivables are included in Note 20. An analysis of trade receivables past due but not impaired is as follows:

Trade receivables	2009 Group £000	2008 Group £000	2009 Company £000	2008 Company £000
Up to 30 days past due	400	570	6	22
Between 60 and 30 days past due	34	281	7	-
Over 60 days past due	34	798	-	520
	468	1,649	13	542

The Group and Company are also exposed to credit risk through cash balances held with the Co-operative Bank and Allied Irish Banks as follows:

	2009 Group £000	2008 Group £000	2009 Company £000	2008 Company £000
Co-operative Bank	10,313	8,384	10,064	8,236
Allied Irish Bank	149	65	-	-
Sub total	10,462	8,449	10,064	8,236
Cash on hand	27	26	-	-
Cash and cash equivalents	10,489	8,475	10,064	8,236

The Group deposits surplus funds only in approved high quality banks in order to restrict credit risk to financial assets in the form of monetary deposits. However, throughout both 2009 and 2008, the Co-operative Bank was in a net lending position as £12m (2008: £12m) of the available loan facility, as noted above, is required to be drawn down for the term of the facility agreement. To minimise any credit risk in respect of balances held with the Allied Irish Bank, such amounts are remitted to the Co-operative Bank on a regular basis.



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 payables are payable monthly in arrears where undisputed or alternatively in accordance with particular contract terms. As at 30 June 2009, 45% of trade payables of the Group were due to be paid within one month (2008: 42%) and 9% of trade payables of the Company were due to be paid within one month (2008: 15%).

The maturity profile of the bank borrowings of the Group and Company is as set out in Note 24. Other loans held by the Company of £0.14m (2008: £0.15m) are repayable on demand.

The Group and Company prepare annual budgets including a cash flow forecast. Monthly management accounts are produced which report performance against budget and also 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.

Compound Financial Instruments

The Company's non-equity Convertible Preferred Ordinary Shares are convertible to equity (Ordinary and Deferred) shares on or any date after 1 September 2007 at the discretion of the shareholder. The conversion rate however will remain fixed as at 1 September 2007.

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% before deduction of tax credit.

Fair value of financial assets and financial liabilities

The fair value of the Group and Company's financial assets and liabilities, as defined above, are not materially different to their book value. The fair value of the debt element of the compound financial instruments has been calculated by reference to the discounted value of future cash flows.

Capital Management

The Group and Company's capital base is as set out in the Statement of Changes in Equity and in Notes 22 and 23 (Share Capital and Reserves respectively). It is the policy of the Board that trading plans should result in cash positive results, providing shareholder value and satisfying all dividend requirements. The bank borrowing facility of £36m is utilised to fund working capital. The Board consider carefully all significant capital projects and where necessary ensures that the funding of such is achieved through utilisation of the most appropriate funding mechanism whether borrowings or additional equity. The Board considers all these things by reference to projected costings and budgets, taking into account funding structures and sources and its overall objectives and policies to mitigate risk. Neither the Group nor Company is subject to any regulatory capital requirements.

29 POST BALANCE SHEET EVENTS

Capital Expenditure

Since the balance sheet date further capital expenditure on intangible assets of £6.63m (2008: £1.20m) has been committed.

30 RELATED PARTY TRANSACTIONS

Celtic plc undertakes related party transactions with its subsidiary company Celtic FC Limited which are governed by a management services agreement. This agreement covers the recharge of certain direct expenditure and or income from Celtic plc to Celtic F.C. Limited and the rental of certain properties at Celtic Park to Celtic F.C. Limited. Amounts recharged in the year by Celtic plc to Celtic F.C. Limited was £14.49m (2008: £13.70m). The balance outstanding at the year end is disclosed in Note 20.

CELTIC plc

(Incorporated in Scotland with company registration number SC003487)

Registered Office: Celtic Park, Glasgow, G40 3RE

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2009 Annual General Meeting of Celtic plc **("Company")** will be held at Celtic Park, Glasgow G40 3RE on **30 October 2009 at 10.30am** for the following purposes:

RESOLUTIONS

To consider and, if thought fit, pass the following resolutions. Resolutions 1 to 8 will be proposed as ordinary resolutions and resolution 9 will be proposed as a special resolution.

Ordinary Business

1. To receive the Company's annual accounts for the year ended 30 June 2009, together with the auditors' report and the directors' report on those accounts.
2. To approve the directors' remuneration report for the year ended 30 June 2009.
3. To reappoint Thomas Eardley Allison, who retires by rotation, as a director of the Company.
4. To reappoint John Reid, who retires by rotation, as a director of the Company.
5. To reappoint Dermot Desmond, who retires by rotation, as a director of the Company.
6. To reappoint PKF (UK) LLP as auditors of the Company and to authorise the directors to fix the remuneration of the auditors.
7. That, in accordance with section 551 of the Companies Act 2006 ("2006 Act") and Article 5 of the Company's articles of association ("Articles"), the directors be and are generally and unconditionally authorised to allot shares (as defined in section 540(1) of the 2006 Act) in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £4,789,307.65 provided that this authority shall expire on 29 October 2014 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

   This authority is in substitution for all existing authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985.

SPECIAL BUSINESS

8 That, provided at the relevant time there is an adequate number of unissued Ordinary Shares (as defined in the Articles) available which the directors are authorised to allot, the directors be and are hereby authorised to exercise the powers contained in Article 40.8 of the Articles such that, to the extent and in the manner determined by the directors (acting in accordance with the Articles) they may offer to the holders of Preference Shares (as defined in the Articles) the right to elect to receive Ordinary Shares credited as fully paid, instead of all or part of any dividend payable on the Preference Shares and that this authority shall expire on 29 October 2014.

This authority is in substitution for all existing authorities conferred on the Directors in accordance with Article 40.8 of the Articles.

9 That, subject to the passing of Resolution 7 and in accordance with section 570 of the 2006 Act (and Article 5 of the Articles), the directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by Resolution 7 as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

9.1 the allotment of equity securities in connection with an offer (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares (as defined in section 560(1) of the 2006 Act) in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange;

9.2 the allotment of equity securities in place of a cash dividend pursuant to any authority conferred upon the directors in accordance with and pursuant to Article 40.8;

9.3 the allotment of equity securities otherwise than pursuant to sub-paragraphs 9.1 and 9.2 above, up to an aggregate nominal amount of £1,495,534.

and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

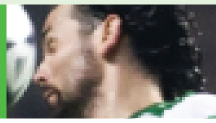
This authority is in substitution for all existing authorities conferred on the Directors in accordance with section 95 of the Companies Act 1985.

BY ORDER OF THE BOARD

Robert M Howat
Secretary
9 September 2009

1. The right to attend and vote at the meeting is determined by reference to the register of members. **Only those holders of ordinary shares and/or convertible preferred ordinary shares whose names are entered in the register of members of the Company as at 10.30am on 28 October 2009 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the meeting (or adjourned meeting, as the case may be) in respect of the number of ordinary and/or convertible preferred ordinary shares registered in their name at that time.** Changes to entries in the register of members after 10.30am on 28 October 2009 or, in the event that the meeting is adjourned, after 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member is entitled to appoint one or more persons as proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on **0845 702 0192** or you may photocopy the enclosed proxy form. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.
4. A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars, **Computershare Investor Services PLC, PO Box 1075, The Pavillions, Bristol BS99 3FA,** so as to arrive no later than 24 hours (excluding weekends and bank holidays) before the time fixed for the annual general meeting or any adjourned meeting. In the case of a poll taken more than 48 hours (excluding weekends and bank holidays) after it is demanded, the form of proxy should be received by the Company's registrars at least 24 hours (excluding weekends and bank holidays) before the time appointed for the taking of the poll. In the case of a poll taken not more than 48 hours (excluding weekends and bank holidays) after it is demanded, the form of proxy should be delivered at the meeting to the Chairman or to the Secretary or to any Director.
5. Copies of the service contracts and letters of appointment of the directors are available for inspection during normal business hours at the registered office of the Company (excluding weekends and public holidays).
6. Biographical details of all those directors who are offering themselves for re election at the meeting are set out in the enclosed annual report and accounts.
7. If you have any questions about the form of proxy or the procedures to follow, please telephone the Computershare Investor Services helpline on **0845 702 0192**.
8. If the registered holder of ordinary shares and/or convertible preferred ordinary shares is a corporate body, for example, a trust, company, association or club, the form of proxy should executed under its common seal, under hand of a duly authorised officer or otherwise accompanies by a power of attorney or other authority under which it is signed or such authority certified notarially or in some other way approved by the directors.
9. You may not use any electronic address provided in this notice to communicate with the Company for any purpose other than as may be expressly stated in this notice.

Explanatory Notes



RESOLUTION 1: Report and Accounts

The Directors must present the audited accounts of the Company and the Directors' and Auditors' Reports for the year ended 30 June 2009 to the Meeting. You are voting to receive these Reports. Detailed information is contained within the 2009 Annual Report.

RESOLUTION 2: Remuneration Report

The Company must present the Remuneration Report to the Meeting for approval of shareholders. The Remuneration Report explains the Company's policy on Directors' pay and benefits and includes details of the salary and benefits paid to Directors serving during the financial year.

RESOLUTION 3: Re-election of Tom Allison

Under the Articles of Association, one third of the Directors are required to retire from office by rotation each year and in any event at least every three years.

Mr Allison retires by rotation at this Annual General Meeting and stands for re-election. He has served as a non-executive Director since September 2001. He is the Chairman of the Remuneration Committee and the Company's Senior Independent Director. Mr Allison is based in Scotland and is the Chairman of Peel Ports Limited and a director of Peel Holdings Limited. He is   a member of the Council of CBI Scotland and chairman of Keepmoat Limited. He is a valued member of the Board and brings extensive business knowledge and experience to this role.

RESOLUTION 4: Re-election of Dr John Reid

Dr Reid also retires by rotation and stands for re-election. He was originally appointed to the Board in October 2007, becoming Chairman in November of that year.

He holds a PhD in Economic History and has been a Member of Parliament since 1987. During his career Dr Reid has held nine ministerial posts, eight of them at Cabinet level, culminating as Home Secretary. He resigned from that post in June 2007 but retains his position as the Member of Parliament for Airdrie and Shotts. He is an Honorary Professor of University College London and has an Honorary Doctorate from Stirling University.

Dr Reid has extensive knowledge of domestic and international affairs and strategic planning which the Board regards as a very valuable resource at a time when the Company is seeking to expand its operations and brand presence both domestically and on an international basis.

RESOLUTION 5: Re-election of Dermot Desmond

This Resolution seeks approval for the re-election of Dermot Desmond, who has retired from office due to the application of Combined Code Rule A7.2. That rule requires directors who have served for nine years or more to retire from office and stand for re-election annually. Mr Desmond is willing to stand for re-election as a Director.

Dermot Desmond has been a director of the Company since 1995 and is the longest serving non-executive. He is the Chairman and founder of International Investment and Underwriting, a private equity company based in Dublin. He is the original promoter of Dublin's International Financial Services Centre which has over 400 companies operating within it. Mr Desmond has established various companies including several software companies serving the financial services industry. His other investments, in addition to Celtic, have included London City airport, the Sandy Lane Hotel, Betdaq and Barchester Healthcare.

The re-elections referred to in the Notes on Resolutions 3 – 5 have been duly proposed and are recommended by the Board.

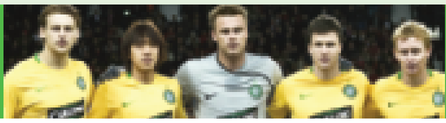
RESOLUTION 6: Appointment and Remuneration of Auditors

The Company is required to appoint auditors at each general meeting at which accounts are presented, The auditors hold office until the end of the next such general meeting. The auditors are responsible for examining the Company's Annual Report and Accounts and for forming an opinion as to whether they give a true and fair view of the Company's financial position and comply with Companies Act requirements.

The accounts for the year to 30 June 2009 have been audited by PKF (UK) LLP. That audit included an examination on a test basis of evidence relating to the amounts or disclosures in the accounts. Their report is included within the Annual Report and Accounts.

Each year the Audit Committee considers the performance of the auditors, including factors such as objectivity, independence, quality of audit work, quality of service and value for money. The Board, taking account of the recommendations of the Audit Committee is satisfied that the performance of PKF (UK) LLP continues to meet the necessary standards.

Accordingly this resolution proposes the re- appointment of PKF (UK) LLP as auditors and follows standard practice in giving authority to the Board to determine their fees.



RESOLUTION 7: Authority to allot shares

The authority of the Directors to allot shares expires at the conclusion of this year's Annual General Meeting and this resolution seeks renewal of a general authority in respect of the remaining unissued share capital of the Company (which amounts to 16.01% of the Company's issued share capital at the date of this Notice) for a further period expiring 5 years from the date of the Annual General Meeting. As discussed below, the power relates to the unissued amounts of each of the Ordinary, Preference and Convertible Preferred Ordinary Share capital. The 5-year period is the maximum period permitted by the Articles and the Companies Act 2006.

RESOLUTION 8: Renewal of Authority for SCRIP scheme

The scrip dividend scheme was first introduced in July 2005. At the time of introduction authority was given by shareholders for it to continue for a period of 5 years. That authority expires in July 2010. To enable the scheme to be continued, renewal of that authority is sought for a further period of 5 years, from the date of the Annual General Meeting.

The scrip scheme enables shareholders entitled to a dividend to take that dividend in Ordinary Shares rather than in cash. Over the years that the scheme has already operated cash savings to the Company of approximately £315,000, before costs, have been achieved.

RESOLUTION 9: Disapplication of pre-emption rights where shares allotted for cash

The current power to disapply statutory pre-emption rights in relation to the allotment of equity securities for cash, expires at this AGM. This resolution seeks your agreement consent to the renewal of that power.

Under section 561 of the Companies Act 2006, if the Directors wish to allot any of the unissued equity securities for cash, they must in the first instance offer them to existing shareholders in proportion to the number of shares that each shareholder has at that time. An offer of this type is called a "rights issue" and the entitlement to be offered a new share is known as a "pre-emption right".

There may be circumstances where it is in the interests of the Company for the Directors to allot new shares for cash other than by way of a rights issue. This cannot be done under the terms of the Act unless the shareholders first waive their pre-emption rights. Resolution 9 asks shareholders to agree to this, but only for new shares up to a maximum aggregate nominal value of £1,495,534. That figure represents an amount equal to 5% of the total allotted and issued share capital of the Company at the date of this Notice.

The 5% limitation is in accordance with good practice guidelines. The limitation is calculated by reference to the combined share capital of the Company, and not just the issued Ordinary share capital. This is because the Preference Shares and Convertible Preferred Ordinary Shares are convertible into Ordinary Shares.

If granted, the Directors will be able to use this power, within the limits stated, to allot new shares without obtaining further authority from shareholders.

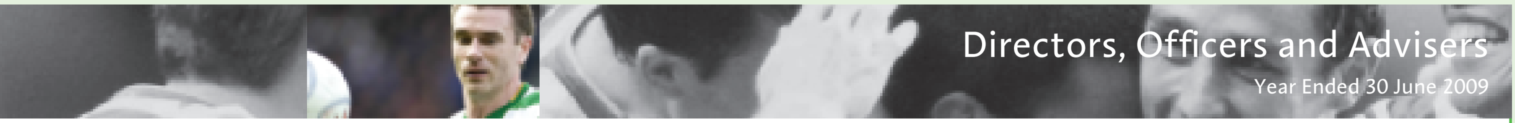
This power will also be used by the Directors to issue Ordinary Shares in lieu of dividends pursuant to the operation of the Company's scrip dividend re-investment scheme.

The authority given by this resolution will last for 15 months or until the conclusion of next year's annual general meeting, whichever is earlier.

RECOMMENDATIONS

The Directors believe that the proposals outlined above are in the best interests of the Company and its shareholders. They intend to vote their own beneficial shareholdings in favour of each of the Resolutions and recommend shareholders to do likewise.


CARLING



Directors
Dr John Reid (Chairman)*
Peter T Lawwell (Chief Executive)
Eric J Riley (Financial Director)
Thomas E Allison*§
Dermot F Desmond*
Ian P Livingston*
Brian J McBride*
Brian D H Wilson*

* Independent Non-Executive Director
§ Senior Independent Director

Company Secretary
Robert M Howat

Company Number
SC3487

Registered Office
Celtic Park
Glasgow, G40 3RE

Directors of The Celtic Football and Athletic Company Limited
Peter T Lawwell
Eric J Riley
John S Keane*
Michael A McDonald*
Kevin Sweeney*

Football Manager
Tony Mowbray

Auditors
PKF (UK) LLP
78 Carlton Place
Glasgow, G5 9TH

Solicitors
DLA Piper LLP
249 West George Street
Glasgow
G2 4RB

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

Remuneration Committee
Thomas E Allison (Chairman)
Brian J McBride
Dr John Reid
Brian D H Wilson

Audit Committee
Ian P Livingston (Chairman)
Brian J McBride
Dermot F Desmond
Brian D H Wilson

Nomination Committee
Dr John Reid (Chairman)
Thomas E Allison
Dermot F Desmond

Stockbroker and Nominated Adviser
Seymour Pierce Limited
20 Old Bailey
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Registrars
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