



CELTIC PLC
ANNUAL
REPORT

YEAR ENDED 30 JUNE
2017



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SUMMARY OF THE RESULTS

Operational Highlights

Winner of the Scottish Domestic Treble and our sixth consecutive SPFL Premiership title

Qualified for the UEFA Champions League playing 6 home European matches (2016: 6 UEFA Europa League)

31 home matches (including the ICC tournament) played at Celtic Park (2016: 28)

Became the first stadium in the UK to accommodate 3,000 "safe standing" section

Achieved "Invincible" status by remaining unbeaten domestically in all competitions

Hugely successful Celebrate 67 events to recognise the 50th Anniversary of the Lisbon Lions winning the European Cup in May 1967

Delighted to be able to provide support in assisting Celtic FC Foundation to deliver the hugely successful SSE Hydro event, Lions Lunch and Henrik versus Lubo charity match

Financial Highlights

Group revenue increased by 74.2% to £90.6m

Operating expenses increased by 33.3% to £76.3m

Gain on sale of player registrations of £2.3m (2016: £12.6m)

Profit before taxation of £6.9m (2016: £0.5m)

Year-end cash net of bank borrowings of £17.9m (2016: £3.6m)

Investment in football personnel of £13.8m (2016: £8.8m)

“ The foundations for that success are based on consistency, stability and the implementation of a prudent long term strategy ”

These results, which declare sales revenue of £90.6m (2016: £52.0m) and a profit before taxation of £6.9m (2016: £0.5m), reflect the paramount importance to the Company of participation in the group stages of the UEFA Champions League.

The foundations for that success are based on consistency, stability and the implementation of a prudent long term strategy that dictates that the Company invests in its football operations, whilst maintaining a self-sustaining financial model. The Board considers that this strategy remains appropriate for Celtic plc and will continue to seek out and retain top talent on and off the field of play so as to deliver football success and, in turn, shareholder value. The Board has been able to manage short term challenges, and maintain the course it has set and reported on over the past several years, because there is consistency in the ownership, Board and executive management of the Company. These ingredients provide the stability that is so crucial for the successful operation of a football club at our level.

On behalf of the Board I warmly congratulate Brendan Rodgers, his staff and the players on a truly remarkable season during which we achieved an Invincible Treble, a sixth consecutive League Championship and consecutive qualifications for the group stages of the UEFA Champions League. Whilst the fundamentals that were in place at the Club when he joined with his staff were strong, Brendan has been a remarkable catalyst.

Just as it is important to recognise the importance to us of participation in the UEFA Champions League, so it is important to recognise that the financial gap between Celtic Football Club and the richer clubs in European football is widening. The growing financial power of a number of key constituencies within the European game makes us vulnerable to structural change. It is, therefore, vital that we are represented at the highest levels of European football. Peter Lawwell's appointments to the Board of the European Club Association, the Club Competitions Committee at UEFA and the Professional Football Strategy Council of UEFA gives the Club a voice and ensures that we are very well represented and that our image and profile are held high. We are grateful for Peter's continued commitment to promoting our interests in this very important arena.

During the year, we welcomed Sharon Brown as a non-executive director, bringing her financial expertise and business acumen, notably in the retail sector, to enhance the skill set of the Board. Ian Livingston, who was appointed in October 2007 and chaired the Audit Committee, stepped down from the Board with effect from 30 June 2017, in order to focus on his other public company commitments. On behalf of the Board, I would like to thank Ian for his contribution to the Company and wish Sharon the very best. Sharon now chairs the Audit Committee. Taken together with the changes to the Board last year, when Chris McKay replaced Eric Riley as Financial Director, I believe that we have struck a good balance between stability and progression, both of which are crucial to the long term success of the Company.

Our football success this year marked another important moment in the long history of our Club; the fiftieth anniversary of our success in Lisbon, our greatest success and such an important part of the development of our unique story. The celebrations culminated in a fantastic week of events in May, including the Club's showcase "Celebrate '67" event at The SSE Hydro in Glasgow, honouring the Lisbon Lions and their amazing achievements.

Like all Celtic supporters, I was proud that all net proceeds of those events were passed to Celtic FC Foundation to assist in its Lions' Legacy projects and other important work. This really is what it means to be Celtic. I thank all of our supporters, shareholders, sponsors, partners and colleagues for their contribution to a successful year for the Club and look forward to working with them to build on that success for the future.

Ian P Bankier, Chairman
20 September 2017





Following last season, when our performance on the pitch did not meet our expectations, this year the Club could not have asked for any more. Winning football matches is a difficult thing to do. To remain undefeated domestically while winning all three competitions, for only the fourth time in the Club's history, and to do so whilst qualifying for and participating in the UEFA Champions League group stages, is a fantastic achievement, for which Brendan, the players and everyone at the Club should be congratulated. Our objectives for this year remain success in all three domestic competitions and in the UEFA Champions League.

Success on the pitch, in particular qualification for the UEFA Champions League group stages, leads to success off the pitch and this can be seen in our results this year. Given the restrictions in the environment in which we operate domestically, financial contribution from success in European football and prudent management of player registrations is crucial to enable the Company to continue to invest in the long term strategic objective of the Company: to create a world class football club.

We must maintain our investment in our highly regarded football operations, including: management, coaching, player recruitment, medical, performance, sports science and our youth academy. Ultimately, we hope to develop Champions League players in this environment and Brendan's trust in our young players is testament to their talent and the Academy's success and development over many years. It was very encouraging to see 5 graduates of the Youth Academy play in our victory over Kilmarnock earlier this season.

In addition, we continue to invest at Celtic Park and at Lennoxton, with plans for a new hybrid pitch to complement our style of attacking football, new training pitches being built to improve player development and improvements being made to the stadium and surrounding land to enhance the experience for all supporters visiting Celtic Park. Celtic Park is iconic in world football and we will continue to develop a venue our supporters can be proud of.

While we cannot compete with the financial resources of some other clubs, we can and will ensure that our investment creates the infrastructure to grow the Club for the long term and helps us manage the risk and uncertainty in football.

This year we celebrated the fiftieth anniversary of the Lisbon Lions. Our triumph in Lisbon is something every Celtic supporter will always be proud of, and in becoming the first British team to win the European Cup, the Lions have laid down an amazing legacy which will resonate forever with generations to come. I would like to take this opportunity to thank all of my colleagues, our sponsors and supporters who contributed to the Celebrate 67 events and supported the ongoing work of Celtic FC Foundation.

I have had the real privilege of meeting every member of the Lisbon Lions over the years, men of such stature who represented Celtic with such grace, humility and dignity. The Lisbon Lions set the benchmark. Everyone at Celtic strives to build on their achievements and to bring continued success to our Club.

Peter Lawwell, Chief Executive
20 September 2017

“ Our triumph in Lisbon is something every Celtic supporter will always be proud of ”



The Directors present their strategic report for the year ended 30th June 2017.

STRATEGY AND BUSINESS MODEL

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

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

THE BUSINESS REVIEW

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

The Group is organised into 3 main operating divisions;

- (i) Football and Stadium Operations;
- (ii) Merchandising; and
- (iii) Multimedia and Other Commercial Activities.

The financial results of these divisions are reported in note 4 to the financial statements. Football and stadium operations includes all revenue and costs in relation to all football operations, ticket office, stadium and youth development. Merchandising includes all retail, wholesale and mail order activities. Multimedia and other commercial activities include all other revenue generating departments including sponsorship and rights sales.

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

KEY PERFORMANCE INDICATORS

The Group monitors performance against the following key performance indicators:

- Football success (refer to page 5, Football Overview and page 26, Five Year Record);
- Match attendance statistics (refer to page 7, Match Ticket Sales and page 26, Five Year Record);
- Sales performance per division (refer to note 4, Segmental Reporting);
- Wage and other costs (refer to page 10, Operating Expenses and page 12, Current Trading and Outlook);
- Capital expenditure (refer to page 11, Property Plant and Equipment);
- Profit and cash generation (refer to page 12, Current Trading and Outlook); and
- Shareholder value (with weekly share price reporting disseminated within the business)

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

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

Monthly management accounts are prepared highlighting performance against budget and the prior year, detailing analysis of sales performance and total cost control including total labour costs and capital expenditure. The management accounts also include regular re-forecasts of the anticipated outturn performance for the financial year end to which they pertain.

Actual and forecast performance is fully considered at the regular Board meetings linking back to profit and cash generation as well as total shareholder value. Management meetings are held to discuss actual and forecast performance with future action agreed accordingly. On a weekly basis, performance is reported through a series of key performance indicators, which are shared with business decision makers and managers, including divisional sales and match attendance analysis.

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

(i) FOOTBALL & STADIUM OPERATIONS

OVERVIEW

The Club enjoyed unprecedented success on the field in 2016/17, achieving "Invincible" status by remaining unbeaten in all domestic competitions on our way to completing a Domestic Treble for only the 4th time in our history.

We won our sixth Scottish Premiership title in a row, eventually finishing the season accumulating 106 points. We defeated Aberdeen in November 2016 to win the Betfred League Cup and again defeated Aberdeen to win the William Hill Scottish Cup in May 2017 completing the Domestic Treble.

We also successfully qualified for the lucrative group stages of the UEFA Champions League ("UCL"), creating more memorable European nights at Celtic Park, eventually exiting at the group stage with 3 points.

Scott Sinclair was named Scottish Football Writers' Association Footballer of the Year, as well as capturing the PFA Scotland Players' Player of the Year award. Teammate Kieran Tierney scooped the Young Player prize for the second year in a row.

Changes to the playing squad took place during the 2016/17 season with the arrival of Moussa Dembele, Scott Sinclair, Kolo Toure, Dorus De Vries, Christian Gamboa, Eboue Kouassi, and Jonny Hayes. Prudent management of the player pool remains a key part of our strategy, in terms of the balance of maintaining a strong first team squad and investing for the future.

During the year, Celtic was also delighted to be able to announce the extension of the football management team's contracts to July 2021. Brendan Rodgers remains one of the most highly regarded managers in Europe, whose reputation has only been further enhanced by the unprecedented success of his first season at the Club. We were also delighted to secure the long term services of Assistant Manager, Chris Davies, and Head of Performance, Glen Driscoll.

We remain committed to the strategy of careful use of our financial resources, whilst continuing our efforts to strengthen the first team squad and develop young, high-potential talent. Our Training Centre at Lennoxton continues to offer numerous benefits, helping to ensure that players are recruited, developed and supported in the most professional, progressive but cost effective way possible.

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

YOUTH ACADEMY

We are delighted with the progress of all age groups during the season 2016/17 while our main aim remains to develop players, who are capable of not only playing for the first team, but also in the UEFA Champions League.

This year the Academy achieved the Investors in Young People Gold level award, a fantastic achievement for both the Academy and the Club, which reinforces the importance we place on supporting all aspects of the Academy.

We have been delighted to see the continued success and progression of Kieran Tierney, James Forrest and Callum McGregor and have witnessed further Academy players being given First Team opportunities. Last season Calvin Miller, Jamie McCart and Michael Johnston all made their competitive debuts and continue to work towards further First Team opportunities.

Last season saw a number of players being placed out on loan from our Development Squad. Players including Aidan Nesbitt, Joe Thomson, Jamie McCart, Colin McCabe, Lewis Bell, Shaun Bowers and Jamie Lindsay, all played regular senior football throughout the season, gaining invaluable experience playing with and against experienced professionals. Having these players out on loan provided our younger aged players with the opportunity to gain experience with the Development Squad.

This season our Development Squad won the Youth Cup, beating Rangers in the final at Hampden, with the squad narrowly missing out on the League title. Our under 17 squad retained the Glasgow Cup to secure a "4 in a row run" achieved through a victory against Rangers in the final. Additionally they also retained their League Title, scoring over 100 goals in the campaign. This league success secures European football once again for the Development Squad, who will represent Scotland in the upcoming UEFA Youth League.

Success was also achieved with our younger age groups, specifically our under 13's who retained the Bassevelde International Cup, again competing against the top clubs in Europe. A significant contribution was made to both the Scottish and Irish National squad campaigns, with a significant number of our players being selected to represent their country at their respective age groups.

Our partnership with St Ninian's High School continues to evolve and flourish. The school provides a dedicated focus on the education of our players and has made a significant contribution to our players' academic progress and performance. As a result we have seen a number of our full time players returning to St Ninian's to gain additional qualifications this year and, at the request of the First Team Manager, Brendan Rodgers, all young players will learn about nutrition and food preparation skills. This direction from Brendan has been coupled with further input from him and his coaching team in the delivery of a number of in-service days to our coaches.

Finally, thanks must be given to all of our Celtic Pools Agents and fans who support the Paradise Windfall. The funds raised, which are donated to the Group, ensure our Academy continues to flourish and we look forward to producing our next UEFA Champions League player.

CELTIC SOCCER ACADEMY

The Celtic Soccer Academy continues to take the Club and the Celtic ethos into all corners of the globe, sharing our football coaching expertise with our many club partners. Our aim is simply to help our thousands of players and coaches improve as footballers and teachers of the game, whilst welcoming them into the worldwide Celtic family.

Growth of the Soccer Academy again continued this year, with us now having identified over seventy international partners in twenty different countries covering the USA, Canada, Ireland, Northern Ireland, England, Australia, China, Cambodia, New Zealand, Mexico, Venezuela, Costa Rica, Germany, France, Sweden, Holland, Italy, Kuwait, India, and Panama. This is now one of the biggest club partnership programmes in football with training camps held all over the world, hosted by our great partners and delivered by our top class Celtic coaches.

This year we hosted the biggest ever International Coaches Convention at Celtic with attendees from our partner clubs flying in from all corners of the globe to spend four days gaining invaluable insight from the Club coaches. A highlight was the fantastically received question and answer sessions with both Brendan Rodgers and Chris Davies.

As always, the season culminated in a world series of Elite Player training camps in New York, Florida, San Francisco, Dublin and Brisbane. Some fantastically talented players were nominated from our partner clubs to attend and they experienced three intensive days living and breathing the life of a Celtic Academy player.

The focus for the season ahead is to expand further our partnerships whilst maintaining our reputation for delivering a high quality global football programme. In both North America and Asia Pacific we have identified some exciting business development initiatives which will help us forge relationships with new clubs and organisations, as well as ensuring Celtic FC retains its reputation as the number one global club to partner with.

CELTIC PARK EVENTS

Celtic Park Events has had a strong year with stadium tours continuing to perform well with increasing numbers of international visitors sharing and enjoying the Celtic Story. The Number 7 Restaurant, and our Sunday lunch offering in particular, attracts a strong family attendance, with many taking up the option of a tour and dine package.

Our 'Player of the Year' annual event, held in the DoubleTree by Hilton Hotel, was an overwhelming success with 850 people in attendance on the night.

MATCH TICKET SALES

Season 2016/17 saw standard season ticket sales of over 46,500.

The Club will continue to offer the popular concession season ticket prices of £50 for kids (Under 13), £105 for 13-16 year olds and £219 for 17-18 year olds for Season 2017/18.

Following the unprecedented success of last season, season tickets for 2017/18 have sold out with over 50,000 season ticket holders enjoying the match day experience. This represents a further uplift from prior year and is a strong endorsement by the fans of the Board's decision to appoint Brendan Rodgers and his backroom team.

STADIUM OPERATIONS

Celtic introduced the first ever Rail Seating area in the UK at the beginning of season 2016/17. This proved very successful and recently won the Fan Experience award at the 2017 Stadium Business Awards.

During the year, the Club submitted a Proposal of Application Notice to Glasgow City Council in relation to possible further development of the Celtic Park area including the creation of a new hotel, retail store, ticketing facility and museum as part of the Celtic Park Masterplan.

During season 2016/17 we hosted thirty one matches, nine training sessions and eight 'play on the pitch' events at Celtic Park including hosting the sell-out Celtic FC Foundation Henrik versus Lubo charity match on behalf of Celtic FC Foundation.

During the close seasons of 2016/17 and 2017/18, we will install a new state of the art hybrid pitch solution. Due to the time constraints over the close season the work needs to be completed over both years.

Stage 1 is complete with all the ground preparation works including, installing a new drainage and under soil heating system, and imported turf being laid on the new pitch ready for season 2017/18. Stage 2 will begin at the end of season 2017/18, with the turf being removed and a new hybrid grass cover established and ready for use in season 2018/19.

(ii) MERCHANDISING

The Club continued to enjoy our relationship with New Balance during season 2016/17, with Celtic's famous Hoops being available to fans via New Balance's extensive global network of retail outlets.

The Lisbon Lions 50th Anniversary home kit was launched in May 2017 and sales were an overwhelming success, beyond our expectations. A number of other products were released during the year to celebrate the Lions 50th Anniversary including a 1967 whisky, limited to 67 bottles, a Lisbon Lions fashion range along with Royal Mail releasing a set of commemorative Lisbon Lions stamps to celebrate this achievement. There was also a limited edition Lisbon pitching wedge and other golf accessories produced by Srixon and Cleveland Golf. One of our key sponsors, Magners, also produced a commemorative Lisbon Lions cider.

As part of the Club's e-commerce development strategy, the Greenock store lease was not renewed as the Club continue to invest further in our online platform. As part of this ongoing investment, a new EPOS system was introduced to our stores improving the synergy between online and traditional retailing to further enhance our customer experience in areas such as "Click and Collect".

The fans' support in buying direct from the Club is critical in allowing us to reinvest all profits back into the team. This has been an outstanding year for merchandising which continues to support our ongoing first team investment.

(iii) MULTIMEDIA AND OTHER COMMERCIAL ACTIVITIES

PARTNER PROGRAMME

The Club has just completed a successful first season of a four-year agreement with our new front of shirt and main Club sponsor, Dafabet. Our long-standing relationship with Magners continued as they transitioned to back of shirt and the Official Training Kit Sponsor for season 2016/17.

The transition from the traditional shirt sponsorship platform to a product segmentation strategy, has allowed the Club to better leverage the strength of our brand and fully realise the monetary value of our sponsor relationships. Further benefits of this strategy are evident with the appointment of Exsel Communications as the 'Official Shirt Sponsor' for our Women's first team, while Eden Mill extended their sponsorship from Official Gin & Whisky partner to become the back of shirt sponsor for the Women's team.

New Balance continued as technical kit partner, and we thank them for an exceptional partnership, while Intelligent Car Leasing remained as Celtic's car supplier and sponsor. Long-standing relationships with Ladbrokes, Coca-Cola and Powerade demonstrate the value of long-term partnerships for both Celtic and our partners.

Once again, Dafabet, Magners, Intelligent Car Leasing and Eden Mill showed a commitment to supporting the charitable roots of the Club by supporting Celtic FC Foundation initiatives, while CreditFix gave significant support to the Club's marquee event celebrating the Lisbon Lions Anniversary at The Hydro.

Internationally, the Club continues to develop its commercial presence with a focus on securing commercial partners to successfully monetise our brand as the Club continues to expand our partner programme and commercial revenue streams.

CELTIC TV

Celtic TV has continued to grow at pace and we have had our most profitable year ever. There has been a huge increase in retention, a renewed focus on quality with over sixty matches live.

We have also continued our focus on digital transformation and audience growth this year, continuing to increase our audience on all of our digital platforms. Key digital achievements have seen the launch of the Celtic Snapchat channel, the growth of Celtic's Instagram channel, and the launch of Facebook Live, which has allowed us to live stream to millions of fans in the last year.

In addition, our Christmas Advert featuring Leigh Griffiths as the "Elf on the Shelf" received critical acclaim from the UK broadsheets, was a viral hit on social media and ran on the BBC news.

CELEBRATE 67

This year the Club celebrated the 50th Anniversary of winning the European Cup in Lisbon in 1967, which culminated in a weekend of celebration in May. This included the Club's magnificent showcase "Celebrate 67" sell-out event at The SSE Hydro on 25th May featuring Rod Stewart, the Lisbon Lions, Sir Alex Ferguson and many other famous faces as well as a sell-out Tribute Lunch the following day for the Lisbon Lions in the DoubleTree by Hilton Hotel. These events organised and managed by the Club generated in excess of £175,000 with all net proceeds passed to Celtic FC Foundation in support of its good causes.

The Club also hosted the "Celebrate 67" family fun day event in George Square where 7,000 young fans helped to turn the centre of Glasgow green and white, ahead of our UEFA Champions League match against Borussia Mönchengladbach.

SUPPORTER RELATIONS

During the past season, the Club's Supporter Liaison Officer ("SLO") has played a significant part in the successful set up and integration of the Rail Seats within Celtic Park. The Rail Seats introduction has been a huge success and the engagement between the Club and Fans has played a vital role in the development of the area. The SLO has a dedicated place within the section and is on hand at every home match to offer assistance.

The SLO has also travelled to assist fans attending the Club's European matches assisting supporters on a variety of issues, such as, transport, tickets, stadium access and consular advice in addition to representing the Club at a number of Supporters Functions in Scotland, England, Ireland and USA.

The SLO was instrumental in helping to create the Fan Forum, which was adopted at the AGM in November 2016 following a proposal from the Celtic Trust. He was also once again invited to attend the UEFA backed conference of the top SLOs in European Football and engages regularly with other clubs and Supporters Direct Scotland to offer ideas and suggestions aimed at improving the overall football fan experience at home and abroad.

The SLO is available at Celtic Park for all fans on a daily basis and welcomes the opportunity to meet and discuss all Celtic related issues.

OUR PEOPLE

The Club reviewed its salary rates in January 2017. All permanent members of staff are paid a minimum rate of at least £8.46 per hour, which is in excess of the Living Wage currently set by the Living Wage Foundation.

Celtic remains the only professional football club in Scotland to hold the prestigious Investors in People award, having first been accredited in 2007. The Club was re-assessed in March this year and we are delighted to have not only retained the coveted accreditation, but to have improved upon previous years in having secured the Silver level of award. This demonstrates the continued commitment shown by the Club to investment in its people, and while we are proud of this achievement we continue to strive for further improvement. This will be done through the review and consideration of any recommendations made following our re-assessment this year, with the aim of ensuring employee voices are heard and acted upon.

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

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

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

The Club also places great importance on Health and Safety within the work place. Throughout the year, we have ensured that staff training receives top priority in this vital area.

PRINCIPAL RISKS AND UNCERTAINTIES

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

In addition to the uncertainties inherent in football, there are many risks associated with running any company. These risks are included within a risk matrix, which is regularly reviewed internally and with the Audit Committee on behalf of the Board, and updated as necessary.

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

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

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

(i) *Player transfer market and wages*

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

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

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

(ii) *Season ticket revenues*

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

(iii) *Match day attendances*

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

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

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

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

(v) *Financial Risk*

At 30 June 2017, the Group has access to a debt facility of £12.3m provided by The Co-operative Bank plc. The composition and utilisation of the debt is outlined at Notes 25 and 31 to the Financial Statements. Given the current economic climate the availability and utilisation of such facilities is closely monitored.

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

These risks are managed through regular reforecasting, an assessment of key economic and market indicators and customer risk diligence.

(vi) *Brexit*

The outcome of the "Brexit" vote on 23rd June 2016 to leave the European Union has resulted in increased uncertainty in the financial markets and we have seen significant movements in foreign exchange rates since that date. We are actively monitoring this situation, and while acknowledging that there remains significant uncertainty in this area, the Directors are taking appropriate steps to minimise any short-term financial risks to the Group by utilising foreign exchange forward contracts.

The impact of "Brexit" may have a number of consequences for the Group including, but not limited to; uncertainty in relation to the status of EU and non-EU employees (including football players), the future costs of transferring EU and non-EU based player registrations and the value of certain commercial revenues and sponsorship incomes. These will require to be closely monitored on an ongoing basis. Given the uncertainty as to how the "Brexit" negotiations will be concluded, it is too early to make any further analysis.

Further information is provided in Note 31 to the Financial Statements as to how the Group addresses these risks.

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

THE FINANCIAL REVIEW

Celtic's financial results for the year to 30 June 2017 reflect the significance and impact of participating in the group stage of the UEFA Champions League ("UCL") while the domestic environment in which we operate remains difficult.

	2017 £m	2016 £m
Revenue	90.6	52.0
Operating Expenses	(76.3)	(57.2)
Exceptional Operating Expenses	(1.5)	(1.7)
Net Player Trading	(5.3)	7.7
Net Financing charges	(0.6)	(0.3)
Profit before tax	6.9	0.5

The Group's reported profit of £6.9m, including the revenues generated from gains on the sale of player registrations, in comparison to the reported profit of £0.5m for the prior year, demonstrates the financial benefit of participating in the group stage of the UCL.

The UCL group stage participation is subject to qualification and our domestic environment remains financially challenging. As a result, this reiterates the need for maintaining tight cost control and own player development leading to both future revenues from the sale of player registrations, and an ability to originate first team players from our Academy.

Group revenue increased by £38.6m, 74.2%, to £90.6m with 31 (2016: 28) home matches being played this season. The increase, in comparison to 2016, is largely the result of the additional TV rights income generated as a result of qualifying for the group stages of the UCL in comparison to the participating in the UEFA Europa League ("UEL") group stages in the prior year, higher ticket revenues and increased sponsorship income from commercial partners.

The retained profit for the year after exceptional operating expenses, amortisation of intangible assets, loss on disposal of property plant and equipment, gain on disposal of player registrations, interest and tax amounted to £6.9m in comparison to £0.5m in 2016.

REVENUE

A summary of revenue per business segment is set out in Note 4 to the Financial Statements.

	2017 £m	2016 £m
Football & Stadium Operations	37.6	25.1
Merchandise	16.4	12.6
Multimedia & Other Commercial Activities	36.6	14.3
Group Revenue	90.6	52.0

Revenue from football and stadium operations increased by £12.5m, 49.8%, principally as a result of additional match ticket income generated by higher domestic season ticket sales, increased match day incomes as a result of the UCL group stage qualification and participation in the preseason International Champions Cup ("ICC") tournament.

Merchandising reported an increase in turnover of £3.8m, 30.2%, to £16.4m. During the year, we launched 3 new kits, including the new 2017/18 home kit, which was an overwhelming success and exceeded all expectations. We also continue to see strong growth in revenues generated from our online platform which was developed further in the year. Our retail division performed strongly despite the broader retail market continuing to be very challenging.

Multimedia and other commercial activities revenue saw an increase of £22.3m, 155.9% to £36.6m which was largely attributable to increased television rights income from the UCL group stage participation in addition to increased commercial sponsorship income.

OPERATING EXPENSES

	2017 £m	2016 £m
Labour	(52.2)	(36.9)
Other Operating Expenses	(24.1)	(20.4)
Operating Expenses	(76.3)	(57.2)

Total operating expenses (before exceptional operating expenses and asset transactions) have increased over the last year by £19.1m, 33.4%, to £76.3m, predominately due to an increase in football labour and other operating expenses associated with UCL group stage participation.

Total labour costs increased by £15.3m, 41.5%, to £52.2m, largely due to increased labour costs in football compared to the previous year.

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

EXCEPTIONAL OPERATING EXPENSES

Exceptional operating expenses of £1.5m (2016: £1.7m) represent an impairment charge to intangible assets of £0.3m (2016: £1.3m) together with non-recurring labour and other non-recurring costs of £1.3m (2016: £0.7m) offset by the reversal of a prior period impairment charge of £0.1m (2016: £0.3m). These events are deemed to be unusual in relation to what management deem to be normal operating conditions.

NET PLAYER TRADING

	2017 £m	2016 £m
Amortisation of player registrations	(7.5)	(5.0)
Gain on sale of player registrations	2.3	12.6
Net Player Trading	(5.2)	7.6

Total amortisation costs at £7.5m represent an increase of £2.5m, 50.0%, in comparison to the previous year. This is due to the additional amortisation costs incurred as a result of the investment in the first team squad.

The gain on sale of £2.3m (2016: £12.6m) reflects gains achieved in the sale of Stefan Johansen and Stefan Šćepović in comparison to Virgil Van Dijk and Adam Matthews in the prior year.

FINANCE INCOME & COSTS

Total net finance costs for the year of £0.6m (2016: £0.3m) primarily reflects interest due on the Company's borrowing facilities with The Co-operative Bank together with the classification of Preference Share dividends as interest in accordance with the requirements of IFRS. It also includes a notional interest charge as required under IFRS accounting, and to reflect the notional finance income relating to long term player trading receivables and payables. The increase in net cost from 2016 is the result of higher dividend costs as a result of the UK Government's changes to dividend tax credits, increased notional finance charges and lower notional interest income in 2017.

TAXATION PROVISION

No provision for corporation tax is required in respect of the year ended 30 June 2017. The provisional tax computation provides tax losses carried forward of approximately £7.6m (2016: £16.1m) and an available capital allowance pool of approximately £9.5m (2016: £10.3m).

The value of the deferred taxation not reflected in the financial statements of the Group was £1.3m (2016: £2.9m).

PROPERTY, PLANT AND EQUIPMENT

The additions to property, plant and equipment in the period of £2.9m (2016: £1.6m) are represented mainly by the installation of the new pitch at Celtic Park, training pitch reconstruction at Lennoxton and other general stadium development works at Celtic Park.

INTANGIBLE ASSETS

The increase in the net book value of intangibles during the year to 30 June 2017 of £4.1m to £13.9m reflects the investment in football personnel of £13.8m (2016: £8.8m) less the amortisation charge of £7.5m (2016: £5.0m), the impairment charge of £0.3m (2016: £1.3m), the reversal of a prior period impairment charge of £0.1m (2016: £0.3m) and the net book value of disposals of £1.9m (2016: £1.4m). The investment in football personnel is largely represented by the costs associated with the permanent acquisitions of Dembele, Sinclair, De Vries, Gamboa, Kouassi and Hayes and additional transfer fees becoming due as a result of qualifying for the UCL group stages.

There were several departures in the 2016 summer transfer window including Stefan Johansen and Stefan Šćepović.

INVENTORIES

The level of stockholding at 30 June 2017 of £2.4m compares to £1.9m reported last year. The increase in stockholding is due to the timing of the New Balance kit deliveries.

RECEIVABLES

The reduction in receivables from £18.6m in 2016 to £12.3m in the current year is primarily attributable to the receipt of amounts due in the current year for Van Dijk and Forster. As at June 2017, there was £5.7m outstanding in respect of player transfer fees payable in comparison to £12.8m in the prior year.

NON CURRENT LIABILITIES

The increase in non-current liabilities from 30 June 2016 of £5.0m to £18.3m is the result of higher player transfer fees and other payables with a decrease in deferred income due greater than 1 year.

CURRENT LIABILITIES

The increase in current liabilities of £1.5m in the year to £33.8m largely reflects the additional amounts received in relation to deferred income offset by a reduction in amounts due to suppliers resulting from the timing of invoice payments and project activities.

Deferred income less than one year of £22.4m compares to the £19.9m reported last year and reflects the cash received prior to 30 June 2017 in respect of the financial year ended 30 June 2018.

NET ASSETS AND FUNDING

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

Net cash is £17.9m (2016: £3.6m) and includes all cash at bank and cash in hand offset by bank borrowings. The movement from 30 June 2016 is principally as a result of the cash generated from trading and the disposal of player registrations, some of which are subject to deferred consideration arrangements. These inflows are offset by capital expenditure in respect of tangible asset additions and instalments paid in respect of player acquisitions, including instalments due in respect of prior period purchases, together with dividend and interest payments.

The Group has internal procedures in place to ensure efficient cash flow and treasury management in order to maximise return and minimise risks where appropriate. Details of the Group's financial instruments and debt profile are included in Notes 21, 22, 25, 26, 27 and 31 to the Financial Statements.

BANK FACILITIES

The banking facilities of the Group and Company for the year end 30 June 2017 are described in Notes 25 and 31.

The lending agreement with The Co-operative Bank was renegotiated during the year and has a combined borrowing facility of £12.3m (2016: £18.7m), which consists of a £5.65m (2016: £5.0m) revolving credit facility and a £6.65m (2016: £13.7m) long term loan.

The revolving credit facility bears interest at base rate plus 1.5% and is available until July 2019.

The long term loans will bear interest at London Inter-Bank Offered Rate plus 1.5%. The loans are floating rate loans and therefore expose the Group to cash flow risk. The loan facilities are repayable in equal quarterly instalments of £0.1m from the commencement date until full repayment of £6.25m (2016: £12.4m) in July 2019. The Group has the option to repay the loans earlier than these dates without penalty.

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

CURRENT TRADING AND OUTLOOK

Progress in the major football competitions, particularly in Europe, continues to be a key influence in trading performance. Season 2016/17 was a hugely successful year for Celtic incorporating our qualification for the group stages of the UCL. We retained the Scottish Premiership title for the sixth consecutive season and completed a Domestic Treble, remaining unbeaten in all domestic competition. Our domestic trading environment remains challenging and the reported profit for the year to 30 June 2017 of £6.9m demonstrates the importance of UCL group stage qualification to the Group's financial performance. Cash flow management has delivered a year-end net cash at bank of £17.9m, an increase from the £3.6m reported last year, which provides a platform for further progress and investment.

The football environment in Scotland remains challenging. However, season ticket revenues and match ticket sales to date have been encouraging, although, as ever, future football results will influence the extent to which this can be sustained. Merchandise sales in the year to date, are ahead of the prior year with a greater emphasis on e-commerce which is now largely managed internally. Additional revenue streams continue to be sought particularly in respect of new media, commercial markets and international opportunities where we look to maximise revenues and develop the Celtic brand.

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

Player trading continues to be a key part of our business model with the sale of Stefan Johansen and Stefan Šćepović during the period. Management of the player pool has been an increasingly important element of our business for a number of years. Our strategy to invest in the Lennoxton football academy, together with the related support services, was designed to identify, recruit and develop players capable of playing in the UEFA Champions League. This strategy has been successful to date.

During the summer 2017 transfer window a number of new players were acquired (refer to page 13) and we also qualified for the UCL group stage competition and were drawn in a fantastic group with matches against Bayern Munich, Paris Saint Germain and Anderlecht.

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

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

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

We look forward with optimism to the season ahead given our financial platform and the quality of our playing squad.

APPROVED ON BEHALF OF THE BOARD

Peter Lawwell, Chief Executive
Christopher McKay, Financial Director
20 September 2017



The Directors present their report for the year ended 30 June 2017.

DIVIDENDS

Dividends were paid in cash on 31 August 2017 to those Preference Shareholders not participating in the scrip dividend reinvestment scheme. The record date for the purpose of the Preference Share dividend was 28 July 2017.

Mandates representing 1,757,642 Preference Shares are in place for the scrip dividend reinvestment scheme. Approximately £62,363 (2016: £47,597) of dividends for the financial year to 30 June 2017 will be reinvested. 61,141 new Ordinary Shares were issued under the scheme at the beginning of September 2017.

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

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

The profit of £6.9m has been taken to reserves.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Strategic Report sets out the Business Review (page 5) and Current Trading and Outlook (page 12). As the Company and its principal subsidiary are managed and controlled as a single entity, the business review and future developments reflect the performance of the Group. A separate review of the Company would not be meaningful and is therefore not presented.

EVENTS SINCE THE YEAR END

Since 30 June 2017, Celtic has acquired the permanent registrations of Kundai Benyu and Olivier Ntcham in addition to the temporary transfer on loan of Patrick Roberts and Odsonne Edouard. The registrations of Saidy Janko, Gary Mackay Steven, Emilio Izaguirre were disposed of on a permanent basis, with that of Nadir Ciftci placed on loan.

SHARE CAPITAL

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

FINANCIAL INSTRUMENTS

Details and changes to the financial instruments used by the Group are included in Note 31 to the Financial Statements.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL

The Directors serving throughout the year and at 30 June 2017 and their interests, including those of connected persons, in the share capital of the Company were as follows:

Name	30 June 2017			1 July 2016		
	No. of Convertible Preferred Ordinary Shares of £1 each	No. of Ordinary Shares of 1p each	No. of Convertible Cumulative Preference Shares of 60p each	No. of Convertible Preferred Ordinary Shares of £1 each	No. of Ordinary Shares of 1p each	No. of Convertible Cumulative Preference Shares of 60p each
T Allison	84,875	3,357,505	-	84,875	3,357,505	-
I Bankier	-	30,000	-	-	30,000	-
S Brown	-	-	-	-	-	-
D Desmond	8,000,000	32,772,073	5,131,300	8,000,000	32,772,073	5,131,300
P Lawwell	-	356,000	-	-	356,000	-
I Livingston	1,600	505	500	1,600	505	500
C McKay	-	-	-	-	-	-
B Wilson	-	3,000	500	-	3,000	500

No changes in Directors' shareholdings between 30 June 2017 and 19 September 2017 have been reported to the Company.

Details of agreements which may give rise to payments to Executive Directors are set out in the Remuneration Report. Brief biographical details of the Directors serving as at 30 June 2017 are as follows:

Thomas E. Allison (69) has been a non-executive Director since September 2001. He is Chairman of the Remuneration Committee and a member of the Nomination Committee. Mr Allison is the nominated Senior Independent Director. He is Chairman of Peel Ports Limited and a director of a number of other companies within the Peel Group. He is Chairman of Tulloch Homes Group Limited and an ambassador for The Prince and Princess of Wales Hospice in Glasgow.

Ian P. Bankier (65) was appointed to the Board as an independent non-executive director on 3 June 2011 and became Chairman on 14 October 2011. Mr Bankier is Executive Chairman of Glenkeir Whiskies Limited, a company he substantially owns. Glenkeir operates The Whisky Shop chain, which is the UK's largest specialist retailer of whiskies. He has been involved in the Scotch whisky industry for over 20 years having been Managing Director of Burn Stewart Distillers plc and Chief Executive of CL World Brands Limited. Mr Bankier's formative career was as a solicitor and he was a partner in McGrigors for 15 years, where he specialised in corporate law. Mr Bankier is a member of the Remuneration Committee and chairs the Nomination Committee.

Dermot F. Desmond (67) has been a non-executive Director of the Company since May 1995. He is the Chairman and founder of International Investment and Underwriting UC, a private equity company based in Dublin. He has investments in a variety of start-up and established businesses worldwide, in the areas of financial services, technology, education, information systems, leisure, aviation, health and sport (including Celtic plc). He also promoted the establishment of a financial services centre in Dublin in 1986. Today more than 500 companies trade from the IFSC.

Peter T. Lawwell (58), Chief Executive, joined the Company in October 2003 from his position as commercial director with Clydeport plc. Previously he held senior positions with ICI, Hoffman-La-Roche and Scottish Coal. During the year Mr Lawwell served as a member of the Board of the Scottish Professional Football League, the Board of the European Club Association and the Club Competition Committee of UEFA.

Lord Livingston of Parkhead (53) was appointed to the Board as an independent non-executive director in October 2007 and was chair of the Audit Committee until he retired from the Board with effect from 30 June 2017. After almost 10 years of dedicated service to the Company, Lord Livingston stepped down from the Board to focus on his other Board commitments, having taken over as Chairman of Dixons Carphone plc in addition to Man Group plc.

Christopher McKay (42) was appointed Financial Director and joined the Board with effect from 1 January 2016. Mr McKay spent 18 years in professional services, most recently in a senior position with global consultancy firm Deloitte, which he left to join the Company. He qualified as a Chartered Accountant with Deloitte in 2000 and spent the last 15 years within the Financial Advisory area. He has extensive corporate financial advisory experience in many industries across the UK and International Markets.

Brian Wilson (68) was appointed as a non-executive Director in June 2005. Formerly a Member of Parliament, Mr Wilson also held several ministerial posts during his political career. He is an experienced journalist and writer and a director of several private companies including Harris Tweed Hebrides Limited and Havana Energy Limited. In 2011, he was named UK Global Director of the Year by the Institute of Directors and he is a Trade Ambassador for the UK Government.

Sharon Brown (48) has been a non-executive Director of the Company since December 2016 and was appointed Chairman of the Audit Committee with effect from 1 July 2017. Sharon is currently a non-executive director at McColl's Retail Group plc, Fidelity Special Values plc and F&C Capital & Income Investment Trust plc. Between 1998 and 2013, Sharon was Finance Director and Company Secretary of Dobbies Garden Centres Limited and between 1991 and 1998, she held a senior financial position within the retail division of John Menzies plc.

Policy on appointment of non-executive Directors

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

Retirement, Election, and Re-election of Directors

Ian Livingston retired as a director with effect from 30 June 2017. He will not be standing for re-election.

Sharon Brown joined the Board as a non-executive director on 9 December 2016 and will retire immediately prior to the Annual General Meeting and stand for election at that meeting.

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

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

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

A statement as to the Board's view of the independence of Tom Allison, Dermot Desmond and Brian Wilson is set out at page 18 of this Report.

The Directors recommend that Sharon Brown be elected, and Tom Allison, Ian Bankier, Dermot Desmond and Brian Wilson 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 19 September 2017:

Registered Holder	Ordinary Shares of 1p each	Percentage of Issued Ordinary Share capital
The Bank of New York (Nominees) Limited	17,389,111	18.59%
Christopher D Trainer	9,796,784	10.47%
James Mark Keane	5,909,847	6.32%

In addition to the Directors' interests set out above, the Company has been notified or is aware of the following interests of over 3% in the issued Convertible Preferred Ordinary Share capital as at 19 September 2017:

Registered Holder	Convertible Preferred Ordinary Shares of £1 each	Percentage of Issued Convertible Preferred Ordinary Shares
Telsar Holdings SA Depfyffer and Associates	1,600,000	12.32%
Hanom 1 Limited	625,000	4.81%
The Bank of New York (Nominees) Limited	500,900	3.86%

DONATIONS

The Group made direct charitable donations of £22,680 (2016: £41,134), which in both years was represented by the costs of hosting the Celtic FC Foundation annual dinner and Christmas appeal.

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

GENERAL GROUP AND COMPANY POLICIES

Employee Communications

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

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

Employment Policies

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

Full consideration is given to applications for employment by disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing colleagues become disabled it is the Group's policy, where practical, to provide continuing employment under similar terms and conditions and to provide training and career development. The Department for Work and Pensions has recognised the Club as a "Disability Confident" employer. Investors In People status continues, following the Club's re-accreditation in March 2017, which resulted in the Club securing a Silver award for the first time, an improvement on previous years. Good practice in relation to pregnant employees has also been commended through our accreditation received from the "Tommy's Pregnancy at work scheme". In May 2017, the Club's Youth Academy gained a Gold award for the Investors in Young People accreditation.

Social Responsibility

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

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

HEALTH AND SAFETY

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

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

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

INFORMATION SUPPLIED TO THE AUDITOR

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

1. there is no relevant audit information of which the Company's auditor is unaware; and
2. each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

At the Annual General Meeting on 16 November 2016, BDO LLP was re-appointed as auditor to the Company.

GOING CONCERN

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

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report. In addition, Note 31 to the Financial Statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

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

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

BY ORDER OF THE BOARD

Michael Nicholson, Secretary
20 September 2017





CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Company's three main classes of share – Ordinary, Convertible Preferred Ordinary and Preference – continued to be listed throughout the year on the AIM market operated by the London Stock Exchange. AIM companies are not required to comply with the UK Corporate Governance Code 2016 (the "Code").

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

Board of Directors

As at 30 June 2017, the Board of Directors consisted of a non-executive Chairman, four other non-executive Directors and two executive Directors.

Tom Allison remains the Senior Independent Director.

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

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

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

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

Independence

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

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

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

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

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

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

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

Review of Director Performance

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

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

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

Attendance

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

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

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

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

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

Board Committees

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

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

Audit Committee

Ian Livingston, Sharon Brown, Dermot Desmond and Brian Wilson served on the Committee during the year. Ian Livingston chaired the Committee during the year. Sharon Brown was appointed Chairman of the Committee with effect from 1 July 2017.

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

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

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

The auditor is required to disclose any potential conflicts, contracts with the Company and non-audit work conducted. This was done prior to re-engagement and was discussed with the Audit Committee. For work carried out during the year, the fees are listed at Note 7 of the financial statements.

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 a separate second partner review.

Remuneration Committee

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

The Remuneration Committee determines the terms of engagement and remuneration of the Company's executive Directors and Company Secretary on behalf of the Board. The objectives of the executive Directors are approved by the Committee and performance against these reported to the Board. The Committee also monitors the implementation of other executive and employee incentive and bonus schemes. The Remuneration Report is set out on pages 21 to 24.

Nomination Committee

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

INVESTOR COMMUNICATION

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

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

Supporters' Forum

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

Meetings took place in February and May 2017, with three meetings to be arranged during the 2017/18 season. The proceedings of the Forum are considered by the Board with appropriate action taken. A report will be made following the formal business of the 2017 AGM.

REPORTING AND INTERNAL CONTROLS

The Board's Review of Internal Control

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

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

Internal Financial Control

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

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

The key features of the control environment are as follows:

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

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

BY ORDER OF THE BOARD

Michael Nicholson, Secretary
20 September 2017



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

The Remuneration Committee

The Committee has formal terms of reference, which are published on the Company's website. The Committee members serving during the year are identified on page 19.

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

Remuneration Policy

The main objective of the Company's remuneration policy remains to attract, retain and motivate experienced and capable individuals who will make a significant contribution to the long term success of the Group but, taking account of the marketplace. Account is taken of remuneration packages within other comparable companies and sectors, particularly other large football clubs, the Group's performance against budget in the year and against actual performance from year to year. Specific corporate and personal objectives are used for executive Directors and certain senior executives. A similar appraisal system is also applied to most regular employees throughout the Group.

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

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

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

Remuneration of Directors and Senior Executives

Payments made to Directors in the financial year are set out on page 24.

There are several main elements to the Company's executive remuneration packages: basic salary and benefits, annual performance related bonus, long term incentive plans, pension contributions, share options and other customary benefits such as holidays, a fully expensed car or equivalent non-pensionable car allowance, private medical insurance, and critical illness cover. During the year long term incentive plans were introduced for certain Directors and senior executives, as noted below.

Basic salary and benefits

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

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

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

Annual Performance Related Bonus Scheme

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

The scheme has the following key objectives:

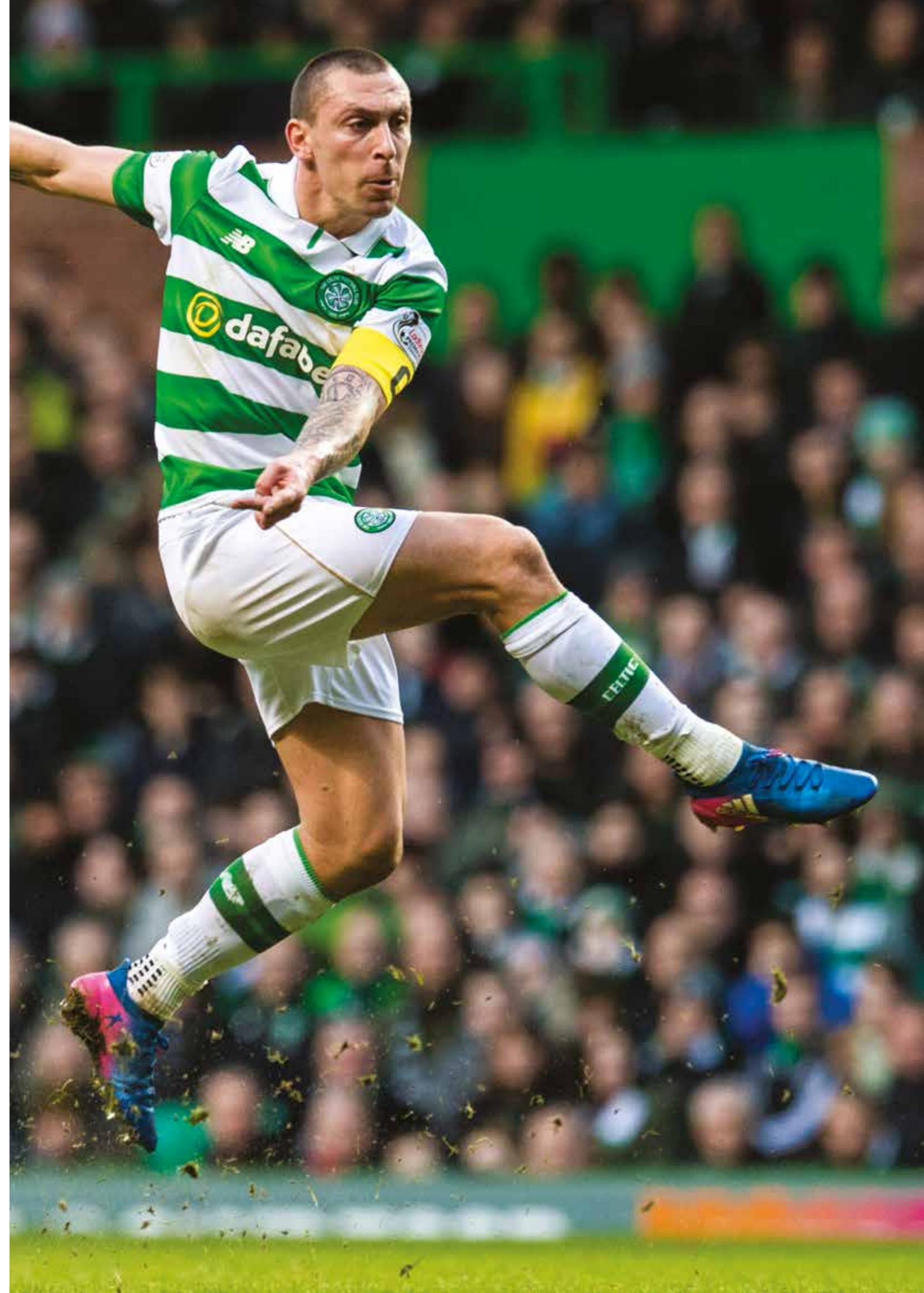
1. Improving and sustaining the financial performance of the Group from year to year;
2. Delivering and enhancing shareholder value;
3. Enhancing the reputation and standing of Celtic;
4. Delivering consistently high standards of service to Celtic and its customers; and
5. Attracting, retaining and motivating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

Performance conditions cover corporate financial performance and personal objectives. Corporate financial performance includes performance against budget and against the previous year's results. Maximum award levels depend upon seniority and contractual entitlements, ranging from 20% of basic salary to 50% of basic salary. The Committee reviews the bonus scheme structure and the corporate performance conditions each year. Bonus payments are not pensionable.

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

Pension

The Company operates a Group pension plan, with defined contributions, in which several senior executives and a number of other employees participate. Stakeholder arrangements are available to qualifying employees. The Company does not operate any defined benefit (final salary) schemes.



Executive Long Term Incentive Plan (“ELTIP”)

An ELTIP was adopted and approved by the Board and was introduced with effect from 1 July 2016 with the objective of retaining and rewarding, through financial incentives, key executives within the Company over the medium to long term.

Under the terms of the ELTIP, in return for these individuals remaining with the Company for a minimum of 4 years and during that period the Company achieving performance criteria determined by the Board (“vesting criteria”), annual awards are made, which then accrue and are released at the end of the 4 year period, assuming the ELTIP conditions have been met. The vesting criteria determined by the Board are: (i) that the participant is employed by the Company on 30 June in the applicable financial year; and, separately, (ii) that Celtic FC qualifies for and participates in the group stages of the UEFA Champions League in the applicable financial year.

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

Service Agreements

Executive Directors

Chief Executive

Mr Lawwell’s service contract commenced on 25 October 2003. It continues subject to twelve months’ notice by him to the Company or by the Company to him. With effect from 1 July 2016, Mr Lawwell was entitled to a bonus not exceeding 20% of basic salary, determined by the Board having regard to applicable performance criteria and such other factors and/or circumstances as the Board shall consider relevant. In addition, given the importance of the Chief Executive to the consistent and successful performance of the Company in the medium to long term, the Board determined that the Chief Executive shall participate in a Long Term Performance Incentive Plan (“LTPIP”), the purpose of which is to link the continuing service and performance of the Chief Executive to performance targets which have the objective of improving Company performance, the football performance of Celtic FC and generating shareholder value. The Remuneration Committee was satisfied that the awards set out in the table below have vested for the benefit of Mr. Lawwell during the financial year to 30 June 2017. The vesting criteria determined by the Board are: (i) that the participant is employed by the Company at the end of the relevant vesting period; and, separately, (ii) that Celtic FC qualifies for and participates in the group stages of the UEFA Champions League in the applicable financial year. The initial vesting period for the LTPIP is from 1 June 2016 until 31 December 2018 and should the Chief Executive remain employed by the Company there is a further vesting period from 1 June 2019 until 31 December 2021 with equivalent vesting conditions. Payment remains subject to the operation of the LTPIP conditions.

	LTPIP interest at 1 July 2016 £	Award for year ending 30 June 2017 £	Total LTPIP interest at 30 June 2017 £	Qualifying period
P Lawwell	-	890,000	890,000	1 June 2016 to 30 June 2019

Mr Lawwell served on the Board of the Scottish Professional Football League, the Board of the European Club Association and served on the UEFA Club Competition Committee during the year. No fee is payable for these posts.

Financial Director

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

Mr McKay participates in the ELTIP. The Remuneration Committee was satisfied that Mr McKay had satisfied each of the vesting criteria for the financial year to 30 June 2017. Accordingly, the awards set out in the table below have vested for the benefit of Mr McKay, during the financial year to 30 June 2017. Payment remains subject to the operation of the ELTIP conditions.

	ELTIP interest at 1 July 2016 £	Award for year ending 30 June 2017 £	Total ELTIP interest at 30 June 2017 £	Qualifying period
C McKay	-	50,000	50,000	4 financial years to 30 June 2020

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

Non-executive Directors

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

Unexpired periods of service for non-executive Directors as at 30 June 2017:

Ian Bankier	Third term	2 years 11 months remaining
Sharon Brown	First term	2 years 5 months remaining

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

Remuneration of Directors

Directors’ remuneration and benefits for the year to 30 June 2017 are set out in the table below.

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

Non-executive Directors’ fees have remained static since July 2007. The post of Chair of the Audit Committee carries an additional fee of £5,000 per year, reflecting the significant additional responsibility and workload attached to that post.

The non-executive Directors have no personal financial interest other than as shareholders in some cases. They do not participate in any bonus scheme, long term incentive plan, share option or other profit schemes. All Directors are entitled to one seat in the Presidential Box without charge for each home match, to assist them in performing their duties.

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

BY ORDER OF THE BOARD

Michael Nicholson, Secretary
20 September 2017

	Salary /Fees £	Bonus £	Benefits in kind £	Pension Costs £	2017 Total £	2016 Total £
T Allison	25,000	-	-	-	25,000	25,000
I Bankier	50,000	-	-	-	50,000	50,000
D Desmond	25,000	-	-	-	25,000	25,000
P Lawwell ¹	1,150,000	-	17,411	-	1,167,411	999,560
I Livingston	30,000	-	-	-	30,000	30,000
C McKay ²	140,000	61,250	12,217	21,000	234,467	108,338
E Riley	-	-	-	-	-	371,634
S Brown	14,015	-	-	111	14,126	-
B Wilson	25,000	-	-	-	25,000	25,000
	1,459,015	61,250	29,628	21,111	1,571,004	1,634,532

¹ Mr Lawwell also participates in the LTPIP which is detailed above.

² Mr McKay also participates in the ELTIP which is detailed above.



DIRECTORS' RESPONSIBILITIES STATEMENT

Directors' responsibilities

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

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

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

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

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

Website publication

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

FIVE YEAR RECORD

	2017	2016	2015	2014	2013
FINANCIAL	£000	£000	£000	£000	£000
Revenue	90,639	52,009	51,080	64,736	75,816
Profit/(loss) from trading before asset transactions and exceptional items	14,310	(5,240)	(2,188)	4,851	13,102
Profit/(loss) after taxation	6,897	459	(3,947)	11,170	9,739
Non equity dividends incurred	558	502	432	526	527
Total equity	57,423	50,470	49,951	53,831	42,557
Shares in issue (excl deferred) no. '000	122,468	122,350	122,147	121,603	121,273
Earnings/(loss) per ordinary share	7.38p	0.49p	(4.25)p	12.68p	10.73p
Diluted earnings/(loss) per share	5.46p	0.49p	(4.25)p	8.91p	7.56p
Number of employees	507	465	462	475	455

FOOTBALL	2017	2016	2015	2014	2013
League position	1	1	1	1	1
League points	106	86	92	99	79
Scottish cup	WINNERS	SEMI FINAL	SEMI FINAL	5th ROUND	WINNERS
League cup	WINNERS	SEMI FINAL	WINNERS	3rd ROUND	SEMI FINAL
European ties played	6	6	7	6	6

CELTIC PARK	2017	2016	2015	2014	2013
Celtic Park investment to date (£'000)	72,132	70,315	69,318	68,147	63,476
Stadium seating capacity (no.)	60,294	60,447	60,447	60,411	60,355
Average home league attendance (no.)	54,159	42,201	45,400	45,757	46,754
Total season ticket sales (no.)	48,723	39,309	40,472	43,072	41,716





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CELTIC PLC

Opinion

We have audited the financial statements of Celtic plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2017 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated and company cash flow statements and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Key audit matters

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

Our application of materiality

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

The materiality for the Group financial statements as a whole was set at £600,000. This was determined with reference to a benchmark of revenue, which we consider to be the principal consideration in assessing the financial performance of the Group, because the Group considers revenue to be one of its key performance indicators.

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



Risk description	Our response to the risk
<p>Revenue recognition</p> <p>As detailed in note 2 (e), the Group's revenue is generated from football and stadium operations, merchandising and multimedia and other commercial activities.</p> <p>Given the material nature of revenue and its growth in the year, revenue is of significant interest to the users of the financial statements.</p> <p>In addition, revenue recognition is a presumed fraud risk under International Standards on Auditing (UK).</p> <p>As a result we consider revenue recognition to be a key audit matter.</p>	<p>We reviewed the revenue accounting policies and practices for consistency of application as well as the basis of any recognition estimates.</p> <p>We tested the Group's revenue streams to gain assurance over the completeness, existence and accuracy of reported revenue.</p> <p>We tested season ticket and match and hospitality ticket reconciliation controls. We tested catering till reconciliation controls. We agreed samples of transactions from the nominal ledger to supporting documentation and bank receipt. We agreed samples of transactions from source documentation to recording in the nominal ledger.</p> <p>We tested store till reconciliation controls. We agreed samples of transactions from the nominal ledger to supporting documentation and bank receipt. We agreed samples of transactions from source documentation to recording in the nominal ledger and bank receipt.</p> <p>We agreed samples of transactions from the nominal ledger to bank receipt. We verified a sample of contracts and agreed a sample of transactions from source documentation to recording in the nominal ledger and bank receipt.</p> <p>We performed cut-off procedures on all revenue streams to test transactions in the period before and after the year end and verified a sample of revenue to originating documentation to gain assurance that transactions were recorded in the correct period. We tested the calculation of material accrued and deferred revenue amounts.</p>
<p>Intangible assets</p> <p>Intangible assets account for a significant asset value within the financial statements. Due to the nature of intangible assets, being the costs of acquiring and retaining football personnel, they are of significant interest to the users of the financial statements.</p> <p>Intangible fixed assets can become impaired and contracts can become onerous in certain circumstances. These areas may require significant levels of judgement and are an area where management override could occur. This leads to a higher risk profile.</p> <p>Profit or loss on disposal of intangible assets can materially affect the reported performance of the business.</p>	<p>We reviewed the intangible assets accounting policies and practices for consistency of application as well as the basis of any recognition estimates.</p> <p>We agreed a sample of additions to purchase agreements with football clubs and agent contracts. We agreed calculations of discounted purchase agreement amounts. We reviewed amortisation rates applied to intangible assets and confirmed they were calculated in accordance with the stated policy.</p> <p>We verified transfer arrangements to supporting documentation and recalculated the profit or loss on disposal of intangible assets during the year to gain assurance over the accurate treatment of cut-off and revenue receivable, costs payable and discounting adjustments where required.</p> <p>We reviewed intangible assets for indications of impairment and onerous contract positions by reviewing football personnel's involvement in the football squad and post year end football transfer activity.</p> <p>We assessed the existence and accuracy of the impairment and onerous contract provisions calculated by management by verifying obligations to contract and estimated future operating contribution to the data underlying management's assessment. We assessed the judgements and estimates applied in calculating the provisions, including discount rates applied, and we reviewed a sample of unimpaired intangible assets for evidence of their contribution to the business in order to assess the completeness of the provisions. We reviewed the adequacy of disclosures in respect of impairment charges and onerous contract provisions.</p>

An overview of the scope of our audit

The Group manages its operations from a single location in the UK and has common financial systems, processes and controls covering all significant components. The audit of all significant components was performed by the same audit team.

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

Whilst materiality for the financial statements as a whole was £600,000, each component was audited to a materiality of £570,000.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and their environments obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Alastair Rae (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow, United Kingdom
20 September 2017

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



INVINCIBLES



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 30 JUNE 2017

	Note	2017 £000	2016 £000
CONTINUING OPERATIONS:			
Revenue	4	90,639	52,009
Operating expenses (before intangible asset transactions and exceptional items)	5, 6	(76,329)	(57,249)
Profit/(loss) from trading before intangible asset transactions and exceptional items		14,310	(5,240)
Exceptional operating expenses	8	(1,526)	(1,721)
Amortisation of intangible assets	17	(7,546)	(4,953)
Profit on disposal of intangible assets		2,279	12,644
Operating profit	6	7,517	730
Finance income	12	204	350
Finance expense	12	(824)	(621)
Profit before tax		6,897	459
Income tax expense	13	-	-
Profit and total comprehensive income for the year		6,897	459
Basic earnings per Ordinary Share for the year	15	7.38p	0.49p
Diluted earnings per Share for the year	15	5.46p	0.49p

The notes on pages 39 to 63 form part of these financial statements.

CONSOLIDATED BALANCE SHEET YEAR ENDED 30 JUNE 2017

	Notes	2017 £000	2016 £000
Assets			
Non-current assets			
Property, plant and equipment	16	56,332	55,276
Intangible assets	17	13,927	9,798
Trade receivables	21	-	3,966
		70,259	69,040
Current assets			
Inventories	19	2,414	1,889
Trade and other receivables	21	12,284	14,682
Cash and cash equivalents	22, 31	24,505	10,450
		39,203	27,021
Total assets		109,462	96,061
Equity			
Issued share capital	23	27,107	24,316
Share premium	24	14,657	14,611
Other reserve	24	21,222	21,222
Capital reserve	24	-	2,781
Accumulated losses		(5,563)	(12,460)
Total equity		57,423	50,470
Non-current liabilities			
Interest bearing liabilities/bank loans	25	6,450	6,650
Debt element of Convertible Cumulative Preference Shares	23	4,232	4,242
Trade and other payables	27	5,940	-
Provisions	28	1,543	1,105
Deferred income	29	115	1,343
		18,280	13,340
Current liabilities			
Trade and other payables	26	10,435	11,879
Current borrowings	26	304	304
Provisions	28	658	196
Deferred income	29	22,362	19,872
		33,759	32,251
Total liabilities		52,039	45,591
Total equity and liabilities		109,462	96,061

The financial statements were approved and authorised for issue by the Board on 20 September 2017 and were signed on its behalf by

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

The notes on pages 39 to 63 form part of these financial statements.

COMPANY BALANCE SHEET YEAR ENDED 30 JUNE 2017

	Notes	2017 £000	2016 £000
Assets			
Non-current assets			
Property, plant and equipment	16	56,332	55,276
Intangible assets	17	13,927	9,798
Investment in subsidiaries	18	-	-
Trade receivables	21	-	3,966
		70,259	69,040
Current assets			
Trade and other receivables	21	5,834	9,574
Cash and cash equivalents	22, 31	23,987	9,684
		29,821	19,258
Total assets		100,080	88,298
Equity			
Issued share capital	23	27,107	24,316
Share premium	24	14,657	14,611
Other reserve	24	21,222	21,222
Capital reserve	24	-	2,781
Accumulated profits		2,414	2,371
Total equity		65,400	65,301
Non-current liabilities			
Interest bearing liabilities/bank loans	25	6,450	6,650
Debt element of Convertible Cumulative Preference Shares	23	4,232	4,242
Trade and other payables	27	5,940	-
Deferred tax liabilities	20	559	-
Provisions	28	542	-
		17,723	10,892
Current liabilities			
Trade and other payables	26	16,187	11,077
Current borrowings	26	304	304
Provisions	28	466	-
Deferred Income	29	-	724
		16,957	12,105
Total liabilities		34,680	22,997
Total equity and liabilities		100,080	88,298

A separate income statement for the Company has not been presented as permitted by Section 408 of the Companies Act 2006. The profit for the Company is £0.04m (2016: £0.09m).

The financial statements were approved and authorised for issue by the Board on 20 September 2017 and were signed on its behalf by

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

The notes on pages 39 to 63 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2017

	Share capital £000	Share premium £000	Other reserve £000	Capital reserve £000	Retained earnings £000	Total £000
Consolidated						
Equity shareholders' funds as at 1 July 2015	24,294	14,573	21,222	2,781	(12,919)	49,951
Share capital issued	1	38	-	-	-	39
Reduction in debt element of convertible cumulative preference shares following conversion	21	-	-	-	-	21
Profit and total comprehensive income for the year	-	-	-	-	459	459
Equity shareholders' funds as at 30 June 2016	24,316	14,611	21,222	2,781	(12,460)	50,470
Share capital issued	1	46	-	-	-	47
Reduction in debt element of convertible cumulative preference shares following conversion	9	-	-	-	-	9
Transfer from Capital Reserve	2,781	-	-	(2,781)	-	-
Profit and total comprehensive income for the year	-	-	-	-	6,897	6,897
Equity shareholders' funds as at 30 June 2017	27,107	14,657	21,222	-	(5,563)	57,423
Company						
Equity shareholders' funds as at 1 July 2015	24,294	14,573	21,222	2,781	2,282	65,152
Share capital issued	1	38	-	-	-	39
Reduction in debt element of convertible cumulative preference shares following conversion	21	-	-	-	-	21
Profit and total comprehensive income for the year	-	-	-	-	89	89
Equity shareholders' funds as at 30 June 2016	24,316	14,611	21,222	2,781	2,371	65,301
Share capital issued	1	46	-	-	-	47
Reduction in debt element of convertible cumulative preference shares following conversion	9	-	-	-	-	9
Transfer from Capital Reserve	2,781	-	-	(2,781)	-	-
Profit and total comprehensive income for the year	-	-	-	-	43	43
Equity shareholders' funds as at 30 June 2017	27,107	14,657	21,222	-	2,414	65,400

The notes on pages 39 to 63 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Profit for the year		6,897	459
Depreciation	16	1,664	1,689
Amortisation of intangible assets	17	7,546	4,953
Impairment of intangible assets	17	287	1,294
Reversal of prior period impairment charge	17	(64)	(288)
Profit on disposal of intangible assets		(2,279)	(12,644)
Loss on disposal of property, plant and equipment		198	106
Net Finance costs	12	620	271
		14,869	(4,160)
(Increase)/decrease in inventories		(525)	209
(Increase)/decrease in receivables		(687)	212
Increase in payables and deferred income		2,435	4,695
Cash generated from operations		16,092	956
Net Interest paid		(95)	(91)
<i>Net cash flow from operating activities</i>		15,997	865
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,737)	(1,455)
Purchase of intangible assets		(9,889)	(10,933)
Proceeds from sale of intangible assets		11,382	13,261
<i>Net cash used in investing activities</i>		(1,244)	873
Cash flows from financing activities			
Repayment of debt		(200)	(200)
Dividend on Convertible Cumulative Preference Shares		(498)	(458)
<i>Net cash used in financing activities</i>		(698)	(658)
Net increase in cash equivalents		14,055	1,080
Cash and cash equivalents at 1 July 2016		10,450	9,370
Cash and cash equivalents at 30 June 2017	22	24,505	10,450

The notes on pages 39 to 63 form part of these financial statements.

COMPANY CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Profit for the year		43	89
Taxation charge	20	559	-
Depreciation	16	1,664	1,689
Amortisation of intangible assets	17	7,546	4,953
Impairment of intangible assets	17	287	1,294
Reversal of prior period impairment charge	17	(64)	(288)
Profit on disposal of intangible assets		(2,279)	(12,644)
Loss on disposal of property, plant and equipment		198	106
Net Finance costs	12	620	271
		8,574	(4,530)
Decrease/(increase) in receivables		651	(673)
Increase in payables		7,115	5,768
Cash generated from operations		16,340	565
Net Interest paid		(95)	(91)
<i>Net cash flow from operating activities</i>		16,245	474
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,737)	(1,455)
Purchase of intangible assets		(9,889)	(10,933)
Proceeds from sale of intangible assets		11,382	13,261
<i>Net cash used in investing activities</i>		(1,244)	873
Cash flows from financing activities			
Repayment of debt		(200)	(200)
Dividend on Convertible Cumulative Preference Shares		(498)	(458)
<i>Net cash used in financing activities</i>		(698)	(658)
Net increase in cash equivalents		14,303	689
Cash and cash equivalents at 1 July 2016		9,684	8,995
Cash and cash equivalents at 30 June 2017	22	23,987	9,684

The notes on pages 39 to 63 form part of these financial statements.

1 AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE

The consolidated financial statements of Celtic plc (the 'Company') and its subsidiaries (together, the 'Group') for the year ended 30 June 2017 were approved and authorised for issue in accordance with a resolution of the Directors on 20th September 2017. The comparative information is presented for the year ended 30 June 2016.

Celtic plc is a public company incorporated in Scotland and is listed on the AIM market operated by the London Stock Exchange. The registered office is detailed within the Directors, Officers and Advisers section on page 64.

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

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to financial years 2017 and 2016 presented, for both the Group and the Company.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and in accordance with the provisions of the Companies Act 2006. The Financial Statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through the Statement of Comprehensive Income.

Going concern

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

Adoption of standards not yet effective

At the date of authorisation of these financial statements, the following Standards which have not been applied in these financial statements were in issue but not yet effective:

International Accounting Standards	Effective date for periods commencing
IFRS 9: Financial Instruments	1 January 2018
IFRS 15: Revenue from Contracts with Customers	1 January 2018
IFRS 16: Leases	1 January 2019

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

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A detailed review of the impact of this standard is being undertaken, however the Group believes the impact of implementing IFRS 9 will be not be significant.

IFRS 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Having assessed our revenue recognition policy for each activity type, as detailed in note 3 (e), it is assessed that there is no significant impact on the Group's financial statements, as in all cases, revenue recognised relates to events and contractual sponsorship agreements which are fully delivered within any given financial year.

IFRS 16 specifies the recognition, measurement, presentation and disclosure of leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases. Based on our assessment, the net impact to the Group's financial statements is not considered to be material, however we will recognise the carrying value of the operating leases within assets with an offsetting liability and there will also be a reallocation in the Statement of Comprehensive Income from rental costs to depreciation within Operating Expenses to and to the unwinding discount within Finance Expense.

3 ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidation includes the financial statements of the Company and its subsidiary undertakings and is based on their audited financial statements for the year ended 30 June 2017.

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

(b) Property, plant and equipment

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

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

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate. Gains or losses on disposal are included in Operating Expenses in the consolidated statement of comprehensive income. The Group assesses at each balance sheet date whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value and where impairment is present, impairment losses are recognised in the consolidated statement of comprehensive income. Freehold land is not depreciated.

(c) Intangible assets

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

(d) Impairment policy

The Group and Company assesses for indicators of impairment at each balance sheet date by assessing each individual players carrying value in respect of their contribution to the cash generating business activities.

In determining, whether an intangible asset is impaired account is taken of the following:

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

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

(e) Revenue

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

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

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 and is recognised when services have been delivered to our customers.

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

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

- i) Domestic league television rights are sold centrally by the Scottish Professional Football League ("SPFL") and distributed to the Scottish Premiership clubs on a percentage basis dependent upon the final league positions of the clubs. Revenue is recognised evenly over the period to which it relates, namely the course of the football season.
- ii) Domestic cup rights are sold centrally by either the Scottish Football Association ("SFA") or the SPFL (depending on the competition) who advise clubs of the value of each televised match. Revenue is recognised when a televised match is played.
- iii) European rights sales derived from participation in the UEFA Champions League or the UEFA Europa League are sold centrally by UEFA who advise clubs of the values to be paid for their participation in the tournament. Revenue is recognised, based on known amounts, when each relevant match is played with any surplus pay out recognised once it has been advised.
- iv) Other television rights sales which are made by Celtic, such as home friendly matches, are recognised once the televised match has taken place.

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

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

(f) Financial instruments

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

Cash and cash equivalents: Cash and cash equivalents include cash in hand, deposits held at call or on deposit with banks, other short-term highly liquid investments with original maturities of three months or less from inception. For the purpose of the cashflow statement, deposits held on maturities of greater than 3 months are not classed as cash and cash equivalents under IAS7.

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

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

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

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

(g) Leasing obligations

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

(h) Inventories

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

(i) Pension costs

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

(j) Foreign exchange

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

(k) Taxation

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the period.

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

(l) Exceptional operating expenses

It is the Group's policy to categorise the impairment of property, plant and equipment, the impairment of intangible assets and any subsequent reversal of a previous impairment of property, plant and equipment or intangible assets, onerous contract costs, compromise payments and non-recurring expenditure as exceptional operating expenses in the consolidated statement of comprehensive income.

(m) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, the obligation can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

In respect of an onerous contract, a provision is recognised where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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

(n) Critical accounting estimates and judgements

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

- (i) **Impairment and intangible asset net book value**
IFRS requires companies to carry out impairment assessment on any assets that show indications of impairment at the balance sheet date. This assessment includes exercising management judgement and considering the balance sheet carrying value as noted at 3(d) above.
- (ii) **Provisions and onerous contracts**
Management judgement is used to determine whether a contract is onerous and, if so, the amount of provision required. This is assessed by comparing the future cost of contractual obligations against the projected income for the item in question using future forecasts. Judgement is required to assess the projected income or economic benefits achievable. This is assessed on a case by case basis.
- (iii) **Taxation**
The level of current and deferred tax recognised in the financial statements is dependent on subjective judgements as to the future financial performance of the Group. Management believes it has made adequate provision for such matters and the detailed tax disclosures are provided in notes 13 and 20.

4 SEGMENTAL REPORTING

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

	Football and Stadium Operations £000	Merchandising £000	Multimedia and Other Commercial Activities £000	Consolidated £000
Year to 30 June 2017				
External revenue	37,571	16,479	36,589	90,639
(Loss)/profit from segment before asset transactions and exceptional operating expenses	(27,118)	7,222	34,206	14,310
Exceptional operating expenses	(1,227)	-	(299)	(1,526)
Amortisation of intangible assets	(7,546)	-	-	(7,546)
Profit on disposal of intangible assets	2,279	-	-	2,279
Operating profit				7,517
Net finance costs				(620)
Taxation				-
Profit for the year				6,897
Other information:				
Segment assets	80,910	3,233	729	84,872
Unallocated corporate assets				24,590
Consolidated total assets				109,462
Segment liabilities	29,680	3,531	3,294	36,505
Unallocated corporate liabilities				15,534
Consolidated total liabilities				52,039
Capital expenditure	2,720	60	138	2,918
Depreciation	1,545	53	66	1,664
Intangible asset additions	13,773	-	-	13,773
Net impairment charge	223	-	-	223

	Football and Stadium Operations £000	Merchandising £000	Multimedia and Other Commercial Activities £000	Consolidated £000
Year to 30 June 2016				
External revenue	25,149	12,577	14,283	52,009
(Loss)/profit from segment before asset transactions and exceptional operating expenses	(22,130)	4,741	12,149	(5,240)
Exceptional operating expenses	(1,625)	-	(96)	(1,721)
Amortisation of intangible assets	(4,953)	-	-	(4,953)
Profit on disposal of intangible assets	12,644	-	-	12,644
Operating loss				730
Net finance costs				(271)
Taxation				-
Profit for the year				459
Other information:				
Segment assets	80,040	4,030	1,396	85,466
Unallocated corporate assets				10,595
Consolidated total assets				96,061
Segment liabilities	24,117	1,869	1,367	27,353
Unallocated corporate liabilities				18,238
Consolidated total liabilities				45,591
Capital expenditure	1,529	-	90	1,619
Depreciation	1,541	68	80	1,689
Intangible asset additions	8,755	-	-	8,755
Net impairment charge/(reversal)	1,006	-	-	1,006

5 OPERATING EXPENSES (BEFORE INTANGIBLE ASSET AND EXCEPTIONAL TRANSACTIONS)

	2017 £000	2016 £000
The Group's operating expenses comprised:		
Football and Stadium Operations (excluding exceptional items and asset transactions)	64,689	47,279
Merchandising	9,257	7,836
Multimedia and Other Commercial Activities	2,383	2,134
	76,329	57,249

6 OPERATING PROFIT

	Note	2017 £000	2016 £000
Operating profit is stated after charging:			
Staff costs	9	52,190	36,888
Depreciation of property, plant and equipment	16	1,664	1,689
Impairment of intangible assets	17	287	1,294
Reversal of prior period impairment charges	17	(64)	(288)
Amortisation of intangible assets	17	7,546	4,953
Operating lease expense	30	729	854
Foreign exchange loss		15	212
Cost of inventories recognised as expense		9,084	6,879

7 AUDITOR'S REMUNERATION

	2017 £000	2016 £000
Fees payable to the Company's auditor and its associates in respect of:		
Audit of the Company's financial statements	21	20
Audit of the financial statements of the Company's subsidiaries	16	15
Audit related services	2	2
Taxation compliance services	13	22
Taxation advisory services	12	2
Other non-audit services	-	16
	64	77

8 EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £1.53m (2016: £1.72m) can be analysed as follows:

	2017 £000	2016 £000
Impairment of intangible assets	287	1,294
Reversal of prior period impairment charges	(64)	(288)
Onerous employment contracts	1,004	-
Settlement agreements on contract termination	299	715
	1,526	1,721

The impairment of intangible assets, and the reversal of impairment charges, relate to adjustments required as a result of management's assessment of the carrying value of certain player registrations relative to their current market value.

Onerous employment contact costs result from a situation where the committed costs under that contract are assessed as exceeding the economic benefits expected to be received by the Group over the term of the contract.

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

9 STAFF PARTICULARS

Group	2017 £000	2016 £000
Wages and salaries	46,293	32,775
Social security costs	5,473	3,683
Other pension costs	424	430
	52,190	36,888

Included in the above wages and salaries is £924,000 (2016: £673,000) paid to agency staff.

Employee numbers (Group)	2017 Number	2016 Number
Players and football administration staff	170	166
Administration and retail staff	337	299
Average number of full time equivalents employed in the year:	507	465

During the year the average number of employees was 752 (2016: 699).

Company	2017 £000	2016 £000
Wages and salaries	7,240	4,051
Social security costs	900	412
Other pension costs	133	131
	8,273	4,594

Included in the above wages and salaries is £19,000 (2016: £nil) paid to agency staff.

Employee numbers (Company)	2017 Number	2016 Number
Players and football administration staff	73	69
Administration and retail staff	24	24
Average number of full time equivalents employed in the year:	97	93

During the year the average number of employees was 102 (2016: 96).

10 DIRECTORS' EMOLUMENTS

	Salary/Fees £	Ill Health Payment £	Bonus £	Benefits in kind £	Total Excl pension costs £	Pension Costs £	2017 Total £
T Allison	25,000	-	-	-	25,000	-	25,000
I Bankier	50,000	-	-	-	50,000	-	50,000
D Desmond	25,000	-	-	-	25,000	-	25,000
P Lawwell	1,150,000	-	-	17,411	1,167,411	-	1,167,411
I Livingston	30,000	-	-	-	30,000	-	30,000
C McKay	140,000	-	61,250	12,217	213,467	21,000	234,467
B Wilson	25,000	-	-	-	25,000	-	25,000
S Brown	14,015	-	-	-	14,015	111	14,126
	1,459,015	-	61,250	29,628	1,549,893	21,111	1,571,004

	Salary/Fees £	Ill Health Payment £	Bonus £	Benefits in kind £	Total Excl pension costs £	Pension Costs £	2016 Total £
T Allison	25,000	-	-	-	25,000	-	25,000
I Bankier	50,000	-	-	-	50,000	-	50,000
D Desmond	25,000	-	-	-	25,000	-	25,000
P Lawwell	575,429	-	406,751	17,380	999,560	-	999,560
I Livingston	30,000	-	-	-	30,000	-	30,000
C McKay	67,500	-	25,313	5,400	98,213	10,125	108,338
E Riley	82,213	237,500	34,164	5,983	359,860	11,774	371,634
B Wilson	25,000	-	-	-	25,000	-	25,000
	880,142	237,500	466,228	28,763	1,612,633	21,899	1,634,532

The aggregate emoluments and pension contributions of the highest paid director were £1,167,411 (2016: £999,560) and £nil (2016: £nil) respectively. The aggregate emoluments of the highest paid director include bonus provision entitlement. During the year, contributions were paid to defined contribution money purchase pension schemes in respect of 2 (2016: 2) Directors. The employers NIC on Directors' remuneration during the year amounted to £254,890 (2016: £175,336). No Directors received share options during the year (2016: £nil).

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

Chris McKay participates in the ELTIP. The Remuneration Committee was satisfied that Mr McKay had satisfied the applicable criteria for the financial year to 30 June 2017. Accordingly, the awards set out in the table on page 23 have vested for the benefit of Mr. McKay. Payment remains subject to the operation of the ELTIP conditions.

In addition, an LTPIP was introduced in 2017 with the purpose of linking the continuing service and performance of the Chief Executive to performance targets which have the objective of improving Company performance, the football performance of Celtic FC and generating shareholder value. Mr Lawwell participates in the LTPIP. The Remuneration Committee was satisfied that the awards set out in the table on page 23 have vested for the benefit of Mr. Lawwell. Payment remains subject to the operation of the LTPIP conditions.

11 RETIREMENT BENEFIT OBLIGATIONS

The Group and Company pension arrangements are operated through a defined contribution money purchase scheme. The assets of the pension scheme are held separately from those of the Group and Company by The Standard Life Assurance Company. Contributions made by the Group and Company to the scheme during the year amounted to £394,478 (2016: £298,827) and £106,859 (2016: £131,387) respectively. Group and Company contributions of £36,411 (2016: £24,832) and £9,804 (2016: £6,087) 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.

12 FINANCE INCOME AND EXPENSE

	Note	2017 £000	2016 £000
Finance income:			
Notional interest receivable on deferred consideration		176	322
Interest receivable on bank deposits		28	28
		204	350
Finance expense:			
Interest payable on bank and other loans		120	119
Notional interest payable on deferred consideration		146	-
Dividend on Convertible Cumulative Preference Shares	14	558	502
		824	621

13 TAX ON ORDINARY ACTIVITIES

No provision for corporation tax is required in respect of the year ended 30 June 2017. Estimated tax losses available for set-off against future trading profits amount to approximately £7.64m (2016: £16.08m) and, in addition, the available capital allowances pool is approximately £9.52m (2016: £10.25m). These estimates are subject to the agreement of the current and prior years' corporation tax computations with HM Revenue and Customs. The corporation tax assessed for the year is different from the standard rate of corporation tax in the United Kingdom of 19.75% (2016: 20.00%).

	Note	2017 £000	2016 £000
Current tax expense		-	-
Deferred tax expense			
Origination of temporary timing differences	20	(559)	-
Recognition of previously unrecognised deferred tax assets		559	-
Total deferred tax		-	-
Total tax expense		-	-

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

Profit on ordinary activities before tax	6,897	459
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 19.75% (2016: 20.00%)	1,362	92
Effects of:		
Fixed asset differences	260	275
Expenses not deductible for tax purposes	114	115
Income not taxable for tax purposes	(198)	(157)
Other permanent differences	4	2
Adjust closing deferred tax to average rate	(59)	313
Deferred tax not recognised	(1,483)	(640)
Total tax expense	-	-

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

14 DIVIDEND ON CONVERTIBLE CUMULATIVE PREFERENCE SHARES

A 6% non-equity dividend of £0.51m (2016: £0.52m, before tax credit deduction), was paid on 31 August 2017 to those holders of Convertible Cumulative Preference Shares on the share register at 28 July 2017. A number of shareholders elected to participate in the Company's scrip dividend reinvestment scheme for the financial year to 30 June 2017. Those shareholders have received new Ordinary Shares in lieu of cash. No dividends were payable or proposed to be payable on the Company's Ordinary Shares.

During the year, the Company reclaimed £0.02m (2016: £0.02m) in respect of statute barred preference dividends in accordance with the Company's Articles of Association.

15 EARNINGS PER SHARE

	2017 £000	2016 £000
Reconciliation of earnings to basic earnings:		
Net earnings attributable to equity holders of the parent	6,897	459
Basic earnings	6,897	459
Reconciliation of basic earnings to diluted earnings:		
Basic earnings	6,897	459
Non-equity share dividend	577	521
Reclaim of statute barred non-equity share dividends	(19)	(19)
Diluted earnings	7,455	961
	No:000	No:000
Reconciliation of basic weighted average number of ordinary shares to diluted weighted average number of ordinary shares:		
Basic weighted average number of ordinary shares	93,403	93,120
Dilutive effect of convertible shares	43,041	43,179
Diluted weighted average number of ordinary shares	136,444	136,299

Earnings per share of 7.38p (2016: 0.49p) has been calculated by dividing the profit for the period of £6.90m (2016: £0.46m) by the weighted average number of Ordinary Shares of 93.4m (2016: 93.1m) in issue during the year. Diluted earnings per share of 5.46p (2016: 0.49p) as at 30 June 2017 has been calculated by dividing the profit for the period by the weighted average number of Ordinary Shares, Convertible Cumulative Preference Shares and Convertible Preferred Ordinary Shares in issue, assuming conversion at the balance sheet date, if dilutive.

16 PROPERTY, PLANT AND EQUIPMENT

Group and Company	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2016	54,180	4,105	18,818	77,103
Additions	1,630	20	1,268	2,918
Disposals	(189)	(103)	(589)	(881)
At 30 June 2017	55,621	4,022	19,497	79,140
Accumulated Depreciation				
At 1 July 2016	4,151	2,756	14,920	21,827
Charge for year	611	202	851	1,664
Eliminated on disposal	(85)	(80)	(518)	(683)
At 30 June 2017	4,677	2,878	15,253	22,808
Net Book Value				
At 30 June 2017	50,944	1,144	4,244	56,332
At 30 June 2016	50,029	1,349	3,898	55,276

Group and Company	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2015	53,989	4,114	18,093	76,196
Additions	191	60	1,368	1,619
Disposals	-	(69)	(643)	(712)
At 30 June 2016	54,180	4,105	18,818	77,103
Accumulated Depreciation				
At 1 July 2015	3,564	2,584	14,596	20,744
Charge for year	587	230	872	1,689
Eliminated on disposal	-	(58)	(548)	(606)
At 30 June 2016	4,151	2,756	14,920	21,827
Net Book Value				
At 30 June 2016	50,029	1,349	3,898	55,276
At 30 June 2015	50,425	1,530	3,497	55,452

17 INTANGIBLE ASSETS

Group and Company	2017 £000	2016 £000
Cost		
At 1 July	28,244	30,200
Additions	13,773	8,755
Disposals	(7,682)	(10,711)
At 30 June	34,335	28,244
Amortisation		
At 1 July	18,446	21,844
Charge for year	7,546	4,953
Provision for impairment	287	1,294
Reversal of prior period impairment	(64)	(288)
Disposals	(5,807)	(9,357)
At 30 June	20,408	18,446
Net Book Value		
At 30 June	13,927	9,798

	2017 No.	2017 £000	2016 No.	2016 £000
The number of players with a book value in excess of £1m by contract expiry date is as follows:				
Contract expiry within 1 year	-	-	1	1,458
Contract expiry within 2 years	3	6,691	-	-
Contract expiry within 3 years	-	-	3	4,608
Contract expiry within 4 years	1	2,460	-	-
	4	9,151	4	6,066

No individual intangible asset included above accounted for more than 19% of the total net book value of the intangible assets (2016: 23%). The opening net book value of intangible assets at 1 July 2016 was £9.80m and on 1 July 2015 was £8.36m.

The profit on disposal of player registrations in the year was £2.28m (2016: £12.64m). The impairment provision in the current and prior year within the football segment reflects the Directors' view that the recoverable amount of the intangible asset is lower than the carrying value, as per Note 3(d) above, and recognises a write down to fair value less costs to sell. The impairment charge of £0.29m (2016: £1.29m) includes nil players (2016: 2) whose contract expires within one year.

18 INVESTMENTS

Subsidiaries

The Company's wholly owned subsidiary undertaking continues to be Celtic FC Limited, the main activity of which is the operation of a professional football club. In turn, Celtic FC Limited holds 100% of the issued ordinary share capital in each of the following companies:

Subsidiary undertaking	Activity	Year End
Protectevent Limited	Dormant	30th June
Glasgow Eastern Developments Limited	Management of properties	30th June
The Celtic Football and Athletic Company Limited	Football club management & promotional services	30th June

These companies are registered in Scotland and are all included in the consolidated financial statements. The companies are all registered at Celtic Park, Glasgow, G40 3RE.

Other Investments

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

19 INVENTORIES

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Raw materials	36	29	-	-
Finished goods	2,378	1,860	-	-
	2,414	1,889	-	-

Inventories written down during the year amounted to £0.10m (2016: £0.16m).

20 DEFERRED TAX

Group

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 17% (2016: 18%). The reduction in the main rate of corporation tax to 17% was substantively enacted on 15th September 2016. This new rate has been applied to deferred tax balances which are expected to reverse after 1 April 2017, the date on which that new rate becomes effective.

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

	2017 £000	2016 £000
At 1 July	-	-
<i>Recognised in Consolidated Statement of Comprehensive Income</i>		
Tax expense	(559)	-
Tax credit	559	-
	-	-
At 30 June	-	-

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered in the foreseeable future. A deferred tax asset of £1.30m (£2.93m) has not been recognised as it is not considered probable, at this time, that there will be sufficient future taxable profits for this asset to be received against in the foreseeable future.

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

	Asset 2017 £000	Liability 2017 £000	Net 2017 £000	(Charged) /Credited to Consolidated Statement of Comprehensive Income 2017 £000
Accelerated capital allowances	-	(559)	(559)	(559)
Available losses	559	-	559	559
Tax asset/(liabilities)	559	(559)	-	-
Net tax assets/(liabilities)	559	(559)	-	-

	Asset 2016 £000	Liability 2016 £000	Net 2016 £000	(Charged) /credited to Consolidated Statement of Comprehensive Income 2016 £000
Accelerated capital allowances	-	-	-	-
Available losses	-	-	-	-
Tax asset/(liabilities)	-	-	-	-
Net tax assets/(liabilities)	-	-	-	-

A deferred tax asset has not been recognised for the following:

	2017 £000	2016 £000
Unused tax losses	1,301	2,930

Company

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

	2017 £000	2016 £000
At 1 July	-	-
<i>Recognised in Company Statement of Comprehensive Income</i>		
Tax expense	(559)	-
At 30 June	(559)	-

At 30 June 2017, the deferred tax asset not reflected in the Company's Financial Statements was £0.002m (2016: £0.018m) which represents short term timing differences of £0.002m (2016: unutilised trading losses of £0.018m).

21 TRADE AND OTHER RECEIVABLES

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Trade receivables	10,966	17,445	5,741	13,388
Provision for doubtful debts (see below)	(188)	(50)	-	(5)
	10,778	17,395	5,741	13,383
Prepayments and accrued income	1,071	1,005	93	157
Other receivables	435	248	-	-
	12,284	18,648	5,834	13,540

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

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Trade receivables	-	3,966	-	3,966

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
The movement in the provision for doubtful debts was as follows:				
Opening balance	50	20	5	-
Balances written off	(21)	(6)	(5)	-
Change in provision	159	36	-	5
Closing balance	188	50	-	5

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

22 CASH AND CASH EQUIVALENTS

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Cash at bank	24,485	10,429	23,987	9,684
Cash on hand	20	21	-	-
Cash and cash equivalents	24,505	10,450	23,987	9,684

23 SHARE CAPITAL

Group and Company	Authorised		Allotted, called up and fully paid			
	2017 No.'000	2016 No.'000	2017 No.'000	2017 £000	2016 No.'000	2016 £000
Equity						
Ordinary Shares of 1p each	222,925	222,787	93,459	935	93,256	933
Deferred Shares of 1p each	638,055	631,134	638,055	6,381	631,134	6,311
Convertible Preferred Ordinary Shares of £1 each	14,980	15,029	12,992	12,992	13,042	13,042
Non-equity						
Convertible Cumulative Preference Shares of 60p each	18,517	18,552	16,017	9,610	16,052	9,631
Less reallocated to debt under IAS 32:						
Initial debt				(2,811)		(2,820)
Capital reserve				-		(2,781)
	894,477	887,502	760,523	27,107	753,484	24,316

On 31 August 2017, 61,141 new Ordinary Shares of 1p each were issued in respect of mandates received from holders of Convertible Cumulative Preference Shares to reinvest their dividends.

The Convertible Preferred Ordinary Shares ("CPO") may be converted into Ordinary Shares and Deferred Shares on the election of the shareholder. Each Convertible Preferred Ordinary Share converts into 2.08 Ordinary Shares and 97.92 Deferred Shares. Since 30 June 2017, the Company has converted 1,800 Convertible Preferred Ordinary Shares. As at 19 September 2017, the latest practicable date before publication, notices had been received in respect of the conversion of 2,000 Convertible Preferred Ordinary Shares.

On issue, the CPOs also had rights to fixed dividend for a set period, which has now expired. In consequence, they were treated as a compound financial instrument with a proportion of the share capital being recognised as a liability, measured at the present value of the fixed dividend. As the initial liability amount remained capital of the Company, an amount equivalent to the initially recognised liability was transferred to the Capital Reserve from retained earnings. As the rights to dividend have now expired and the liability has been eliminated, the Capital Reserve has been transferred to Share Capital. The amount recognised within share capital in respect of the CPOs now represents the full nominal value of the shares that remain unconverted at the balance sheet date. There has been no impact on the overall capital position of the Company following this conversion.

Each Convertible Cumulative Preference Share ("CCP") of 60p carries the right, subject to the availability of distributable profits, to the payment of a fixed cumulative preference dividend equal to 6% (less tax credit deduction) of its nominal value. This dividend right started accruing from 1 July 1996, approximately six months after the CCPs were issued, with the first dividend payment made on 31 August 1997. Holders of CCPs are also entitled to convert each share into one Ordinary Share of 1p and 59 Deferred Shares of 1p each. During the year ended 30 June 2017, 35,166 CCPs were converted in accordance with these provisions. Since 30 June 2017, the Company has converted 22,278 Convertible Cumulative Preference Shares into Ordinary Shares. The Ordinary Shares of 1p each, arising on conversion rank pari passu in all respects with the existing Ordinary Shares of 1p each. The Deferred Shares are non-transferable, carry no voting rights, no class rights and have no valuable economic rights. As at 19 September 2017, the latest practicable date before publication, no further notices had been received in respect of the conversion of the CCPs.

As the CCPs are compound financial instruments, on initial recognition, an amount equivalent to the present value of the future cash dividend payments (calculated by reference to the Company's then incremental borrowing rate of 23.42%) was recognised as a financial liability. That financial liability was subsequently measured at amortised cost using the effective interest rate of 23.42%. The current carrying value of the financial liability element of the CCPs in the Statement of Financial Position is £4.23m (2016: £4.24m). The difference between that liability and the amount initially recognised as debt arose as a result of interest expense charged during the initial period before dividends became payable.

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

	2017 No:000	2016 No:000
Reconciliation of number of Ordinary Shares in issue:		
Opening balance	93,256	92,831
Shares issued re scrip dividend scheme	65	50
Shares issued re Convertible Preferred Ordinary Share conversions	103	295
Shares issued re Preference Share Conversion	35	80
Closing Balance	93,459	93,256

	2017 No:000	2016 No:000
Reconciliation of number of Deferred Shares in issue:		
Opening balance	631,134	612,541
Shares issued re Convertible Preferred Ordinary Share conversions	4,846	13,895
Shares issued re Preference Share conversions	2,075	4,698
Closing Balance	638,055	631,134

	2017 No:000	2016 No:000
Reconciliation of number of Convertible Preferred Ordinary Shares in issue:		
Opening balance	13,042	13,184
Convertible Preferred Ordinary Share conversions to Ordinary and Deferred Shares	(50)	(142)
Closing Balance	12,992	13,042

	2017 No:000	2016 No:000
Reconciliation of number of Convertible Cumulative Preference Shares in issue:		
Opening balance	16,052	16,132
Convertible Cumulative Preference Share conversions to Ordinary and Deferred Shares	(35)	(80)
Closing Balance	16,017	16,052

24 RESERVES

In accordance with Resolution No 8 at the 2002 Annual General Meeting and the Court Order obtained on 9 May 2003, the previous Share Premium Account balance was cancelled and transferred to the Other Reserve. Under the terms of this cancellation, an amount equal to three times the Executive Club loans, currently equal to £312,000 (2016: £312,000) will remain non-distributable from this Other Reserve until such loans are repaid by the Company.

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

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

The increase in the Share Premium Account reflects the premium on the Ordinary Shares issued in the year.

25 BORROWINGS – GROUP AND COMPANY

	2017 £000	2016 £000
Current portion of interest bearing liabilities	200	200
Non current portion of interest bearing liabilities	6,450	6,650
	6,650	6,850

The Interest bearing liabilities are represented by loans from The Co-operative Bank. These loans bear interest at London Inter-Bank Offered Rate plus 1.50%. The loans are floating rate loans and therefore expose the Group to cash flow risk. These loans form part of the initial £20.40m loan facility which was refinanced and reduced during the financial year to a facility of £12.3m, reducing by £0.05m per quarter until May 2019 with the balance repayable in July 2019. The Group has the option to repay the loans earlier than these dates without penalty. The bank loans are secured over Celtic Park, land adjoining the stadium and at Westhorn and Lennoxton.

26 TRADE AND OTHER PAYABLES (CURRENT)

	Notes	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Current portion of bank loans		200	200	200	200
Other loans		104	104	104	104
Accrued expenses		5,670	8,492	1,916	5,721
Trade and other payables		4,765	3,387	4,276	2,800
Amounts owing to Group companies		-	-	9,995	2,556
Provisions	28	658	196	466	-
		11,397	13,484	16,957	11,381

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

27 TRADE AND OTHER PAYABLES (NON CURRENT)

	Notes	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Provisions	28	1,543	1,105	542	-
Trade and other payables		5,940	-	5,940	-
		7,683	1,105	6,482	-

28 PROVISIONS

Group	Onerous Contracts £000	Dilapidations £000	Other £000	Total £000
Cost				
At 1 July 2016	843	130	328	1,301
Provided for during the year	1,103	9	-	1,112
Release of provision	-	-	(5)	(5)
Utilised during the year	(190)	(17)	-	(207)
At 30 June 2017	1,756	122	323	2,201
Due within one year or less	651	7	-	658
Due after more than one year	1,105	115	323	1,543
At 30 June 2017	1,756	122	323	2,201

Company	Onerous Contracts £000	Dilapidations £000	Other £000	Total £000
Cost				
At 1 July 2016	-	-	-	-
Provided for during the year	1,008	-	-	1,008
At 30 June 2017	1,108	-	-	1,008
Due within one year or less	466	-	-	466
Due after more than one year	542	-	-	542
At 30 June 2017	1,008	-	-	1,008

Onerous Contracts

A provision is recognised where the unavoidable costs of meeting the obligations of certain retail lease agreements or employment contracts exceed the economic benefits expected to be received by the group over the term of the contract. Refer to note 3(g) and 3(m).

Dilapidations

A provision is recognised where the Group has a contractual obligation in respect of restoration works required on conclusion of a lease agreement. Refer to note 3(g) and 3(m).

Other

A provision is recognised in respect of other commercial contracts where a legal obligation, which can be estimated reliably and which is expected to be payable in the foreseeable future, exists at the balance sheet date. Refer to note 3(m).

29 DEFERRED INCOME

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Income deferred less than one year	22,362	19,872	-	724

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.

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Income deferred after more than one year	115	1,343	-	-

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 2017/18.

30 CAPITAL AND OTHER FINANCIAL COMMITMENTS

a. Capital commitments

Group and Company	2017 £000	2016 £000
Authorised and contracted for	862	452

b. Other commitments

At 30 June 2017 the Group had commitments under operating leases as follows:

	Land & Buildings		Other	
	2017 £000	2016 £000	2017 £000	2016 £000
Amounts payable:				
Within 1 year	529	589	17	6
Between 2 and 5 years	1,276	1,728	24	-
In more than 5 years	82	490	-	-

Lease payments recognised in the consolidated statement of comprehensive income for the period amounted to £0.73m (2016: £0.85m).

c. Contingent transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of the transfer of player registrations, additional amounts would be payable and/or receivable by the Group if specific future conditions are met. Such future conditions could include first team competitive appearances, football success in specified competitions, international appearances and being a registered Celtic player at a certain point in time.

Amounts in respect of such contracts at 30 June 2017 are noted below:

	2017 £000	2016 £000
Group and Company		
Conditions for triggering additional amounts payable:		
Appearances	609	913
Success achievements	606	557
Appearances and success achievements	-	992
Registered at a future pre-determined date	1,967	1,710
	3,182	4,172

Number of players contingent transfer fees payable relates to:	33	38
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	2017 £000	2016 £000
Group and Company		
Conditions for triggering additional amounts receivable:		
Appearances	2,099	1,949
Success achievements	24	752
Appearances and success achievements	2,123	2,701

Number of players contingent transfer fees payable relates to:	5	5
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31 FINANCIAL INSTRUMENTS – GROUP AND COMPANY

Financial risk management objectives & policies

The principal financial instruments during the financial year ended 30 June 2017 and as at the balance sheet date were trade receivables (Note 21) and payables (Note 26), bank borrowings (Note 25), cash (Note 22) and compound financial instruments. The main purpose of these financial instruments is to finance the Group's operations. The financial assets are trade receivables and cash and are categorised as loans and receivables. The financial liabilities are trade payables, bank borrowings, other creditors and the debt element of the Convertible Cumulative Preference Shares. These are all categorised as financial liabilities measured at amortised cost.

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

The principal risks arising from the Group's and the Company's financial instruments are market rate risk, credit risk and liquidity risk. The majority of the volume of transactions undertaken in the year are in Sterling; however a small number of high value transactions related to UEFA payments are denominated in Euro and the Group and Company is therefore exposed to foreign exchange risk for these transactions. Where appropriate, the Group and Company may hedge their position utilising forward contracts. There were no forward contracts in place at the year end. In addition, the Group and Company benefited from low interest rates during the financial year.

In the Directors' assessment, the principal risks remain unchanged from 2016.

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

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

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

(i) Market risk

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

Interest Rate Risk

The working capital of the Group and Company is funded largely by bank borrowings. The Group and Company has a £12.3m (2016: £18.7m) facility with The Co-operative Bank, which was refinanced during the year, of which £5.65m (2016: £5.0m) is in the form of a Revolving Credit Facility ("RCF") and £6.65m (2016: £13.7m) in long-term loans. While the nature of the RCF results in the application of a floating rate, the loans offer the possibility to lock into a longer-term interest rate. £6.65m (2016: £6.85m) of the loan facility is required to be drawn down for the term of the facility agreement with this drawn down balance reducing by £0.2m per annum.

During 2016/17, fixed rate periods were for three months and the average balance on the loans was £6.75m (2016: £6.95m). During the course of the year, the Group had an average credit balance on the RCF facility of £nil (2016: £nil). The average RCF rate applicable during the year was 1.28% (2016: 1.55%) and the average loan rate 1.79% (2016: 1.68%).

Interest rate sensitivity analysis

Based on the average levels of debt in the year to 30 June 2017 it is estimated that a 1% increase in interest rates would result in a net increase in finance costs, and thus reduction in profit and equity of £0.07m (2016: £0.07m). The calculation in both years incorporates the terms and conditions of the agreement with The Co-operative Bank at that time.

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 2016.

(ii) Credit Risk

Trade receivables

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

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

As at 30 June 2017, £0.35m representing 3.2% of trade receivables of the Group of £10.97m (2016: £17.45m) were past due but not impaired (2016: £0.35m, 2.0%) and £0.06m representing 0.05% of the trade receivables of the Company of £13.52m were past due but not impaired (2016: £0.003m, 0.02%). Group trade receivables of £0.19m (2016: £0.05m) were considered to be impaired at the year-end due to the aging profile of the balances and management's assessment of the likely outcome. Details of trade receivables are included in Note 21. An analysis of trade receivables past due but not impaired is as follows:

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
<i>Trade receivables:</i>				
Up to 30 days past due	233	311	-	3
Between 60 and 30 days past due	53	11	-	-
Over 60 days past due	63	33	56	-
	349	355	56	3

Cash at bank and cash deposits

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

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
Co-operative Bank	655	943	255	278
Royal Bank of Scotland	-	2,002	-	2,002
Allied Irish Bank	98	80	-	-
Barclays	8,030	3,000	8,030	3,000
Santander	8,161	2,400	8,161	2,400
HSBC	7,541	2,004	7,541	2,004
Sub total	24,485	10,429	23,987	9,684
Cash on hand	20	21	-	-
Cash and cash equivalents	24,505	10,450	23,987	9,684

The Group deposits surplus funds in a number of banks in accordance with the Group's treasury management policy based on internal credit limits aligned with Moody's ratings in order to restrict credit risk to financial assets in the form of monetary deposits. However, throughout both 2017 and 2016, The Co-operative Bank was in a net lending position, as £6.65m (2016: £6.85m) of the available loan facility, as noted above, is required to be drawn down for the term of the facility agreement.

(iii) Liquidity Risk

The financial liabilities of the Group and Company, principally trade payables and bank borrowings, are repayable in accordance with the respective trading and lending terms entered into by the Group. Trade and other payables are payable monthly in arrears where undisputed or alternatively in accordance with particular contract terms. As at 30 June 2017, 62% of trade payables of the Group were due to be paid within one month (2016: 63%) and 84% of trade payables of the Company were due to be paid within one month (2016: 38%). The nature of other payables is such that amounts due will crystallise within a 3 month period.

The cash flow related to the maturity of the bank borrowings (inclusive of interest) of the Group and Company is as set out on page 62.

	2017 Group £000	2017 Group £000	2017 Group £000	2017 Group £000	2017 Group £000
	Due between 0 to 3 months	Due between 3 to 12 months	Due between 1 to 5 years	Due after 5 years	Total
Non-current borrowings	30	90	6,619	-	6,739
Current portion of borrowings	51	153	-	-	204
Total	81	243	6,619	-	6,943

	2016 Group £000	2016 Group £000	2016 Group £000	2016 Group £000	2016 Group £000
	Due between 0 to 3 months	Due between 3 to 12 months	Due between 1 to 5 years	Due after 5 years	Total
Non-current borrowings	28	85	6,873	-	6,986
Current portion of borrowings	51	152	-	-	203
Total	79	237	6,873	-	7,189

Other loans held by the Company of £0.10m (2016: £0.10m) are repayable on demand.

The Company's financial liabilities include the annual payment of £0.58m (2016: £0.52m) in respect of the Convertible Cumulative Preference Share dividends. At the balance sheet date, based on the available information, the future cash flows of this liability are £0.58m in perpetuity.

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

The bank loans and RCF bear interest at LIBOR plus 1.5% (2016: 1.125%) and base rate plus 1.5% (2016: 1.0%) respectively. The other loans of the Group and Company are interest free. It is the Group and Company policy to secure funding at the most cost-effective rates of interest available to the Group.

Of the available bank facilities of £12.3m (2016: £18.7m), of which £6.65m is represented by long-term loans and £5.65m by RCF, £5.65m (2016: £11.85m) remains undrawn at the balance sheet date. The undrawn facility will expire on the following dates:

	2017 £000	2016 £000
Facilities expiring within one year	-	200
Facilities expiring between two and five years	-	6,650
Revolving Credit Facility	5,650	5,000
	5,650	11,850

Compound Financial Instruments

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

Fair value of financial assets and financial liabilities

The fair value of the Group and Company's financial assets and liabilities, as defined above, are not materially different to their book value with the exception of the debt element of the Convertible Cumulative Preference Shares, the fair value of which is considered to be £9.08m (2016: £9.08m). The fair value of the debt element of the compound financial instruments has been calculated by reference to the discounted value of future cash flows.

Under IFRS 13, the Convertible Cumulative Preference Shares are measured under level 3 of the fair value hierarchy (unobservable inputs). The valuation technique used has been a discounted cash flow method.

Capital management

The Group and Company's capital base is as set out in the Statement of Changes in Equity and in Notes 23 and 24 (Share Capital and Reserves respectively). It is the policy of the Board that trading plans should result in cash positive results, providing shareholder value and satisfying all dividend requirements. The bank borrowing facility of £12.3m 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.

32 POST BALANCE SHEET EVENTS

Since the balance sheet date we have secured the permanent registrations of Kundai Benyu and Olivier Ntcham in addition to the temporary transfer on loan of Patrick Roberts and Odsonne Edouard. Further expenditure of £6.13m has been committed in acquiring these player registrations.

The registrations of Saidu Janko, Gary Mackay Steven, Emilio Izaguirre were disposed of on a permanent basis, with that of Nadir Ciftci placed on loan. Post year player registrations have been disposed of with net sale proceeds of £0.54m.

33 RELATED PARTY TRANSACTIONS

Celtic plc undertakes related party transactions with its subsidiary company Celtic FC Limited which are governed by a management services agreement. This agreement covers the recharge of certain direct expenditure and income, where applicable, from Celtic plc to Celtic FC Limited as well as the rental of certain properties at Celtic Park to Celtic FC Limited. The amount recharged in the year by Celtic plc to Celtic FC Limited was £21.98m (2016: £15.35m) with £10.55m (2016: £2.40m) due to the parent company at the balance sheet date.

Key management personnel are deemed to be the Directors and the salaries paid to them have been disclosed in the Remuneration Report on page 24.

Directors

Ian P Bankier (Chairman)
 Thomas E Allison[§]
 Sharon Brown* (appointed 9th December 2016)
 Dermot F Desmond*
 Peter T Lawwell (Chief Executive)
 Ian P Livingston* (Lord Livingston of Parkhead, resigned 30th June 2017)
 Christopher McKay (Financial Director)
 Brian D H Wilson*

[§] Senior Independent Director
 * Independent Non-Executive Director

Company Secretary

Michael Nicholson

Company Number

SC3487

Registered Office

Celtic Park
 Glasgow, G40 3RE

Directors of The Celtic Football and Athletic Company Limited

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

Remuneration Committee

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

Audit Committee

Ian P Livingston (Chairman to 30 June 2017)
 Dermot F Desmond
 Brian D H Wilson
 Sharon Brown (appointed 9th December 2016, appointed Chairman with effect from 1st July 2017)

Nomination Committee

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

Auditors

BDO LLP
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Solicitors

Pinsent Masons LLP
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Bankers

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Stockbroker and Nominated Adviser

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Registrars

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