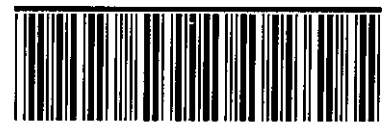


Celtic plc

ANNUAL REPORT

YEAR ENDED 30 JUNE 1995

Registered No: 3487



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COMPANIES HOUSE 16/10/95



**PANNELL
KERR
FORSTER**

CHARTERED ACCOUNTANTS

Celtic plc

ANNUAL REPORT

YEAR ENDED 30 JUNE 1995

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E J Riley BAcc CA		
P R Ferrell BA		
W Haughey		
D W Keane MCIBS MBA (Secretary)		
J S Keane		
M A McDonald		
Auditors		
Pannell Kerr Forster		
Solicitors		
McGrigor Donald		
Semple Fraser W.S.		
Bankers		
The Co-operative Bank p.l.c		
Stockbrokers and advisers		
Greig Middleton & Co Limited		

Celtic plc

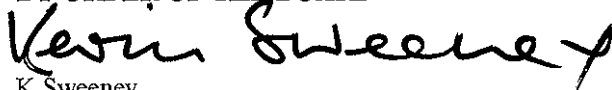
Registered office:-
Celtic Park
95 Kerrydale Street
Glasgow
G40 3RE

14 September 1995

NOTICE is hereby given that the Annual General Meeting of Celtic plc will be held at Celtic Park, 95 Kerrydale Street, Glasgow, G40 3RE, on Tuesday, 10 October 1995 at 11.00am for consideration of the following routine business.:

1. To receive and consider the Accounts for the year ended 30 June 1995 and the Reports of the Directors and the Auditors thereon.
2. To fix the remuneration of the non-executive Directors, such remuneration not to exceed an annual aggregate sum of £25,000 to be allocated amongst the non-executive directors as determined by the Board.
3. To re-appoint Mr E J Riley as a Director.
4. To re-appoint Mr D F Desmond as a Director.
5. To re-appoint Pannell Kerr Forster as Auditors and to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD



K Sweeney
Secretary

Notes:

1. Any member of the company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in accordance with the Articles of Association of the company in his place; a proxy need not be a member of the company. Forms of proxy must be returned to the company's Registrar, Bank of Scotland, Registrar Department, Apex House, 9 Haddington Place, Edinburgh, EH7 4AL not less than 24 hours before the time appointed for the meeting.
2. Holders of only Convertible Cumulative Preference Shares of the company are not entitled to attend and vote at the Annual General Meeting.

Celtic plc

CHAIRMAN'S STATEMENT

As I report to you on the first year as your Chairman, it is a pleasure to welcome 10,000 new fellow-shareholders who have added great strength to Celtic.

The year just ended has been one of transition, rebuilding and significant progress for your company which comprises the operations of Celtic Football Club.

As shown in the accounts, exceptional costs in this year of change had the effect of turning profit into loss. The relocation of all home matches to Hampden Park, and the construction projects here at Celtic Park, also made it a difficult year for our staff, players and customers.

But these difficulties were dwarfed by the progress achieved as the rebuilding of the Club gathered pace. Six new players have joined us since Tommy Burns took over the football management last year, at a cost of £6.4 million. The team secured its first trophy in six years, the Tennents Scottish Cup, while all aspects of the football operation were improved, from coaching to scouting and youth development. Indeed our reserve and youth teams also won national championships and although our Premier League performance was disappointing, we are confident that the return to Celtic Park will bring exciting, winning football more often.

Attractive pricing and successful marketing produced a strong response from supporters with a record level of season tickets sold, and that record has been surpassed for the coming season. We now expect an average attendance of 90% of our present capacity.

Even more dramatic was the response to the Club's public share offer, which increased our total share capital to £25.4 million and brought in thousands of active supporters of the Club as new shareholders. That the Club is now so broadly owned brings great satisfaction to me, as it was founded in 1888 as a Club with many members and a community responsibility. The capital made it possible to meet our objectives to pay off all previous debt and follow a programme of strengthening the first team and rebuilding Celtic Park.

Half of the rebuilding project for the Park is now complete with 26,500 seats in a superb new North Stand which will soon contain a wide range of spectator services and facilities. Its construction was essential, and it delivers very good value for the money invested. As we invest and work for the growth of the Club and to win back the "missing 10,000" fans we must provide an attractive stadium as well as entertaining and winning football. I believe we must continue to develop the Park, as funding allows, so long as financial backing for the football team is not compromised. Aside from ticket sales, non-match revenues generated from a multi-purpose building will provide further income to finance the football operation.

Nearly 50% of our turnover comes from sources other than ticket sales. Although catering and hospitality sales suffered from the relocation to Hampden, and we had no stadium snack bar income, other business sectors made a significant contribution to earnings. These included publishing, advertising and sponsorship, merchandise sales, broadcasting and a record level of donations from Celtic Pools. I want to thank our major sponsors, Umbro and C R Smith for their continued support, as well as Phoenix Honda, Canada Life and the many advertisers, corporate customers and others who have all found doing business with Celtic is mutually beneficial.

But Celtic is more than a business and more than a football club. We are an institution that is important to many people. As we strive for success we must not forget our charitable roots and our responsibility to the community at large. Please refer to the brief report on Celtic's Charitable Dimension, on the last page.

I would like to thank all members of the Celtic Family for their support and encouragement over the last year. I include my fellow directors, supporters, at home and abroad, shareholders, Pools agents, and our excellent football management and playing staff. In particular our dedicated staff behind the scenes here at Celtic Park deserve credit and thanks.

It has been a difficult year in some respects, but a rewarding one, as we see our plans take shape. Our objective to raise the level of success to what you as shareholders and supporters expect - with Celtic once more a leading force in British and European football - is a difficult one as we operate in a far-from-ideal environment. It will take time, but with your patience and continued support, we will get it done.

Celtic plc

DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 30 June 1995.

CHANGE OF NAME

At an Extraordinary General Meeting of the company held on 15 December 1994, a special resolution was passed, amongst other things, changing the name of the company to Celtic Limited and approving the re-registration of the company as a public company (as defined in Section 1(3) of the Companies Act 1985 as amended) under the name Celtic plc. On the same date the Registrar of Companies gave effect to the re-registration by issuing a certificate of incorporation on change of name and re-registration of a private company as a public company.

RESULTS AND DIVIDENDS

The loss for the financial year after tax amounted to £401,000.

The directors recommend that no dividend be paid, and therefore, the loss for the year has reduced reserves accordingly.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be the running of Celtic Football Club.

During the year under review the company established two wholly-owned subsidiary undertakings, Protectevent Limited and The Celtic Football and Athletic Company Limited.

Further details of these companies including their principal activities are given in Note 13 to the financial statements.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Club's fortunes have been transformed both on and off the field during the last year with many notable achievements, the most significant being winning the Scottish Cup, the first major trophy for six years.

The financial results show a considerable improvement with turnover up by 18.8% to £10.4 million, largely due to increased attendances. The loss before taxation of £401,000 compares favourably with the previous year, especially considering that additional costs were incurred through the enforced relocation to Hampden Park for the entire 1994/95 season.

The placing and two public share issues raised £13.2 million net of expenses and these monies have further strengthened the company's balance sheet. In the same period substantial funds have been invested in new players. The new North Stand was largely completed during the year and opened on schedule on 5 August.

During the year, further key personnel appointments were made in all areas of the business and the directors believe that with continued strengthening of the player pool and a greatly improved Celtic Park there will be a sustained improvement in results both on and off the field in the forthcoming year.

As mentioned in the prospectuses published by the company in respect of the placing and two public share issues, it is the directors' intention for the company to apply to be admitted to the Alternative Investment Market of the London Stock Exchange.

FIXED ASSETS

Changes in fixed assets are shown in Notes 11 - 13 to these financial statements.

Celtic plc

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL

- (i) The following table sets out the interests of the directors of the company and connected persons at the end of the year in the Ordinary Shares and Preference Shares of the company:

Name	30 June 1995		At 1 July 1994 or subsequent date of appointment	
	No. of Ordinary Shares	No. of Preference Shares	No. of Ordinary Shares	No. of Preference Shares
F J McCann	145,898	28	146,443	9,000
E J Riley* (appointed 13/9/94)	-	-	#11,100	#5,550
D F Desmond** (appointed 12/5/95)	50	50	-	-
W Haughey (appointed 20/9/94)	-	-	-	-
	5,200	3,574	5,550	2,775

Held as Trustee

*E J Riley and P R Ferrell were granted options over 1,250 ordinary shares of £1 each on 19 January 1995 under the Celtic plc Executive Share Option Scheme. These options were granted at an option price of £64 per Ordinary Share and are exercisable between 19 January 1998 and 19 January 2005.

**Mr D F Desmond is beneficially interested in 14,393 Ordinary Shares and 51,313 Preference Shares in the company. These shares are held in the name of Dealformatics Investments (Ireland) Limited formerly Quay Financial Services Limited.

- (ii) There were no changes in the holdings of the directors notified to the company between 30 June 1995 and 12 September 1995.
- (iii) The table at (i) above details the directors of the company at its financial year end. During the year T J Grant resigned on 10 August 1994, J K Kelly and J C McGinn resigned on 13 September 1994 and P R Ferrell (appointed on 13 September 1994), M A McDonald and J S Keane (both appointed on 20 September 1994) and D W Keane all resigned on 19 December 1994. W Haughey resigned on 12 September 1995. P R Ferrell, M A McDonald, J S Keane, D W Keane and W Haughey continue as directors of The Celtic Football and Athletic Company Limited. J M Farrell was removed from office on 13 September 1994.
- (iv) In accordance with the Articles of Association of the company E J Riley retires by rotation and, being eligible, offers himself for re-appointment. D F Desmond, having been appointed by the directors since the last Annual General Meeting, retires and, being eligible, offers himself for re-appointment. The directors, as required by the Articles of Association, recommend that D F Desmond be re-appointed.

DONATIONS

Full details of charitable donations made during the year are given at page 22 of these financial statements.

AUDITORS

The auditors, Pannell Kerr Forster, Chartered Accountants, have signified their willingness to remain in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


K Sweeney

Secretary

GLASGOW 12 September 1995

Celtic plc

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the group's profit or loss for that period. In preparing those financial statements, the directors are required to :

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

Celtic plc

We have audited the financial statements on pages 7 to 21 which have been prepared under the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described above, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 June 1995 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act


PANNELL KERR FORSTER

Chartered Accountants
Registered Auditors
GLASGOW 12 September 1995

Celtic plc

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 1995

		1995	1994
	Notes	£000	(as restated) £000
TURNOVER	2	10,376	8,736
OPERATING EXPENSES	3	(9,707)	(8,455)
EXCEPTIONAL OPERATING EXPENSES	4	<u>(846)</u>	<u>(716)</u>
		(177)	(435)
AMORTISATION OF PLAYER REGISTRATIONS		(580)	(1,407)
GAIN ON SALE OF PLAYER REGISTRATIONS		<u>-</u>	<u>742</u>
OPERATING LOSS		(757)	(1,100)
INTEREST RECEIVABLE AND SIMILAR INCOME	8	424	30
INTEREST PAYABLE AND SIMILAR CHARGES	9	<u>(68)</u>	<u>(334)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(401)	(1,404)
TAX ON LOSS ON ORDINARY ACTIVITIES	10	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR	19	<u>(401)</u>	<u>(1,404)</u>

All amounts relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 30 June 1995

The recognised gains and losses since the last annual report consist of the reported loss of £401,000 and certain prior year adjustments of £3,883,000 (note 19). There were no gains or losses recognised in 1994 other than the loss for the year and a prior year adjustment of £346,000.

Celtic plc

GROUP BALANCE SHEET

30 JUNE 1995

		1995		1994 (as restated)	
	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	11		22,372		8,518
Intangible assets	12		6,538		3,883
Investments	13		<u>1</u>		<u>-</u>
			28,911		12,401
CURRENT ASSETS					
Stocks	14	224		144	
Debtors	15	1,895		987	
Cash at bank and in hand		<u>6,572</u>		<u>6,291</u>	
		8,691		7,422	
CREDITORS - Amounts falling due within one year					
	16	(5,428)		(2,358)	
Income deferred less than one year					
	17	<u>(2,532)</u>		<u>(733)</u>	
		(7,960)		(3,091)	
NET CURRENT ASSETS					
			<u>731</u>		<u>4,331</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			29,642		16,732
CREDITORS - Amounts falling due after more than one year					
	16		<u>(547)</u>		<u>(416)</u>
NET ASSETS					
			<u>29,095</u>		<u>16,316</u>
CAPITAL AND RESERVES					
Called up share capital (includes non-equity)	18		10,053		1,828
Share premium	19		15,392		10,437
Profit and loss account	19		<u>3,650</u>		<u>4,051</u>
SHAREHOLDERS' FUNDS					
	20		<u>29,095</u>		<u>16,316</u>

Approved by the Board on

12 September 1995

Fergus J McCann

Director

Eric J Riley

Director

Celtic plc

COMPANY BALANCE SHEET

30 JUNE 1995

	Notes	1995		1994 (as restated)	
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	11		22,372		8,518
Intangible assets	12		6,538		3,883
Investments	13		<u>1</u>		<u>-</u>
			28,911		12,401
CURRENT ASSETS					
Stocks	14	224		144	
Debtors	15	1,914		987	
Cash at bank and in hand		<u>6,553</u>		<u>6,291</u>	
		8,691		7,422	
CREDITORS - Amounts falling due within one year					
	16	(5,428)		(2,358)	
Income deferred less than one year					
	17	<u>(2,532)</u>		<u>(733)</u>	
		(7,960)		(3,091)	
NET CURRENT ASSETS					
			<u>731</u>		<u>4,331</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			29,642		16,732
CREDITORS - Amounts falling due after more than one year					
	16		<u>(547)</u>		<u>(416)</u>
NET ASSETS					
			29,095		16,316
CAPITAL AND RESERVES					
Called up share capital (includes non-equity)	18		10,053		1,828
Share premium	19		15,392		10,437
Profit and loss account	19		<u>3,650</u>		<u>4,051</u>
SHAREHOLDERS' FUNDS					
			29,095		16,316

Approved by the Board on

12 September 1995

Fergus J McCann

Director

Eric J Riley

Director

Celtic plc

GROUP CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 1995

	1995		1994 (as restated)	
	£000	£000	£000	£000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (Note 21)		3,102		(657)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	424		11	
Interest paid	<u>(68)</u>		<u>(334)</u>	
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		356		(323)
TAXATION				
Corporation tax paid		-		-
INVESTING ACTIVITIES				
Payments to acquire tangible fixed assets	(14,706)		(382)	
Payments to acquire intangible fixed assets	(3,805)		(1,510)	
Payments to acquire investments	(1)		-	
Receipts from sales of tangible fixed assets	21		65	
Receipts from sale of intangible fixed assets	<u>570</u>		<u>2,132</u>	
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		<u>(17,921)</u>		<u>305</u>
NET CASH (OUTFLOW) BEFORE FINANCING		(14,463)		(675)
FINANCING (note 22)				
Loans received	1,323		-	
Loan instalments paid	(431)		(45)	
Grants received	672		54	
Share capital subscribed	13,180		12,245	
Repayment of hire purchase borrowings	<u>-</u>		<u>(1)</u>	
NET CASH INFLOW FROM FINANCING		<u>14,744</u>		<u>12,253</u>
INCREASE IN CASH AND CASH EQUIVALENTS (Note 23)		<u>281</u>		<u>11,578</u>

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements set out on pages 7 to 21 are prepared under the historical cost convention and comply with applicable accounting standards.

(b) 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 1995. The results of subsidiaries acquired during the year are included from the date of acquisition.

As provided by Section 230 of the Companies Act 1985 a separate profit and loss account has not been presented for the company.

(c) Depreciation

Depreciation is not provided on freehold land and buildings. It is the group's policy to maintain all its properties in such a condition that the estimated aggregate residual disposal values are at least equal to their book values. Consequently any element of depreciation would, in the opinion of the directors, be immaterial. Residual disposal values are appraised each year by reference to the estimated depreciated replacement cost of the properties in aggregate, and Celtic Park in particular. Provision will be made against the cost of properties in the event of any permanent diminution in their value. Other tangible fixed assets are written off over their estimated useful lives on a reducing balance basis at the following annual rates:

Plant and vehicles	10% - 25%
Fixtures, fittings and equipment	10% - 20%

(d) Registration fees

The costs associated with the acquisition of players are capitalised and treated as intangible fixed assets. After allowing for an appropriate residual value these amounts are amortised over the contract period. Residual values are assessed on an annual basis and any provision for permanent diminution in value made accordingly.

(e) Turnover

Turnover 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.

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

1 ACCOUNTING POLICIES (Continued)

(f) Grants

Grants in respect of capital expenditure on assets which are depreciated are treated as deferred income, a proportion of which is transferred to revenue annually over the estimated useful life of the asset.

Grants in respect of capital expenditure on assets which are not depreciated are deducted from the cost of the asset. This represents a departure from the requirements of the Companies Act 1985; the financial effect of this departure is disclosed in note 11. In the opinion of the directors the accounting treatment adopted is appropriate in order to show a true and fair view on the basis that the grants are specific to the acquisition of the assets concerned and not made as a contribution to finance the general activities of the company.

Other grants of a revenue nature are credited to revenue as received.

(g) Leasing obligations

Leasing charges in respect of operating leases are recognised in the profit and loss account over the lives of the lease agreements as incurred.

(h) Stocks

Stocks 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 a defined contribution scheme providing benefits for employees additional to those from the state. The pension cost charge represents contributions payable by the group to the fund in respect of the year.

(j) Prior year adjustment - accounting policy change

The accounting treatment of the costs associated with the acquisition of players noted at 1(d) above, represents a change of policy from previous years when these costs were taken directly to the profit and loss account.

The effect of this change was to increase the group loss for the year ended 30 June 1994 by £1,286,000 and increase the net assets of the group at 30 June 1994 from £12,433,000 to £16,316,000.

The above change has been made to provide a fairer presentation of trading performance and the financial position of the group.

2 TURNOVER

Turnover derives from the group's principal activity and arises within the UK.

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

3 OPERATING EXPENSES	1995	1994
	£000	£000
Operating expenses include the following charges		
Auditors' remuneration		
: audit fees	10	8
: non audit fees	25	51
Staff costs (note 5)	4,805	4,862
Depreciation (note 11)	147	175
Operating leases	56	53
	-----	-----
4 EXCEPTIONAL OPERATING EXPENSES		
Exceptional operating expenses consist of the following:		
Costs incurred on aborted capital projects	-	83
Compensation and other costs in relation to former employees	261	529
Legal, professional and other costs attributable to previous management	128	104
Costs incurred on the Club's temporary relocation to Hampden Park	<u>457</u>	-
	846	716
	-----	-----
5 STAFF PARTICULARS		
Staff costs comprised :		
Wages and salaries	4,302	4,371
Social security costs	421	411
Other pension costs	<u>82</u>	<u>80</u>
	4,805	4,862
	-----	-----
	Number	Number
Average number employed in the year :		
Players and managerial and training staff	70	70
Sales, administration and ancillary staff	<u>167</u>	<u>222</u>
	237	292
	-----	-----

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

6 DIRECTORS' EMOLUMENTS

	1995	1994
	£000	£000

The aggregate amount of directors' emoluments comprised:

Fees	-	18
Salaries as executives (including pension contributions)	<u>113</u>	<u>107</u>
	<u>113</u>	<u>125</u>
	----	----

Emoluments (excluding pension contributions) include the following :

Chairman	36	14
	----	----
Highest paid director	50	43
	----	----

The emoluments of the other directors (excluding pension contributions) fell in the following ranges :

	Number of Directors	
	1995	1994
£ Nil - £5,000	9	4
£10,001 - £15,000	1	1
£25,001 - £30,000	-	1
£30,001 - £35,000	<u>-</u>	<u>1</u>
	<u>10</u>	<u>7</u>
	----	----

7 PENSION COSTS

The assets of the group pension scheme are held separately from those of the group in a fund administered by the Prudential Life Assurance Company.

Contributions made by the group to the scheme during the year amounted to £82,000 (1994 - £80,000). Contributions of £7,000 (1994 - £8,000) were payable to the fund at the year end.

8 INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income represented interest receivable on bank deposits and interest received in respect of tax repayments.

9 INTEREST PAYABLE AND SIMILAR CHARGES

	1995	1994
	£000	£000
Interest payable and similar charges comprised:		
On bank loans and overdrafts wholly repayable within five years	11	287
Other similar charges	<u>57</u>	<u>47</u>
	<u>68</u>	<u>334</u>
	----	----

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

10 TAX ON LOSS ON ORDINARY ACTIVITIES

As a result of taxation losses incurred, no provision for taxation is required. Estimated tax losses available for set-off against future trading profits amount to approximately £7,250,000 (1994 : £6,500,000). This estimate is subject to the agreement of the current and prior year corporation tax computations with the Inland Revenue.

11 FIXED ASSETS - TANGIBLE ASSETS

Group and Company

The movement on these accounts during the year was as follows:

	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures Fittings and Equipment £000	Total £000
Cost				
At 1 July 1994	7,502	639	1,138	9,279
Additions	13,850	2	182	14,034
Disposals	-	(130)	(9)	(139)
At 30 June 1995	21,352	511	1,311	23,174
Accumulated Depreciation				
At 1 July 1994	-	312	449	761
Charge	-	42	105	147
Disposals	-	(103)	(3)	(106)
At 30 June 1995	-	251	551	802
Net Book Amount				
At 30 June 1995	21,352	260	760	22,372
At 30 June 1994	7,502	327	689	8,518

Additions to Freehold Land and Buildings are net of grants received of £672,000 (1994 - £54,000).

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

12 FIXED ASSETS - INTANGIBLE ASSETS	1995	1994
	£000	£000
Player Registrations		
Cost		
At beginning of year	6,682	8,507
Additions	3,805	1,510
Disposals	<u>(2,092)</u>	<u>(3,335)</u>
At end of year	8,395	6,682
	-----	-----
Amortisation		
At beginning of year	2,799	3,337
Charge for year	580	1,407
Disposals	<u>(1,522)</u>	<u>(1,945)</u>
At end of year	1,857	2,799
	-----	-----
Net Book Value		
At end of year	6,538	3,883
	-----	-----

13 FIXED ASSETS - INVESTMENTS

During the year the group and the company acquired listed investments at a cost of £526 and the company acquired unlisted investments at a cost of £502.

The market value of the listed investments at 30 June 1995 amounted to £411.

Details of investments in which the company holds more than 10% of the nominal share value of each class of shares are as follows:

Subsidiary undertaking	Holding	Proportion of shares held	Activity
Protectevent Limited	Ordinary shares	100%	Stewarding and security services
The Celtic Football and Athletic Company Limited	Ordinary shares	100%	Football Club, management & promotional services

These companies are registered in Scotland. The information above has been extracted from their accounts for the period ended 30 June 1995.

14 STOCKS	1995	1994
	£000	£000
Group and company		
Goods for resale	220	138
Consumables	<u>4</u>	<u>6</u>
	224	144
	-----	-----

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

15 DEBTORS	1995 Group £000	1994 Group £000	1995 Company £000	1994 Company £000
Debtors comprised:				
Due within one year :				
Trade debtors	367	478	356	478
Other debtors	1,386	273	1,389	273
Prepayments and accrued income	142	236	142	236
Due from subsidiary undertaking	-	-	27	-
	<u>1,895</u>	<u>987</u>	<u>1,914</u>	<u>987</u>
16 CREDITORS	Amounts falling due within one year		Amounts falling due after more than one year	
Creditors comprised:	1995 £000	1994 £000	1995 £000	1994 £000
Group and company				
Loan instalments	77	37	352	250
Other loans	1,274	524	-	-
Trade creditors	1,055	419	-	-
Other taxation and social security	195	325	-	-
Other creditors	2,494	365	-	-
Accruals	<u>333</u>	<u>688</u>	<u>195</u>	<u>166</u>
	<u>5,428</u>	<u>2,358</u>	<u>547</u>	<u>416</u>

The loan instalments which are unsecured and interest free are repayable in instalments as follows:

	1995 £000	1994 £000
In one year or less	77	37
Between one and two years	78	38
Between two and five years	212	112
In five years or more	<u>62</u>	<u>100</u>
	<u>429</u>	<u>287</u>

Other loans comprise interest free loans from members of the Executive Club which are repayable within thirty days of demand and a further loan of £1,000,000 which is redeemable in December 1995. The redemption value of this loan is £1,083,000.

17 INCOME DEFERRED LESS THAN ONE YEAR	1995 £000	1994 £000
Group and company		
Deferred revenue income	<u>2,532</u>	<u>733</u>

Deferred revenue 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.

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

18 CALLED UP SHARE CAPITAL

At an Extraordinary General Meeting of the company on 15 December 1994 the authorised ordinary share capital of the company was increased by 15,000 to 265,000 ordinary shares of £1 each.

At a further Extraordinary General Meeting held on 24 February 1995, the authorised ordinary share capital of the company was increased by 30,000 to 295,000 ordinary shares of £1 each and the authorised preference share capital of the company was increased by 80,000 to 200,167 convertible cumulative preference shares of £60 each.

Allotted called up and fully paid	1995 £000	1994 £000
Equity		
289,998 ordinary shares of £1 each	290	199
Non-Equity		
162,723 convertible cumulative preference shares of £60 each	<u>9,763</u>	<u>1,629</u>
	<u>10,053</u>	<u>1,828</u>

On 9 January 1995 the company placed with Q.F.S. Financial Services Limited 16,393 ordinary shares of £1 each at £64 per share and 49,179 preference shares of £60 each at par. In addition, the company offered ordinary shares of £1 each and preference shares of £60 each for sale to the public on two occasions during the year via share prospectuses issued on 20 December 1994 and 24 February 1995 respectively. Shares were offered to the public in units of 10 shares at a price of £620 per unit, each unit comprising 5 ordinary shares of £1 each and 5 preference shares of £60 each. Under the first offer members of the Celtic Executive Club were offered the right to convert their interest free loans to the company into shares of the company. 850 ordinary shares of £1 each and 4,760 preference shares of £60 each were issued pursuant to the Executive Club conversion. To facilitate the second offer certain shareholders agreed to sell into that offer 8,000 ordinary shares of £1 each at £64 per share and to subscribe the sale proceeds, under a further preference share issue, for 8,536 preference shares of £60 each at par. In addition, one of the directors of the company, F J McCann, sold 8,500 preference shares of £60 each at par into the second offer. As a result of this placing, these offers, the Executive Club conversion and the further preference share issue, 90,818 ordinary shares of £1 each at £64 per share and 135,573 preference shares of £60 each at par were issued. The premium arising on the shares issued less the costs of the issues has been credited to the share premium account. The purpose of these issues was to raise capital to support the rebuilding of the first team and the re-development of Celtic Park.

Under the Celtic plc executive share option scheme selected full time employees may be granted options to subscribe for ordinary shares after a period of three years from the date of the grant. At 30 June 1995 two senior executives had been granted options, over 1,250 ordinary shares each which are exercisable any time between 19 January 1998 and 19 January 2005.

Each preference share carries the right, subject to the availability of distributable profits, to the payment of a fixed 6 per cent (gross) preference dividend, cumulative with effect from 1 July 1996. The first dividend is due to be paid on 31 August 1997. Holders of preference shares are entitled on or at any time after 30 June 2001 to convert each preference share into one A ordinary share of £60. These A ordinary shares will rank pari passu in all respects with the ordinary shares.

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1995

19 RESERVES

The movement of reserves during the year was as follows:

Group and company	Other Reserves £000	Profit and Loss Account £000	Share Premium Account £000
At 1 July 1994 as previously reported	150	18	10,437
Re-classification of other reserves	(150)	150	-
Prior year adjustment - accounting policy change	-	<u>3,883</u>	-
At 1 July 1994 as restated	-	4,051	10,437
Retained loss for the year	-	(401)	-
Arising on shares issued during the year net of issue expenses of £767,000	-	-	<u>4,955</u>
At 30 June 1995	-	<u>3,650</u>	<u>15,392</u>

Included in the loss for the financial year is a loss of £401,000 (1994 - £1,404,000) dealt with in the financial statements of the company. The prior year adjustment relates to a change of accounting policy during the year. The treatment of the costs of acquisition of playing staff was amended as fully detailed in note 1(j).

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £000	1994 £000
Loss for the financial year	(401)	(1,404)
Increase in share capital and share premium	<u>13,180</u>	<u>12,245</u>
	12,779	10,841
Balance at beginning of period (1994 shareholders' funds previously reported as £305,000 before prior year adjustment of £5,170,000)	<u>16,316</u>	<u>5,475</u>
Balance at 30 June 1995	<u>29,095</u>	<u>16,316</u>

At 30 June 1995 Shareholders' Funds included £9,763,000 (1994 - £1,629,000) which is attributable to non-equity shareholders. This relates entirely to preference shares.

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

21 RECONCILIATION OF OPERATING LOSS TO NET

CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1995 £000	1994 £000
Operating loss	(757)	(1,100)
Depreciation	147	175
Amortisation	580	1,407
Loss on sale of tangible fixed assets	12	30
Gain on sale of intangible fixed assets	-	(742)
Grants release	(2)	(2)
Increase in stocks	(80)	(13)
Increase in debtors	(908)	(108)
Increase/(decrease) in creditors	<u>4,110</u>	<u>(304)</u>
Net cash inflow/(outflow) from operating activities	<u>3,102</u>	<u>(657)</u>

22 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital & Share Premium 1995 £000	Hire Purchase & Loans 1995 £000	Share Capital & Share Premium 1994 £000	Hire Purchase & Loans 1994 £000
At 1 July 1994	12,265	811	20	857
Loans advanced	-	1,323	-	-
Loan instalments paid	-	(431)	-	(12)
Repayment of other loans	-	-	-	(33)
Share capital and premium subscribed	13,180	-	12,245	-
Repayment of hire purchase borrowings	-	-	-	(1)
At 30 June 1995	<u>25,445</u>	<u>1,703</u>	<u>12,265</u>	<u>811</u>

23 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995 £000	Change in year £000	1994 £000
Cash at bank and in hand	<u>6,572</u>	<u>281</u>	<u>6,291</u>

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

24 CAPITAL AND OTHER FINANCIAL COMMITMENTS	1995	1994
	£000	£000

a. Capital Commitments

Authorised and contracted for:	1,839	-
	-----	-----

b. Lease Commitments

The company has annual commitments under operating leases as follows :

	1995	1994
	Plant	Plant
	and	and
	Machinery	Machinery
	£000	£000
Expiring within one year	15	5
Expiring between one and two years inclusive	14	-
Expiring between two and five years inclusive	26	34
Expiring in over five years	<u>3</u>	<u>3</u>
	58	42
	-----	-----

At 30 June 1994 the company had a lease commitment in respect of land and buildings amounting to £450,000.

25 POST BALANCE SHEET EVENTS

Further capital expenditure of £4.25m has been authorised by the directors since the balance sheet date.

26 COMPARATIVE FIGURES

The 1994 reported figures have been restated as the directors believe that the restated amounts provide a clearer understanding of the group's results.

PENNELL, NERR, TORSTER

Celtic's Charitable Dimension

Over the past year the Club has sought to increase its involvement and support of charitable causes in line with its founding objectives.

Through direct donations and from the sale of Celtic Park turf to supporters, approximately £20,000 was paid to several charities.

In addition to cash donations, some 476 signed footballs and 250 complimentary tickets were processed for charitable purposes. The amount raised indirectly in this way through auctions, raffles and awards was substantial. Club officials and players also made some 200 visits to a mixture of hospitals, charity events and supporters clubs, including events in South Africa, North America and the Far East. The main beneficiaries have been in three principal areas:-

- 1 Charities in support of children's needs;
2. Community action on drugs;
3. Projects that develop and promote religious and ethnic harmony.

Examples were the Daily Record CHAS Appeal supplying funds for Scotland's first children's hospice, the East End Drugs Initiative supporting community based services for drug users, their families and the local community and NICHS - the Northern Ireland Children's Holiday Scheme, which aims to promote positive long term cross community contact for young people in Northern Ireland from deprived and segregated Catholic and Protestant communities. By investing in these young people Celtic aims to promote peace among the adults of tomorrow.

During the Christmas season the Club also staged two parties, one for terminally ill children in The Royal Hospital for Sick Children and another for children of drug addicts within the East End of Glasgow. Fifty children from the two groups also attended the pantomime Little Red Hiding Hood in the Mitchell Theatre as guests of the Club.

If you wish to help support the Celtic Charity Fund in 1995/96 please send donations made payable to:

The Celtic Charity Fund
c/o The Public Relations Department
Celtic Football Club
95 Kerrydale Street
Glasgow
G40 3RE

Where Celtic has provided signed footballs or other items, or participated in a charitable function at your Club or organisation, please also keep us informed of the results of each initiative to help us best allocate resources and people.