

Celtic plc
ANNUAL REPORT
YEAR ENDED 30 JUNE 2003



Celtic plc

ANNUAL REPORT

YEAR ENDED 30 JUNE 2003

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YEAR ENDED 30 JUNE 2003

HIGHLIGHTS OF THE RESULTS

- UEFA Cup Finalists.
- Turnover increased by 6.5% to £60.57m.
- Profit from operations up 25.3% to £6.73m from £5.37m.
- Write off of deferred tax and advance corporation tax of £5.86m
- Loss after tax £11.66m (2002 : £3.04m).
- Year-end debt £17.78m (2002: £16.47m).
- Gross investment of £5.43m in intangible fixed assets, including the signing of four new players.

Celtic plc
ANNUAL REPORT
YEAR ENDED 30 JUNE 2003

DIRECTORS, OFFICERS AND ADVISERS AS AT 30 JUNE 2003

Directors

Brian Quinn CBE (Chairman)*
Eric J Riley (Financial Director)
Thomas E Allison*
Dermot F Desmond*
Eric Hagman CBE*
Sir Patrick Sheehy (Senior Independent Director)*
Kevin Sweeney*

* Independent Non-Executive Director

Company Secretary

Robert M Howat

Company Number

SC3487

Registered Office

Celtic Park
Glasgow
G40 3RE

**Directors of The Celtic Football and Athletic
Company Limited and Celtic Football Club**

Eric J Riley (Financial Director)
James P Hone (Director, Business Operations and Resources)
John S Keane*
Michael A McDonald*
Kevin Sweeney*

Football Manager

Martin O'Neill

Auditors

PKF
78 Carlton Place
Glasgow, G5 9TH

Solicitors

McGrigor Donald
Pacific House
70 Wellington Street
Glasgow, G2 6SB

Bankers

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

Remuneration Committee

Dermot F Desmond (Chairman)*
Thomas E Allison *
Brian Quinn CBE*
Sir Patrick Sheehy*

Audit Committee

Sir Patrick Sheehy (Chairman)*
Thomas E Allison *
Dermot F Desmond *
Eric Hagman CBE*(part)
Kevin Sweeney *

Nomination Committee

Sir Patrick Sheehy (Chairman)*
Thomas E Allison* (part)
Dermot F Desmond*
Brian Quinn CBE*

Stockbrokers

Arbuthnot Securities
2 Lambeth Hill
London, EC4V 4CG

Registrars

Computershare Investor Services PLC
The Pavilions
Bristol
BS99 3FA

Web Site

www.celticfc.net

Celtic plc

CHAIRMAN'S STATEMENT

For Celtic the last twelve months have illustrated vividly the volatility of football as both a sport and a business. Early exit from the UEFA Champions' League threatened to depress our sporting and commercial performance; but our progress to the UEFA Cup Final, together with our efforts to retain the Scottish Premier League (SPL) Championship, while ultimately unsuccessful, brought the season to an exciting climax. On the whole, this will go down as one of the most memorable years in Celtic's history.

Far from abating, the financial pressures on football clubs in Scotland have intensified during the last year. Costs, particularly the costs of running a successful football team have remained stubbornly high. Efforts to contain and reverse these costs take time. The majority of contracts have a residual life of more than one year and the effects on the wage bill and on amortisation - a significant but under-publicised expense - can persist for some years.

Certain sources of revenue, such as ticket receipts and merchandise sales, can be sustained by judicious pricing and imaginative marketing; and we have been successful in these aspects this year. But they depend ultimately on football success which cannot, of course, be guaranteed.

For Scottish Premier League clubs, income from television and radio in respect of domestic competition fell substantially, as expected. Partly as a consequence, many of these clubs have reduced the strength of their playing squads, in some cases quite severely. The effects on the quality of the SPL remains to be seen and it does not necessarily follow that smaller squads, with greater reliance on home-grown players, will result in a deterioration in playing standards. Tighter controls on costs and, more importantly, a change in attitude in the direction of more efficient use of resources, have worked well enough in other troubled industries. Football need not be an exception, especially over the medium-term. It is also encouraging that serious consideration is being given to the structure and functioning of the SPL; such factors could be as important as finance in producing a more competitive and attractive domestic league. It would therefore be pessimistic to take too gloomy a view of the outlook for Scottish football.

Last year's Scottish Premier League Championship was probably the closest-ever. Celtic's chances of retaining the title were virtually written off following one or two indifferent results in April. However the team came storming back with a succession of convincing victories and relinquished the title on the last day of the season by a single goal. In the UEFA Cup the team went from success to success, beating high quality sides from Spain, Germany, Portugal and England. The final itself was memorable, both for the quality of the football and fighting spirit of a Celtic side marked out as underdogs; and for the quite magnificent support from our fans in Seville, estimated at 80,000 - unprecedented for a travelling support in any European club competition.

The UEFA Cup run also had a major influence on our financial performance during the year. The contribution to profits from all sources is estimated at £10.20m, more or less equivalent to our European campaign the previous year. Total turnover for the year exceeded £60m, an uplift of 6.5%. Sales of merchandise rose by 14.6% to £11.46 million and ticket revenues also grew, by 10.0%. However multimedia income was almost 4% lower, notwithstanding our progress in the UEFA Cup.

Profit from operations of £6.73m was up by £1.36m on the previous year. Despite this a pre-tax loss of £5.79m, up by £2.82m over the year, was recorded. Deferred tax assets of £5.86m were written off, giving a loss after tax of £11.66m. Debt at the end of the year amounted to £17.78m, an increase of £1.31m over the year as a whole.

Many fans and commentators may find difficulty in understanding how the club could reach the UEFA Cup final and still show an increased pre-tax loss for the year. Operating expenses were £2.32m higher than the previous year at £53.84m. In addition to lower multimedia income, a higher amortisation charge and a net loss on player sales, each of the order of a £1.5m movement from the previous year, also go a substantial way in explaining the outcome.

In brief, running a football squad that can compete both domestically and in Europe is an expensive business and one that is capable of improvement in a difficult business environment only over a period of time. In the meantime, serious efforts continue to improve the cost profile of the company recognising, of course, that excessive cost cutting can prove counter-productive. Some degree of sanity is returning to the game after a period of over-exuberance. Though it may sometimes seem tempting to go against this trend and speculate on future success, Celtic will not be doing so, while maintaining our drive to be successful in domestic and European competition. The Board will seek to continue to strike the balance judiciously.

Celtic plc

CHAIRMAN'S STATEMENT

I should like to thank Martin O'Neill, his staff and the players for a memorable season. We are particularly pleased that Martin has signed a one year rolling contract. Success is measured not only by trophies won. Celtic has made significant progress in the last two years in becoming a force in European football once again. Our supporters also distinguished themselves by their commitment and behaviour. Celtic's reputation for good football and phenomenal support, in Europe and home, has been further enhanced. Your Board will seek to maintain this success in the years ahead.

We announced in May 2003 that Kevin Sweeney would not be standing for re-election at this year's Annual General Meeting. Sir Patrick Sheehy, who was also due to retire by rotation at that time, has also decided not to stand for re-election and has chosen instead to resign now. I should like to thank both Sir Patrick and Kevin Sweeney for their excellent contributions over recent years. Celtic, as a club, and I personally have benefited enormously from their experience and wise counsel.

Brian Quinn CBE
Chairman

13 August 2003

Celtic plc

OPERATING & FINANCIAL REVIEW

INTRODUCTION

The past 12 months have provided many glorious highlights, particularly on the European stage.

A most memorable year saw Celtic once again take its place at the forefront of European football in reaching our first European final in more than 30 years. Celtic's appearance in the UEFA Cup Final in Seville was the pinnacle of a season, which underlined not only the quality and resilience of the playing squad, but also demonstrated again the tremendous passion which Celtic fans worldwide have for the Club. The team's heartbreaking defeat was offset by the astonishing spectacle of an estimated 80,000 Celtic supporters, believed to be the biggest away support at any football match in history, travelling to Seville.

The extent of the accomplishment of the team is further reinforced by the fact that, in progressing to the UEFA Cup Final, Celtic defeated Blackburn, Celta Vigo, Stuttgart, Liverpool and Boavista representing some of the best leagues in the world.

This achievement was all the more remarkable given that the team also kept alive a hugely spirited defence of its Bank of Scotland Premier League title until the last minutes of the season's final fixture. The team also reached the final of the CIS Insurance Cup and the quarter-final of the Tennents Scottish Cup.

However, the disappointment in not retaining the league title was tempered by the knowledge that Scotland will have two representatives in the qualifying stages of the 2003/04 UEFA Champions' League, giving Celtic an excellent opportunity for further European football.

Undoubtedly a great deal of the success of the team is attributable to Martin O'Neill and his two assistants, John Robertson and Steve Walford, ably supported by the backroom staff. In his time at Celtic, Martin has transformed the playing fortunes of the Club and we are delighted that he has signed a one year rolling contract.

FOOTBALL INVESTMENT

Celtic continued to invest in the playing squad at a time when a number of clubs were cutting back in an extremely difficult football sector, although at a reduced level from last year. The acquisition of Fernandez at the end of last season together with the investment in new players during the season, namely Hedman, Laursen, Broto and Varga proved important with additional games being played, particularly in European competition, during the season. The gross investment cost this year in player acquisition equates to £5.43m (2002: £12.11m). In addition a further £1.4m was paid in follow-up capital payments due against players acquired in previous years.

Two of the Club's most promising players, Petrov and Maloney, also signed contract extensions during the year, in keeping with the Club's policy, following the Bosman ruling, to re-negotiate and extend the contracts of key players. Since the year end, Varga and Under 21 prospect Craig Beattie have both signed extended contracts.

YOUTH DEVELOPMENT

The benefits of investment in this key area were underlined last year not only by the progression of young players such as Shaun Maloney, Jamie Smith and goalkeeper David Marshall, but also by the successful performances which saw both Celtic's Under 21 and Under 18 teams win their respective SPL leagues, with the Under 18's also securing victory in the Scottish Youth Cup.

In order to build on this high level of achievement, the enhancement of our youth development programme continues. We have significantly expanded and strengthened our scouting and coaching systems and now have 40 scouts operating in networks established throughout the whole of the UK and Ireland. This has resulted in a number of English Schoolboy and Irish Youth International players signing professional contracts with the Club.

In addition, the number of development centres throughout Scotland has more than doubled from 6 to 13 in less than 9 months. This means that along with the elite squads in the academy, we have over 400 young players currently undergoing development and assessment.

The Youth Development Department has been restructured to align with best practice in Europe. Additional age group teams have been introduced together with revised technical and tactical coaching programmes and greater emphasis has been placed on education, welfare and sports science initiatives.

The ongoing provision and enhancement of the youth development infrastructure, as noted above, *requires investment*. Much of this funding comes from donations from Celtic Development Pools. Total development income increased from last year by 8.9% to £1.39m reflecting revenue from additional matchday lotteries. This is a record year, which is

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particularly satisfying in such a mature market. The weekly pool, with over 1,000 agents collecting weekly contributions from 38,000 supporters and the half-time draw, continue to be the most successful football lottery schemes of their kind throughout Great Britain.

TICKET OPERATIONS

Season ticket sales of 53,464 were in line with previous year despite an uplift of approximately 10% in standard season ticket prices. We are grateful for this continued support, which assisted Celtic in continuing investment in the playing squad as noted above. Total ticket income in the year of £30.48m was up on the previous year by £2.76m largely as a result of the increased number of home European matches played in the current year of 7 plus a UEFA Cup Final against 5 the previous year. In addition, corporate ticket income was up on the previous year following the upgrade in certain facilities together with the increased number of home European games.

At the beginning of the year an enhanced computerised ticketing system was installed and proved invaluable during the season when the team's progression through each round of the UEFA Cup led to tighter turnaround times. This was demonstrated during March when almost 100,000 tickets were sold for the UEFA Cup match against Liverpool and the CIS Cup Final against Rangers three days later.

Whilst March proved to be an extremely hectic and busy period it was eclipsed when the team qualified for the UEFA Cup Final in May. The demand for tickets for the match was unprecedented and the lead up to the final saw the Ticket Office swamped with requests and enquiries from all round the world. The allocation of tickets from UEFA was never going to satisfy the demand. After a great deal of consideration, the Club elected to make tickets available to those supporters who were members of the European Away Ticket Registration Scheme and whom we had recorded as travelling to matches in the earlier rounds.

MERCHANDISING

Merchandising revenues increased by 14.6% to £11.46m following Celtic's most successful ever home kit launch. Like-for-like sales increased by almost 5.4% in a difficult retail market. The installation of a new EPOS system in June 2002 brought additional benefits in stock control and product analysis during the year. The opening of the new retail store in Glasgow's Sauchiehall Street in July 2002 increased the number of Celtic merchandise stores to nine. New wholesale partnerships were formed with Woolworths and Big W, and a retail Celtic concession unit was opened in Debenhams, Glasgow. Turnover also benefited from the operation of the Edinburgh store for the entire year and from Seville specific merchandise.

The launch of the new "100 Years of the Hoops" home top was the most successful ever. The previous home top had sold over 65,000 units in 27 months. The new home top surpassed this figure in just one month. The new home top continues to sell well and a new away strip will be launched in August 2003.

MULTI MEDIA

Multi media revenues at £15.60m are 3.8% behind the levels achieved last year.

The exit to Basle in the Champions' League qualifying round in August 2002 was a major blow to Celtic's ability to count on generating broadcasting and media income from European competition comparable with last year. However, home ties against opposition from Spain, Germany, Portugal and England (twice) generated gross media revenues of approximately £5.90m with TV audiences for the Liverpool v Celtic match peaking at six million viewers.

The broadcast rights market has been relatively difficult for a period of time. Ultimately the SPL concluded two year agreements with BBC (terrestrial), Setanta (pay per view), Octagon (overseas) and radio. As a result, the income received from centrally sold domestic television rights has declined from last year by approximately £1m.

The Club launched Celtic Replay in December 2002, an online premium content channel, which delivers to monthly subscribers highlights of matches, live audio, video programmes and other exclusively streamed content. Within the first six months, Celtic Replay has exceeded expectations. The Celtic Replay product has been further developed in the pre-season tours to Sweden and North America and will continue to be monitored as the year progresses.

In addition, Celtic TV was developed further during the year. We continue to experiment with live game production and transmission both on a pay per view basis and on the Celtic website including the Road to Seville programme which was broadcast live on digital satellite.

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Our text messaging service has been maintained and we continue with daily internet transmission to supporters from our website, which was also redeveloped during the year and has assisted as a key driver in building and maintaining an active supporter base. In total, Celtic now has over 270,000 registered users in over 200 countries worldwide, underlining the growing importance of this global audience.

Further research will be completed this year to assess the ongoing potential of the various media products more closely.

Celtic publishing continued to progress with income from Celtic View, matchday programmes and other publications up on the previous year by 8.5%. A Junior View was introduced and a competition to identify the Young Reporter of the Year was successfully launched in January. During the year, the Club also published two further books being "Hoopy Comes to Paradise" and the official UEFA Cup hardback. Sales and pre-orders have exceeded expectations.

CELTIC PARTNERS

2002/03 also saw the establishment of the Celtic Partner Programme. Our close and successful relationship with our kit supplier, Umbro, continued and both parties benefited from European success and the launch of the new home kit.

An attractive three year shirt sponsorship agreement with Coors Brewing Limited (Carling) replaced ntl who had been our previous partner for four years. Carling, the UK's No.1 lager brand, has much experience in the sponsorship of football, particularly in England. Carling will partner Celtic over the next three years with a proactive and exciting programme that is already underway to generate brand awareness and create much more interaction with Celtic supporters nationwide.

In addition, the Company has also agreed a five year deal with MBNA for a new Celtic credit card. For the first time a Celtic credit card will also be available through MBNA in the USA and Canada to support the existing agreement already in place domestically and in Ireland.

Phoenix Honda remained our principal vehicle sponsor for the ninth consecutive year.

A new three year partnership commenced on 1 August 2003 with T-Mobile, part of Deutsche Telekom who are the second largest mobile telephone company in the world.

I take this opportunity to thank all our key sponsorship partners and look forward to working closely with them in the coming year when it is intended to conclude negotiations with further Celtic sponsors.

MARKETING

The Club's official membership scheme, the Celtic World Huddle, was launched in April 2002 and in its first season over 65,000 members joined. The scheme provides a strong communications platform between supporters and the Club and brings many benefits and privileges to members throughout the season.

Celtic In The Community was launched towards the end of last season with the emphasis behind the project to bring Celtic Football Club to everyone. The first project launched was Soccer Schools 2003 in Scotland for 5-12 year olds.

2002/03 marked the inaugural Celtic Player of the Year Awards Ceremony. Over 40,000 nominations were received from supporters through online, text and telephone voting.

The second official training day took place at Celtic Park in April with over 12,000 fans, many of them children, attending.

STADIUM

Stadium revenues at £1.64m are 2.4% behind 2002 mainly as a result of a decline in the external security and stewarding contracts secured by Protectevent Limited with catering income increasing.

The extensive refurbishment programme completed within a number of existing corporate facilities in July 2002 together with certain service improvements and Sodexho's franchise contract assisted in ensuring that catering income was 4.3% up on the previous year. However, Sodexho decided to prematurely terminate the catering contract and legal advice is being taken. At the beginning of June, Celtic reverted to an in-house catering operation. A focus will be maintained on quality of catering, value for money and standards of service in respect of all concourse, corporate and non-matchday activities.

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STADIUM INVESTMENT

The additions to the tangible fixed assets in the year of £1.75m include the upgrade of the North Stand Lounges, conversion of the Celtic Suite, renovation of the Walfrid Restaurant and Jock Stein Lounge and completion of the Training Ground works at Westthorn, including the creation of 2 new artificial pitches. In addition, a new retail unit was opened in Sauchiehall Street, Glasgow and improved information technology systems, including new ticketing and EPOS systems, were implemented.

In keeping with the ongoing programme of investment in Celtic Park, work commenced following the last match of season 2002/03 to radically improve the dressing rooms, players' facilities and on-site medical treatment areas. This work will progress the Club's aim of achieving UEFA's coveted five-star stadium status, making it eligible to host European finals.

SCOTTISH PREMIER LEAGUE

The dispute that threatened the future of the Scottish Premier League has now been resolved. A revised set of rules and Articles of Association have been agreed with effect from 1 July 2003. This now provides a stable basis on which to take the domestic game forward.

ACCOUNTING POLICIES

Details of the main accounting policies adopted by the Group are disclosed in Note 1 to the Financial Statements and are consistent with last year.

FINANCIAL RESULTS

Celtic's belief that success on the football field will drive turnover improvement in other areas of the Group was borne out by results for the full year. The Group's financial performance in the current year has been assisted by continuing football success in progressing to the UEFA Cup Final, which was instrumental in turnover increasing by £3.68m to £60.57m. This is the ninth consecutive year in which turnover has increased and it is the first year that turnover has exceeded £60m.

This year's European campaign with 7 home games plus a UEFA Cup Final has generated a net contribution of approximately £10.20m in comparison to the £9.70m from the 5 home European matches last season. This increased contribution, together with the uplift in turnover in other areas, particularly merchandising, has resulted in an encouraging increase in profit from operations. Operating expenses rose by 4.5% to £53.84m. This rate of increase is at a level below the year on year uplift in turnover of 6.5%. As a result, profit from operations of £6.73m compares favourably with £5.37m reported last year.

The net loss for the year after exceptional costs, amortisation of intangible fixed assets, net loss on disposal of fixed assets, interest but before tax amounted to £5.79m in comparison to a loss of £2.97m in 2002. It has also been decided to write off the deferred tax and advance corporation tax assets, which results in a loss after tax for the year of £11.66m (2002 : £3.04m). Dividends of £1.46m (2002 : £1.30m) are payable which provides a retained loss for the year of £13.12m (2002 : £4.34m).

TURNOVER

A summary of turnover per business operation is set out in Note 2 to the Financial Statements and an analysis of performance of each operation is noted above.

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OPERATING EXPENSES

Operating expenses increased by 4.5% to £53.84m predominantly due to increased cost of sales, labour costs and other overheads directly related to the increased activity in the period. Cost of sales increased as a result of the uplift in turnover, particularly in merchandising. Other direct costs such as advertising, matchday, travel and accommodation increased as a result of the 5 additional home matches played and Celtic's extended UEFA Cup campaign. Increased depreciation costs of £354,000 in the year are reflective of the ongoing capital investment programme initiated by the Group in improving facilities for supporters and customers. Labour costs increased by £334,000 in the year, primarily as a result of increased merchandise and matchday activity.

Professional football and youth development labour costs remained relatively static in 2003. The investment in the first team playing squad, with four new players being acquired during the year, together with the acquisition of Fernandez at the end of last season, replaced the three players who left following their contract expiry in July 2002 and the two players who left in January 2003.

However, despite total labour costs at 54.6% of turnover reporting a welcome reduction from 57.6% last year, the Board recognises the need to maintain strict control of wage inflation. Our labour cost ratio compares favourably with most major clubs in the UK and mainland Europe. However, it is recognised that a large element of our labour cost is fixed because of the duration of many player contracts entered into at the peak of the market and the incremental revenue from European success is effectively required to enable a favourable ratio to be maintained. Wage inflation continues to cause concern throughout the worldwide football industry. The intent of the Celtic Board is to retain a managed ratio between turnover and labour costs, whilst acknowledging the sector is currently financially difficult and a desire to assist in delivering on-field success. The ability to field a competitive side and retain control on costs remains a challenge.

Other operating expenses increased in line with trading activity, with no significant variations reported.

EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £872,000 incorporated in the profit and loss account reflect £397,000 of operating costs and £475,000 of an impairment provision to intangible fixed assets. The majority of these costs reflect the early termination of Rafael Scheidt's contract and registration.

AMORTISATION OF INTANGIBLE FIXED ASSETS

The amortisation charge in the year of £10.33m represents an increase of £1.52m in comparison to the year to 30 June 2002, largely due to the players acquired during the year and the absence of any high value player disposals.

NET LOSS ON DISPOSAL OF INTANGIBLE FIXED ASSETS

The net loss on disposal of £70,000 reflects the disposal of Jonathan Gould and Simon Lynch. Last year's gain of £1.47m reflected the sale of Eyal Berkovic, Mark Burchill, Stewart Kerr and Olivier Tebily together with the crystallisation of contingent transfer fees in respect of certain players from previous years.

INTEREST PAYABLE

The interest payable for the year to 30 June 2003 of £1.21m is an increase from the previous year of £312,000 and is largely due to the increase in the average debt balance over the year.

TAXATION

The Group continues to follow the accounting treatment for deferred taxation as prescribed in FRS19. Given the financial difficulties currently being experienced by the football sector and the uncertainty over the timing and extent of any future taxable profits, it has been decided to write off the deferred tax and advance corporation tax assets, which provides a tax charge of £5.86m (2002 : £65,000).

INTANGIBLE FIXED ASSETS

The decrease in the net book value of intangible fixed assets from 30 June 2002 of £5.38m to £20.51m, reflects the investment in the playing squad of £5.43m less the amortisation charge of £10.33m and impairment charge of £0.48m.

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STOCK

The increase in stock from June 2002 of £801,000 reflects the increased stockholding to support the recent new home kit launch together with the addition of another retail unit and also consumable stock as a result of bringing the catering operation in-house in June 2003.

CREDITORS DUE WITHIN ONE YEAR

The reduction in creditors from 30 June 2002 largely arises from the reduction in the level of capital and revenue accruals required in 2003 as compared to 2002. This has been offset by an increase in the VAT liability mainly as a result of the VAT on a comparatively higher level of season ticket income received pre year-end against 2002.

The increase in deferred income of £2.14m reflects the increase in seasonal income for the football season 2003/04 received prior to the year-end.

CREDITORS DUE AFTER MORE THAN ONE YEAR

The increase in creditors due after more than one year from 30 June 2002 reflects the increase in amounts drawn down under the Group's £24m term loan facility at £18m in comparison to £16m at the same time last year. Repayments have also been made in respect of the hire purchase facility and other loans. The increase in the dividend accrual reflects the incorporation of the 12-month entitlement to 30 June 2003 of the holders of the Convertible Preferred Ordinary Shares to the Fixed Preferred Dividend of 4% payable on 31 August 2004.

RESERVES

Other reserves have increased by £21.22m following the successful cancellation and transfer of the share premium account, as approved at the Annual General Meeting last year and sanctioned by the Court.

FUNDING

An increase in profit from operations from improved trading less the significant funds invested in tangible and intangible fixed assets has resulted in the net debt increasing from £16.47m to £17.78m at 30 June 2003, as detailed in the cashflow statement on page 27.

The Group has internal procedures in place to ensure efficient cash flow and treasury management in order to maximise return or minimise risk where appropriate. Details of the Group's financial instruments and debt profile are included in Notes 18 and 20 to the Financial Statements.

SUMMARY

Following the outstanding European football performance Celtic managed to contain the increase in its funding requirements. In addition, partly as a result of Celtic's progression in the UEFA Cup last season has assisted Scotland's UEFA coefficient and thus the winner of the 2003/04 Scottish Premier League will gain direct access to the UEFA Champions' League group stage in season 2004/05.

The football sector is going through a period of severe financial pressure. Player pay has seen substantial growth resulting in wage inflation well in excess of reasonably expected revenues. This trend has been exacerbated as media markets continue to harden. Football clubs generally are beginning to tackle their cost base and are much less likely to spend substantial sums in anticipation of buying success or avoiding failure. Celtic is no different, facing a rising cost base largely as a result of existing player contracts and reduced domestic media revenues. A substantial effort will be required to ensure costs are maintained within forecast revenues. Existing player contracts may dictate the pace at which this can be achieved, as will progression in European competition.

The key challenge facing your Board continues to be the management of salary and transfer costs whilst achieving on-field success in order to yield satisfactory financial return.

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The Celtic Team

We have an excellent team here at Celtic, both on and off the field. Colleagues have continued to perform above and beyond the call of duty and in return we have made considerable progress towards making Celtic an employer of choice.

Following the 2002 Colleagues' Opinions Survey we launched a new culture change initiative called "The Celtic Way", which has assisted us in a number of key areas including performance management, training and development and the introduction of improved information technology systems.

Celtic has made a formal commitment to achieving the prestigious Investors In People Standard, which seeks to ensure that the development of our people is aligned to Group aims and objectives and we will continue to focus on identifying and adopting best practice in order to become an employer of choice.

In May we were pleased to extend an invitation for colleagues to attend the UEFA Cup Final in Seville to express our appreciation for their hard work throughout a challenging year. The commitment shown by all members of the Celtic team has been outstanding and I thank everyone for their contribution and achievements during the year.

Eric J Riley

13 August 2003

Celtic plc

DIRECTORS' REPORT

The Directors are pleased to present their report together with the audited Financial Statements for the year ended 30 June 2003.

PRINCIPAL ACTIVITY

The principal activity of the Group continues to be the operation of a professional football club together with related and ancillary activities. Details of the Group's activities can be found in the Operating and Financial Review.

RESULTS AND DIVIDENDS

Turnover has increased by 6.5% to £60.57m from £56.89m in 2002. Operating costs have risen by 4.5% resulting in profit from operations increasing to £6.73m (2002 : £5.37m). The loss on ordinary activities before taxation amounted to £5.79m (2002 : £2.97m).

The Preference Share dividend of 6% will be paid on 31 August 2003 to those preference shareholders on the register at 8 August 2003. The Fixed Preferred Dividend (as defined in the Articles of Association) on Convertible Preferred Ordinary Shares of 4% will be payable on 31 August 2004. No Participating Dividend on Convertible Preferred Ordinary Shares is payable.

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

The retained loss of £13.12m has been taken to reserves.

BUSINESS REVIEW

A review of the Group's business and operational activities is contained within the Chairman's Statement and Operating and Financial Review.

EVENTS SINCE THE YEAR END

Stanislav Varga and Craig Beattie have both signed extended contracts for one year and three years respectively.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL

The Directors serving throughout the year and at 30 June 2003 (unless otherwise indicated) and their interests in the share capital of the Company were as follows:

Name	30 June 2003			1 July 2002		
	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
Brian Quinn CBE	20,000	7,350	7,775	20,000	7,350	7,775
Ian J W McLeod ¹	8,000	-	-	8,000	-	-
Eric J Riley	8,000	5,000	5,000	8,000	5,000	5,000
Thomas E Allison	-	20,000	-	-	20,000	-
Dermot F Desmond	8,000,000	6,273,770	5,131,300	8,000,000	6,273,770	5,131,300
Eric Hagman CBE ²	-	-	-	-	-	-
Sir Patrick Sheehy	20,000	13,000	-	20,000	13,000	-
Kevin Sweeney	2,500	-	5,500	2,500	-	5,500

Mr Desmond is beneficially interested in the shares noted above, which are held in the name of Line Nominees Limited. Certain beneficial interests of Brian Quinn and Sir Patrick Sheehy in the shares noted above are held in the names of Brewin Nominees Limited and Perry Nominees Limited respectively.

There were no changes in Directors' shareholdings between 30 June 2003 and 13 August 2003.

¹ Mr McLeod's appointment terminated with effect from 30 April 2003.

² Mr Hagman was appointed with effect from 16 May 2003.

Celtic plc

DIRECTORS' REPORT

Brief biographical details of the Directors are as follows:

Brian Quinn, CBE (Chairman) has been a non-executive director since March 1996, and non-executive Chairman since June 2000. Formerly a senior executive director and acting Deputy Governor at the Bank of England, Mr Quinn has extensive experience in international finance and economics. He is a non-executive director of Britannic Asset Management Limited. Mr Quinn is a member of the Remuneration and Nomination Committees.

Thomas E. Allison joined the Board as a non-executive director in September 2001 and is a member of the Audit, Nomination and Remuneration Committees. Mr Allison is Chief Executive of Clydeport Plc, executive director of Peel Holdings Plc, Chairman of Wood McKenzie and ECO European and an executive director of the Prince and Princess of Wales Hospice in Glasgow. He is a council member of CBI Scotland.

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

Eric Hagman, CBE was appointed to the board as a non-executive director with effect from 15 May 2003 and is a member of the Audit Committee. An accountant by training, Mr Hagman is currently a non-executive director of British Polythene Industries plc, and a board member of Scottish Enterprise and of the Royal College of Art in London. He is a former member of the Council of CBI Scotland and of the Board of Scottish Financial Enterprise. Mr Hagman is standing for election at the forthcoming Annual General Meeting.

Eric J. Riley is the Financial Director and joined the Company in August 1994. Mr Riley is a chartered accountant and has executive responsibility for operational areas of corporate strategy and finance. During the year Mr Riley adopted temporary responsibility for certain aspects of the role formerly carried out by the outgoing chief executive, Ian McLeod. Mr Riley is an unpaid non-executive director of Scottish Premier League Limited and of the Scottish Football Association Limited.

Sir Patrick Sheehy has served as a non-executive director of the Company since March 1996. He was formerly Chairman of BAT Industries and a non-executive director of British Petroleum Co. plc from 1984 to 1998. He is a director of a number of other companies in the UK and North America. Sir Patrick served as Chairman of the Audit and Nomination Committees and a member of the Remuneration Committee during the year. Sir Patrick has now resigned as a Director.

Kevin Sweeney has been a director of the Company since July 1998 and has also served as Company Secretary. Mr Sweeney was previously a senior partner in the Company's solicitors, McGrigor Donald, and is also a chartered accountant. He holds a number of other non-executive appointments and served as a member of the Company's Audit Committee during the year. Mr Sweeney has intimated that he does not intend to stand for re-election at the forthcoming Annual General Meeting.

Policy on appointment of non-executive Directors

Non-executive appointments are regularly reviewed within the formalised process of the Nomination Committee. Re-appointment is not automatic. It is the Board's policy to seek high quality candidates for available board positions who have substantial experience, knowledge and understanding which will further the interests of the Company and its shareholders.

Retirement and re-election of Directors

In accordance with the Articles of Association of the Company, Dermot Desmond and Kevin Sweeney retire by rotation. Mr Sweeney is not standing for re-election. Dermot Desmond being eligible, offers himself for re-election.

Mr Hagman was appointed to the Board during the financial year and, in accordance with the Combined Code on Corporate Governance, he retires and offers himself for election at the forthcoming Annual General Meeting.

The Directors, in accordance with the Articles of Association, recommend that Mr Hagman be elected and that Mr Desmond be re-elected as Directors of the Company.

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

Celtic plc

DIRECTORS' REPORT

SUBSTANTIAL INTERESTS

In addition to the Directors' interests set out above, the Company has been notified or is aware of the following interests of over 3% in its issued Ordinary Share capital as at 13 August 2003:

	Ordinary Shares of 1p each	Percentage of Issued Ordinary Share capital
John S Keane	1,808,080	5.92%
Christopher D Trainer	933,748	3.05%

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

Registered Owner	Convertible Preferred Ordinary Shares of £1 each	Percentage of Issued Convertible Preferred Ordinary Shares
NY Nominees Ltd	1,606,000	8.92%
Martin O'Neill	1,600,000	8.88%
Pearse Flynn	800,000	4.44%
Aurum Nominees Ltd	800,000	4.44%
Princella Investments Ltd	800,000	4.44%

DONATIONS

Details of the many charitable activities of Celtic and the charitable donations made by Celtic Charity Fund during the year are narrated on pages 43 and 44. The Group also made direct charitable donations of £15,372 (2002: £37,077).

CREDITORS PAYMENT POLICY

It is the Group's policy to pay creditors within the terms agreed when the contract of supply is made, to the extent that the creditors have fulfilled and performed their contractual obligations. Where no terms are agreed, creditors are paid within thirty days of the month end in which the invoice is received. The ratio expressed in days between amounts invoiced to the Group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 31 days (2002: 33 days).

GENERAL GROUP POLICIES

Employee Communications

Within the limits of confidentiality, colleagues at all levels are kept informed regularly of matters which affect the progress of the Group and may be of interest. In addition to regular departmental meetings, monthly communication presentations are held and an annual employee opinions survey is conducted to identify progress and improvement areas.

To encourage the involvement of employees in the Group's performance, the Company operates an executive share option scheme and bonus scheme. Further details of these schemes are set out in the Remuneration Report.

Employment Policies

The Group is an equal opportunity employer, committed to positive policies in recruitment, training and career development for all colleagues (and potential colleagues) regardless of marital status, religion, colour, race, ethnic origin or disability. The Group is registered with Disclosure Scotland and working towards Investors In People accreditation.

Full consideration is given to applications for employment by disabled persons where the requirement of the job can be adequately fulfilled by a handicapped or 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.

Celtic plc

DIRECTORS' REPORT

HEALTH AND SAFETY

The Group operates strict health and safety regulations and policies. It complies with the requirements of the Green Guide to Safety at Sports Grounds (4th Edition), and seeks to achieve consistent compliance at all levels with the Health and Safety at Work Act etc 1974, the Management of Health and Safety at Work Regulations 1992 and associated documentation.

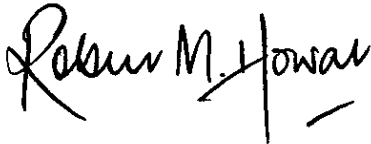
THE INTRODUCTION OF THE EURO

Currently the majority of the Group's business is carried out within the UK which remains outside European Monetary Union ("EMU"). HM Government has indicated that any decision to join EMU will most likely not occur until later in this Parliament. In due course, limited modification of certain systems and some training will be required in order to accommodate dual currencies. These modifications will be performed within the timescale of any UK entry into EMU. Although the costs associated with these modifications cannot be readily quantified at this time, in the opinion of the Directors these are unlikely to have a material impact upon future results.

AUDITORS

PKF has indicated its willingness to continue in office and a resolution to re-appoint PKF as auditors will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Robert M Howat, Secretary
Celtic Park, Glasgow, G40 3RE

13 August 2003

Celtic plc

CORPORATE GOVERNANCE

The Board confirms that the Group has complied with the provisions of the Combined Code on Corporate Governance ("the Combined Code") in force during the year, with the exception that non-executive directors are not appointed for specified periods. However, all Directors are subject to election at the first available opportunity after appointment and re-election at least every 3 years.

The Group's system of governance is reviewed regularly and further work will be undertaken in the forthcoming year to take account of the changes in the Combined Code announced on 23 July 2003 and which will apply in the next financial year.

BOARD OF DIRECTORS

The Board of Directors currently comprises a non-executive chairman, four other non-executive directors and, at the time of reporting, one executive director. Ian McLeod served as Chief Executive until the end of April 2003. Temporary responsibility for certain functions of the Chief Executive has been adopted by the Financial Director pending the appointment of a successor to Mr McLeod. By virtue of his resignation as a Director, Sir Patrick Sheehy has ceased to be a member of the Board Committees upon which he served.

The roles and responsibilities of the Chairman, Chief Executive, executive directors and non-executive directors are clearly separated. Each of the non-executive Directors is currently considered by the Board to be independent and save for individual shareholdings, none has a financial interest in the Company. The non-executive Directors do not participate in Company share option schemes, pension plans or the bonus scheme and are selected from diverse business backgrounds. Their experience and expertise enables a valuable contribution to the success of the Company to be made.

Key decisions including financial policies, internal controls, budgets, major capital expenditure and material contracts, risk management policy, health and safety and appointment of the Company's principal external advisers are subject to Board approval. The Board meets and transacts business on a formal basis at least ten times per year and is supplied in a timely fashion with appropriate information. The Directors exercise full control over Group strategy.

All Directors are entitled to seek independent 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, who is responsible to the Board for ensuring that board procedures are followed and that the Group operates within applicable rules and legislation.

The Board has three committees to which certain responsibilities are delegated, namely: Remuneration, Audit and Nomination. Each has written terms of reference and comprises solely of non-executive Directors.

Audit Committee

The Audit Committee during the year comprised Sir Patrick Sheehy (Chairman), Dermot Desmond, Tom Allison, Kevin Sweeney and Eric Hagman. Mr Hagman joined the Committee in June 2003. This Committee reviews the Group's accounting policies, internal controls and financial reporting and, in support of the role of the Board, monitors health and safety issues. It also reviews the scope, quality and independence of the external and internal audit functions. It meets at least three times per year. The external auditor and Financial Director are routinely invited to attend but business is also conducted without executive directors being present, when appropriate. The Committee has delegated responsibility for the appointment and fees of the external auditors. The audit partner responsible for the Company's audit matters is changed every five years in accordance with current guidance.

Remuneration Committee

This Committee meets at least three times per year and is chaired by Dermot Desmond. Its other members during the year were Brian Quinn, Tom Allison and Sir Patrick Sheehy. The Committee considers and determines, on behalf of the Board, the terms of engagement and remuneration of the Company's executive directors, Company Secretary and certain senior executives. The Committee also monitors the Company's executive share option scheme, determines policy on executive and staff bonuses and monitors implementation to ensure consistency and fairness. The Committee is advised internally and also obtains independent advice from external consultants to assist in determining and developing policy. The Remuneration Report is set out on pages 18-21.

Nomination Committee

This Committee comprised Sir Patrick Sheehy as Chairman, Dermot Desmond, Brian Quinn and Tom Allison, who became a member in June 2003. It meets as necessary to consider and recommend new appointments to the Board and

Celtic plc

CORPORATE GOVERNANCE

senior positions in the Company for succession purposes. Executive search consultants are used by the Committee where necessary to assist in this process.

INVESTOR COMMUNICATION

The Company is ready, where practicable, to enter into dialogue with institutional and other shareholders in order to communicate and examine the Company's objectives. The Company views the Annual General Meeting as an opportunity to encourage communication and participation from its shareholders who are invited to ask questions and to meet with the directors informally thereafter. The Group Financial Statements are published on the Company's website. The results of proxy voting are announced at the Annual General Meeting.

REPORTING AND INTERNAL CONTROLS

The Board's Review of Internal Control

Risk management, compliance and internal control are considered on a regular basis during the year and are monitored and reviewed by the Audit Committee on behalf of the Board. The results of the programmes of control assessment and internal audit in place are reported to the Audit Committee at each meeting and thereafter communicated to the Board. A review of the procedures was conducted before reporting on the year ending 30 June 2003. The Board is satisfied that there is an ongoing process for identifying, assessing and managing all significant risks facing the Group.

Internal Financial Control

The Board of Directors has ultimate responsibility for ensuring that a balanced and understandable assessment of the Group's position and prospects is presented. A coherent and concise narrative within the Annual Report and Financial Statements is an integral and essential part of this presentation. The Directors also aim to ensure that the highest levels of disclosure are achieved without damaging the Group's competitive position.

The Board has overall responsibility for the Group's system of internal control, the effectiveness of which has been reviewed by the Board. The system is designed to give reasonable but not absolute assurance that the assets of the Company and the Group are safeguarded against material misstatement or loss and that proper accounting records are maintained.

The key features of the control system are as follows:

- **Control Environment:** an appropriate framework is in place to plan, control and monitor the Group's activities which allows for appropriate delegation of authority and accountability having regard to acceptable levels of risk.
- **Business Risk Assessment:** the financial implications of significant business risks are kept under review and controlled by the Board.
- **Financial Reporting:** comprehensive internal forecasting is carried out and periodically updated. Monthly results are reported and significant variances from budget identified and investigated.

The effectiveness of the system of internal financial control is reviewed throughout the year and takes account of any material developments which have taken place. The review is performed on the basis of the criteria in the Turnbull Guidance.

GOING CONCERN

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

Celtic plc

REMUNERATION REPORT

The Directors submit their report on remuneration for the financial year ended 30 June 2003. This report has been approved and adopted by the Board and prepared in accordance with applicable regulations and the Listing Rules. The information contained within the tables on pages 19 and 20 and the paragraphs entitled "*Pension*" and "*Share options*" below is subject to audit in accordance with The Directors' Remuneration Report Regulations 2002.

The Remuneration Committee ("the Committee")

The Committee had 4 members during the year: Dermot F Desmond (Chairman), Brian Quinn, Sir Patrick Sheehy and Tom Allison and meets at least 3 times each year. It considers, for recommendation to the Board, Company policy on remuneration of Directors and approves on behalf of the Board, the content and level of the remuneration packages of executive directors and certain other senior executives.

Remuneration Policy

The Company complies with the provisions of the Combined Code in connection with executive remuneration in force during this financial year. In determining policy, the main objective is to ensure, without paying more than is reasonable or necessary, that the Company can attract, retain and motivate experienced and capable individuals who will make a significant contribution to the Company's success. When determining policy and remuneration account is taken of levels of packages available within other comparable companies, the Company's overall corporate performance, achievement of corporate objectives and individual performance.

The Committee has received information and advice in the course of the year from Macdonald Kinnaird, Recruitment Consultants on executive director and senior executive remuneration levels. This firm also provided recruitment services to the Company during the financial year. It is Company policy that executive Directors' service contracts should be terminable on no more than one year's notice and that pre-determined compensation on termination, or for loss of office, should not exceed one year's salary and benefits.

Appointments may, for the purpose of continuity, provide for an initial period of up to two years but reverting thereafter to rolling periods, terminable as explained above.

Performance related remuneration for executive directors and senior executives is assessed through an annual bonus scheme (see below) and the operation of the Celtic plc Executive Share Option Scheme.

Remuneration of Executive Directors and Senior Executives

Payments to Directors in the financial year are set out in the table on page 20 and demonstrate the relative values of basic salary and performance based remuneration. Executive remuneration packages consist of several elements:

Basic salary and benefits

The Committee reviews base salaries for executive directors and senior executives annually, on promotion and exceptionally during the year if significant additional responsibilities have been undertaken. Benefits for executive directors include the provision of a company vehicle, fuel, relocation allowance, private medical insurance and critical illness cover and may be 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 all full and part time employees on regular contracts with the following key objectives:

- (A) Improving and sustaining the financial performance of the Group from year to year;
- (B) Delivering and enhancing shareholder value;
- (C) Enhancing the reputation and standing of Celtic;
- (D) Delivering consistently high standards of service to Celtic and its customers; and

Celtic plc

REMUNERATION REPORT

- (E) Attracting, retaining and motivating talented individuals whose skills and services will enable Celtic to meet its strategic objectives.

Performance conditions reflect both corporate financial performance and satisfaction of personal objectives. Corporate financial performance incorporates both performance against budget and the previous year's results. Maximum award levels depend upon seniority and contractual entitlements. The maximum award under the scheme for executive directors is 75% of salary. The Committee reviews the bonus scheme structure and performance conditions annually. Football players are subject to a separate bonus scheme that rewards on-field success.

Pension

The Company operates a group personal pension plan, with defined contributions, in which the Financial Director, several senior executives and a number of other employees participate. Pension contributions for Ian McLeod during his tenure as Chief Executive were made to independent pension providers. Stakeholder arrangements are available to qualifying employees. The Company does not operate any defined benefit (final salary) schemes.

Share options

The Celtic plc Executive Share Option Scheme ("the Scheme") is operated by the Company as part of remuneration policy and to assist in aligning the interests of executive Directors and selected employees with the Company's financial performance. The Scheme was first established in December 1994 and last amended in September 2001 and has 2 parts; an Approved Scheme and an Unapproved Scheme. The Unapproved Scheme operates to permit the grant of options where the value of subsisting options at the date of grant exceeds the Inland Revenue threshold of £30,000.

Employees in participating group companies and directors devoting substantially all of their working time to the group's affairs are eligible to participate, subject to the discretion of the Committee.

The last grant of options over Ordinary Shares of 1p under the Scheme was on 15 September 2001, all at an option price of 107.5p. Those options, including those of the Directors, are exercisable in total only after 3 years from the date of grant (in effect, only after 15 September 2004), and provided that over 3 consecutive financial years

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

The performance criteria stated above were selected by the Committee as a realistic test of comparative financial performance, with a view to securing consistent growth and shareholder return against the sector. In accordance with the rules of the Scheme these options, unless exercised or lapsing earlier, lapse on the tenth anniversary of the date of the grant.

The interests of executive Directors serving during the year under the Scheme are set out in the table below:

	Balance at 1 July 2002 Number	Granted 2002/03	Exercised / Lapsed 2002/03	Balance at 30 June 2003 Number	Exercise price	Class	Option Period
I J W McLeod	930,233	-	930,233	-	107.5p	Ordinary 1p	Sept 2004/11
E J Riley	413,053	-	-	413,053	107.5p	Ordinary 1p	Sept 2004/11

A total of 1,140,093 options over Ordinary Shares of 1p from the grant in September 2001, including those granted to executive Directors, lapsed during the year, leaving 1,278,120 outstanding.

Options over 1,538,461 Convertible Preferred Ordinary Shares of £1 were granted to the Football Manager in September 2001 at an exercise price of 130p. These options, in addition to parameters stated above, are also subject to conditions relating to football success and remain current.

On 24 April 1997, certain employees were granted options over Ordinary Shares (then having a nominal value of £1.00 each, now 1p each) at the market value on that date of £3.00. At the balance sheet date, options from that grant over 90,000 Ordinary Shares of 1p were in existence. These options are exercisable at any time between 24 April 2002 and 24 April 2007 and are not subject to performance conditions.

Celtic plc

REMUNERATION REPORT

The market price of Ordinary Shares on 30 June 2003 was 40.0p (2002: 51.5p). The price range during the year was 31.5p to 52.0p.

The market price of the Convertible Preferred Ordinary Shares on 30 June 2003 was 97.5p (2002: 123.5p) and the price range during the year was 97.5p to 123.5p.

Service Agreements

Executive Directors

The service agreement of Ian McLeod was brought to an end on 30 April 2003. Mr McLeod had a contractual entitlement that if on the second anniversary of the date of grant of his share options in September 2001, the options did not have a built in gain of at least £400,000, the Company would pay Mr McLeod a cash sum equal to the shortfall. The service agreement also provided for that payment to be made if the agreement terminated prior to the second anniversary of the date of grant. In consequence, the Company made a payment to Mr McLeod after deduction of tax in relation to the underwritten capital gain obligations. Provision had previously been made on a pro rata basis against the likelihood of this payment arising as a result of the prevailing market price of the Ordinary Shares.

Under severance terms agreed with Mr McLeod an additional payment of £100,000 was made to him in respect of liabilities which the Company considered and was advised would have arisen as a consequence of his contract being brought to an end. Mr McLeod remained entitled to the use of a fully expensed Company car for the period up to 31 July 2003. All other benefits ceased with effect from 30 April 2003.

The Financial Director's service agreement commenced on 19 August 1994 and continues subject to termination on twelve months' notice from the Company or three months' notice from the Financial Director. Termination by the Company on shorter notice, other than for misconduct, would be likely to create a requirement for payment of compensation related to the unexpired element of the notice period.

Non-executive Directors

The Chairman and non-executive Directors do not have service contracts with the Company. Individual letters govern their appointments. Although typically expected to serve for at least 3 years, non-executive Directors are not appointed for specific periods.

Remuneration of Directors

Directors' remuneration and benefits are set out in the table below.

	Salary/ Fees £	Bonus £	Benefits in kind £	Pension Contributions £	Other £	2003 Total £	2002 Total £
B. Quinn	30,000	-	-	-	-	30,000	30,000
E. J. Riley	115,000	68,750	16,429	17,250	-	217,429	192,283
T. E. Allison	15,000	-	-	-	-	15,000	11,942
D. F. Desmond	15,000	-	-	-	-	15,000	15,000
E. Hagman (appointed 16/05/03)	1,875	-	-	-	-	1,875	-
Sir Patrick Sheehy	15,000	-	-	-	-	15,000	15,000
K. Sweeney	15,000	-	-	-	-	15,000	17,083
I. J. W. McLeod (resigned 30/04/03)	214,476	-	20,286	50,000	500,000	784,762	444,865
	<u>421,351</u>	<u>68,750</u>	<u>36,715</u>	<u>67,250</u>	<u>500,000</u>	<u>1,094,066</u>	<u>726,173</u>

The bonus payment awarded to Mr Riley includes a payment for additional temporary responsibilities undertaken during the year.

Remuneration of non-executive Directors consists of fees 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. The non-executive Directors have no personal financial interest other than as shareholders. They are not members of the Company's pension scheme and do not participate in any bonus scheme, share option or other profit schemes. All Directors are entitled to one seat in the Presidential Box for each home match, without charge to assist them in performing their duties.

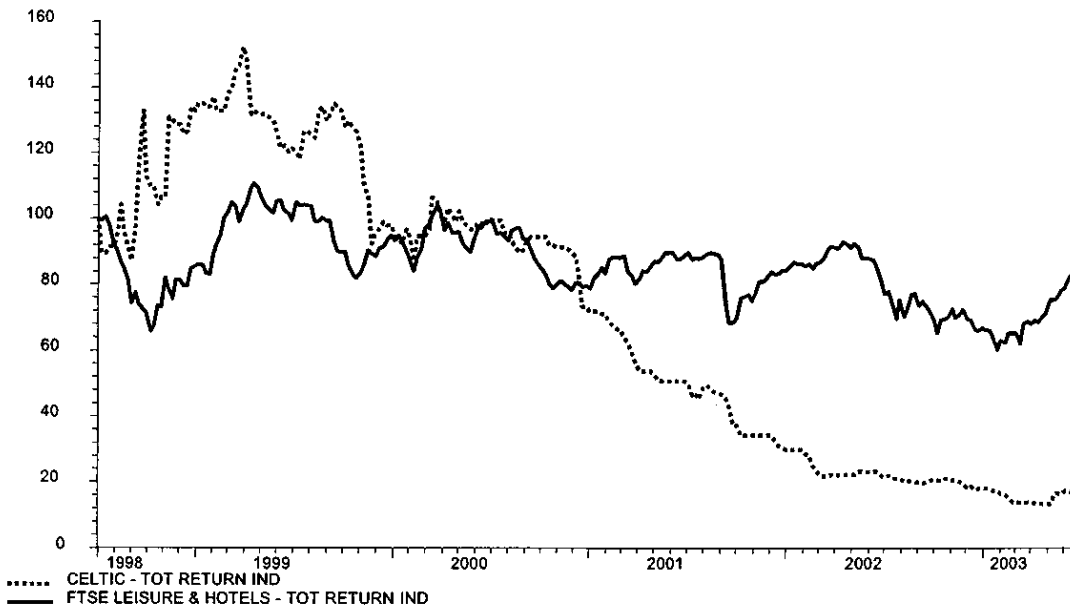
The Company Chairman is entitled to take up to 50% of his fees in Ordinary Shares of the Company and has the use of a Company car and driver on Company business.

Celtic plc

REMUNERATION REPORT

Shareholder Return

The graph below compares the total shareholder return for and investment in the Ordinary Shares of Celtic plc with the return for the same investment in FTSE Leisure and Hotels index over a five year period commencing on 1 July 1998. In the opinion of the Directors, the FTSE Leisure and Hotels index, of which the Company is a constituent, is currently the most appropriate index against which the total shareholder return of the Company should be measured, as it is most likely to be used by investors, shareholders and management as a measure of performance. This index includes other listed football clubs and is currently utilised as the benchmark against which performance under the Company's Executive Share Option Scheme is assessed. Total shareholder return represents the increase in value of a share held by an investor assuming immediate reinvestment of dividends.



Review

Stock market conditions remained difficult for the whole of the last financial year and in March 2003, the FTSE 100 reached 3300 points, its lowest level since July 1995. This also marked the low point for Celtic's share price for the period. However, as at the the year end Company's share price had recovered by approximately 23 per cent and as at 13 August 2003 by approximately 37%.

The Board remains hopeful that continued success on the pitch combined with improving market conditions will see Celtic's share price moving in an upward direction.

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

By Order of the Board

Robert M Howat
Company Secretary

13 August 2003

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; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Directors' Report, Remuneration Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Services Authority.

FIVE YEAR RECORD

FINANCIAL	2003	2002	2001	2000	1999
	£000	£000	£000	£000	£000
TURNOVER	60,569	56,892	42,007	38,579	33,840
PROFIT FROM OPERATIONS	6,730	5,370	871	4,676	6,754
(LOSS)/PROFIT AFTER TAXATION	(11,659)	(3,039)	(8,123)	(3,956)	1,134
DIVIDENDS	1,457	1,301	599	599	533
NET ASSETS	34,319	47,435	30,059	38,781	43,176
SHARES IN ISSUE (EXCL. DEFERRED) ('000)	65,762	65,762	47,750	47,750	47,500
(LOSS)/EARNINGS PER ORDINARY SHARE	(42.91p)	(14.26p)	(29.82p)	(15.63p)	3.9p
DILUTED (LOSS)/EARNINGS PER SHARE	(42.91p)	(14.26p)	(29.82p)	(15.63p)	2.34p
NUMBER OF EMPLOYEES	418	392	381	444	424
FOOTBALL	2003	2002	2001	2000	1999
LEAGUE POSITION	2	1	1	2	2
LEAGUE POINTS	97	103	97	69	68
SCOTTISH CUP	QUARTER FINAL	FINAL	WINNERS	THIRD RD	FINAL
LEAGUE CUP	FINAL	SEMI FINAL	WINNERS	WINNERS	THIRD RD
EUROPEAN TIES PLAYED	8	5	3	3	4
CELTIC PARK	2003	2002	2001	2000	1999
STADIUM INVESTMENT TO DATE (£000)	55,632	54,069	52,513	51,632	49,661
STADIUM SEATING CAPACITY	60,355	60,501	60,506	60,506	60,506
AVERAGE HOME LEAGUE ATTENDANCE	57,154	58,589	59,170	58,163	59,213
SEASON TICKET SALES	53,464	53,457	54,253	53,397	53,388

Celtic plc

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the Financial Statements of Celtic plc for the year ended 30 June 2003 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes. These Financial Statements have been prepared under the accounting policies set out therein. We have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report, the Remuneration Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Financial Statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the Financial Statements give a true and fair view and whether The Financial Statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and applicable legislation. We also report to you if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company and other members of the Group is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. This other information comprises only the Directors' Report, the Chairman's Statement, the Operating & Financial Review, the Corporate Governance Statement and the unaudited part of the Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements and the part of the Remuneration Report to be audited. 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 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 and the part of the Remuneration Report to be audited 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 and the part of the Remuneration Report to be audited.

Opinion

In our opinion:

- the Financial Statements give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2003 and of the Group's loss for the year then ended; and
- the Financial Statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985.

PKF
Registered Auditors
Glasgow, UK



13 August 2003

Celtic plc

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2003

		2003		2002	
	Notes	Operations excluding player trading £000	Player trading £000	Total £000	£000
TURNOVER	2	60,569	-	60,569	56,892
OPERATING EXPENSES	3	(53,839)	-	(53,839)	(51,522)
PROFIT FROM OPERATIONS		6,730	-	6,730	5,370
EXCEPTIONAL OPERATING EXPENSES	3, 4	(397)	(475)	(872)	-
AMORTISATION OF INTANGIBLE FIXED ASSETS	3, 13	-	(10,332)	(10,332)	(8,814)
OPERATING PROFIT/(LOSS)		6,333	(10,807)	(4,474)	(3,444)
(LOSS)/PROFIT ON DISPOSAL OF INTANGIBLE FIXED ASSETS		-	(70)	(70)	1,474
LOSS ON DISPOSAL OF TANGIBLE FIXED ASSETS		(41)	-	(41)	(107)
PROFIT/(LOSS) BEFORE INTEREST AND TAXATION		6,292	(10,877)	(4,585)	(2,077)
NET INTEREST PAYABLE	8			(1,209)	(897)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION				(5,794)	(2,974)
TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES	9			(5,865)	(65)
LOSS FOR THE YEAR	22			(11,659)	(3,039)
DIVIDENDS – non equity	10			(1,457)	(1,301)
RETAINED LOSS FOR THE YEAR				(13,116)	(4,340)
LOSS PER ORDINARY SHARE	11			(42.91p)	(14.26p)
DILUTED LOSS PER SHARE	11			(42.91p)	(14.26p)

All amounts relate to continuing operations.

There were no gains or losses recognised in 2003 other than the loss for the year.

Celtic plc

GROUP BALANCE SHEET

30 JUNE 2003

	Notes	2003		2002	
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	12		48,564		48,266
Intangible assets	13		<u>20,513</u>		<u>25,895</u>
			<u>69,077</u>		<u>74,161</u>
CURRENT ASSETS					
Stocks	15	2,059		1,258	
Deferred tax asset	16	-		5,615	
Debtors	17	4,660		4,532	
Cash at bank and in hand		<u>753</u>		<u>533</u>	
			<u>7,472</u>		<u>11,938</u>
CREDITORS - Amounts falling due within one year					
	18		<u>(11,760)</u>		<u>(12,607)</u>
Income deferred less than one year					
	19		<u>(10,826)</u>		<u>(8,682)</u>
			<u>(22,586)</u>		<u>(21,289)</u>
NET CURRENT LIABILITIES			<u>(15,114)</u>		<u>(9,351)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			53,963		64,810
CREDITORS - Amounts falling due after more than one year					
	20		<u>(19,644)</u>		<u>(17,375)</u>
NET ASSETS			<u>34,319</u>		<u>47,435</u>
CAPITAL AND RESERVES					
Called up share capital (includes non-equity)	21		29,405		29,405
Share premium	22		-		21,222
Other reserve	22		21,222		-
Profit and loss account	22		<u>(16,308)</u>		<u>(3,192)</u>
SHAREHOLDERS' FUNDS			<u>34,319</u>		<u>47,435</u>

Approved by the Board on 13 August 2003



Brian Quinn
Director



Eric J Riley
Director

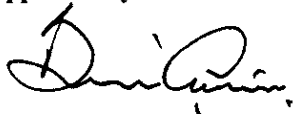
Celtic plc

COMPANY BALANCE SHEET

30 JUNE 2003

		2003		2002	
	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	12		48,564		48,266
Intangible assets	13		20,513		25,895
			69,077		74,161
CURRENT ASSETS					
Deferred tax asset	16		-		217
Debtors	17		8,515		3,303
Cash at bank and in hand			114		17
			8,629		3,537
CREDITORS - Amounts falling due within one year					
	18		(6,271)		(8,461)
NET CURRENT ASSETS/(LIABILITIES)			2,358		(4,924)
TOTAL ASSETS LESS CURRENT LIABILITIES			71,435		69,237
CREDITORS - Amounts falling due after more than one year					
	20		(19,644)		(17,357)
NET ASSETS			51,791		51,880
CAPITAL AND RESERVES					
Called up share capital (includes non-equity)	21		29,405		29,405
Share premium	22		-		21,222
Other reserve	22		21,222		-
Profit and loss account	22		1,164		1,253
SHAREHOLDERS' FUNDS			51,791		51,880

Approved by the Board on 13 August 2003



Brian Quinn
Director



Eric J Riley
Director

Celtic plc

GROUP CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2003

	2003 £000	2002 £000
RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating loss	(4,474)	(3,444)
Depreciation	1,405	1,051
Amortisation of intangible fixed assets	10,332	8,814
Provision for impairment of intangible fixed assets	475	-
Grants release	(1)	(1)
Increase in stocks	(801)	(30)
(Increase)/decrease in debtors	(1,853)	774
Increase in creditors	1,611	359
	6,694	7,523
Net cash inflow from operating activities		
 CASH FLOW STATEMENT		
Net cash inflow from operating activities	6,694	7,523
Returns on investments and servicing of finance (Note 24)	(1,767)	(2,296)
Capital expenditure and financial investment (Note 24)	(6,236)	(14,591)
	(1,309)	(9,364)
Cash outflow before financing		
Financing (Note 24)	1,529	17,133
	220	7,769
Increase in cash		
 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (Note 25)		
Increase in cash in the period	220	7,769
Cash (inflow)/outflow from (increase)/decrease in debt	(1,529)	5,383
	(1,309)	13,152
Change in net debt resulting from cash flows		
Movement in net debt in the period	(1,309)	13,152
Net debt at 1 July	(16,473)	(29,625)
Net debt at 30 June	(17,782)	(16,473)

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2003

1 ACCOUNTING POLICIES

(a) Accounting convention & basis of preparation

The Financial Statements are prepared under the historical cost convention and comply with applicable accounting standards.

During the year the Group adopted the Financial Reporting Guidance for Football Clubs issued in February 2003 by The Football League, The FA Premier League and the FA, although turnover within Note 2 continues to be analysed in accordance within the headings of the business operations of the Group. The implementation of this guidance has resulted in a change in the presentation within the Group Profit and Loss Account to show the income and expenditure relating to player trading separately from other operations. The comparative figures within the Group Profit and Loss Account have been amended accordingly.

(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 2003. All subsidiaries are accounted for using acquisition accounting.

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

Tangible fixed assets are written off over their estimated useful lives at the following annual rates:

Plant and vehicles	10% - 25% reducing balance
Fixtures, fittings and equipment	10% - 33% reducing balance
Buildings (excluding stadium)	2% - 10% straight line

The football stadium is not depreciated within the Financial Statements. The Directors are of the opinion that, having assessed the expected useful life of the asset, any annual charge for depreciation would be immaterial. In accordance with FRS 15 the Group carries out an annual impairment review of the stadium.

Freehold land is not depreciated.

(d) Intangible fixed assets

Costs associated with the acquisition and retention of football personnel are capitalised and treated as intangible fixed assets. These amounts are amortised evenly over the contract period, on the basis of nil residual values.

(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.

(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 12. 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 or the Group.

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

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2003

1 ACCOUNTING POLICIES (Continued)

(g) Leasing obligations and hire purchase

Leasing charges in respect of operating leases are recognised in the Group Profit and Loss Account over the lives of the lease agreements as incurred.

Assets acquired under hire purchase contracts are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the Group Profit and Loss Account over the period of the agreement on a straight line basis.

(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 includes contributions payable by the Group to the fund in respect of the year.

(j) Foreign exchange

Transactions denominated in foreign currency are translated at the date of the transaction. Foreign currency assets and liabilities at the year-end are translated at the year end exchange rate or the exchange rate of a related forward contract if applicable. The resulting exchange gain or loss is dealt with in the Group Profit and Loss Account at the date of crystallisation.

(k) Deferred tax

Deferred tax is provided using the full provision method following the Group's adoption of FRS 19. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, discounted to reflect the time value of money. Deferred tax assets are incorporated within the Financial Statements to the extent that it is more likely than not that they will be recoverable in the foreseeable future.

2 TURNOVER

Turnover in respect of the five business operations comprised:	2003 £000	2002 £000
Professional football	30,480	27,715
Multimedia and communications	15,600	16,216
Merchandising	11,456	10,001
Stadium enterprises	1,644	1,684
Youth development	1,389	1,276
	<hr/>	<hr/>
	60,569	56,892

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

3 OPERATING EXPENSES

Total operating expenses comprised:

	2003 £000	2002 £000
Staff costs (Note 5)	33,079	32,745
Depreciation of tangible fixed assets (Note 12)	1,405	1,051
Other operating charges	<u>19,355</u>	<u>17,726</u>
	53,839	51,522
Amortisation of intangible fixed assets (Note 13)	10,332	8,814
Exceptional operating expenses (Note 4)	872	-
	<u>65,043</u>	<u>60,336</u>

	2003 £000	2002 £000
Other operating charges include		
Auditors' remuneration : audit fees	28	28
: other fees	22	19
Operating lease payments : land and buildings	522	383
: plant & vehicles	56	58

Auditor's other fees represent £22,000 in respect of taxation services (2002:£8,000 taxation services, £11,000 Group restructure).

4 EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £872,000 incorporated in the profit and loss account reflect £397,000 of operating costs and £475,000 of an impairment provision to intangible fixed assets. The majority of these costs reflect the early termination of Rafael Scheidt's contract and registration. (2002 : £Nil).

5 STAFF PARTICULARS

	2003 £000	2002 £000
Wages and salaries	28,873	28,481
Social security costs	3,456	3,530
Other pension costs	<u>750</u>	<u>734</u>
	33,079	32,745

Average number of full time equivalent employed in the year:

	Number	Number
Professional football and youth development	167	161
Other business operations	<u>251</u>	<u>231</u>
	418	392

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2003

6 DIRECTORS' EMOLUMENTS

Details of Directors' emoluments are included within the Remuneration Report on pages 18 to 21.

7 PENSION COSTS

The assets of the Group pension scheme are held separately from those of the Group by The Standard Life Assurance Company. Contributions made by the Group to the scheme during the year amounted to £152,513 (2002: £138,943). Contributions of £19,167 (2002: £17,027) were payable to the fund at the year-end.

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £000	2002 £000
Interest payable and similar charges comprised:		
On bank overdrafts	273	123
On bank and other loans	870	708
On hire purchase contracts	66	66
	1,209	897

9 TAX ON ORDINARY ACTIVITIES - GROUP

(a) Analysis of charge in period:

	2003 £000	2002 £000
Current tax:		
UK corporation tax (below)	-	-
Deferred tax:		
Origination and reversal of timing differences	5,615	(671)
Irrecoverable advance corporation tax	250	-
Movement in discount	-	736
	5,865	65

An explanation regarding the movement in deferred tax is provided at Note 16.

(b) Factors affecting tax charge for period:

The corporation tax assessed for the year is different from the standard rate of corporation tax in the United Kingdom of 30% (2002: 30%). The differences are explained below:

	2003 £000	2002 £000
Loss on ordinary activities before tax	(5,794)	(2,974)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 30% (2002: 30%)	(1,738)	(892)
Effects of:		
Expenses not deductible for tax purposes	33	45
Capital allowances for period in excess of depreciation	(556)	(425)
Untaxed income	(354)	(360)
Decrease in general provisions	-	(2)
Losses created in year	2,615	1,634
	-	-
Current corporation tax charge for year	-	-

No provision for corporation tax is required in respect of the year ended 30 June 2003. Estimated tax losses

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

available for set-off against future trading profits amount to approximately £33.0m (2002 : £24.0m). This estimate is subject to the agreement of the current and prior years' corporation tax computations with the Inland Revenue.

10 DIVIDENDS

The non-equity dividend of £1,456,588 (2002: £1,300,645) comprises the dividend of 6% of £555,966 (2002: £557,632) payable on 31 August 2003 to those holders of Convertible Cumulative Preference Shares on the share register at 8 August 2003, together with the amount due in respect of the Convertible Preferred Ordinary Shares fixed dividend of 4% of £900,622 (2002: £743,013) which is payable on 31 August 2004.

11 LOSS PER SHARE

The loss per share has been calculated by dividing the loss for the period of £13.12m (2002: £4.34m) by the weighted average number of Ordinary Shares of 30.56 million (2002: 30.43 million) in issue during the year. The diluted loss per share has been calculated using the same figures as the basic calculation. No account has been taken of share purchase options, as these potential ordinary shares are not considered to be dilutive under the definitions of the applicable accounting standards.

12 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 2002	37,464	3,070	14,493	55,027
Additions	32	51	1,671	1,754
Disposals	-	-	(227)	(227)
At 30 June 2003	37,496	3,121	15,937	56,554
Accumulated Depreciation				
At 1 July 2002	64	810	5,887	6,761
Charge for year	33	200	1,172	1,405
Eliminated on disposal	-	-	(176)	(176)
At 30 June 2003	97	1,010	6,883	7,990
Net Book Value				
At 30 June 2003	37,399	2,111	9,054	48,564
At 30 June 2002	37,400	2,260	8,606	48,266

Freehold Land and Buildings are net of grants received of £2,999,000 (2002: £2,999,000).

The net book value of plant and vehicles includes £1.46m (2002: £1.52m) in respect of assets held under hire purchase contracts. Depreciation charged on these assets in the year ended 30 June 2003 amounted to £62,000 (2002: £101,000).

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2003

13 FIXED ASSETS - INTANGIBLE ASSETS

Group and Company

	2003 £000	2002 £000
Cost		
At 1 July	47,915	50,082
Additions	5,425	12,107
Disposals	(1,090)	(14,274)
At 30 June	<u>52,250</u>	<u>47,915</u>
Amortisation		
At 1 July	22,020	25,976
Charge for year	10,332	8,814
Provision for impairment	475	-
Disposals	(1,090)	(12,770)
At 30 June	<u>31,737</u>	<u>22,020</u>
Net Book Value		
At 30 June	<u>20,513</u>	<u>25,895</u>

The net loss on sale of player registrations in the year was £70,000 (2002: £1,474,000 gain).

14 SUBSIDIARY COMPANIES

The Company's subsidiary undertaking continued to be Celtic F.C. Limited.

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

Subsidiary undertaking	Activity
Protectevent Limited	Stewarding and security services
Glasgow Eastern Developments Limited	Management of properties
The Celtic Football and Athletic Company Limited	Football Club management & promotional services

These companies are registered in Scotland and are all included in the consolidated Financial Statements. The information above has been extracted from their Financial Statements for the year ended 30 June 2003.

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

15 STOCKS

	2003 Group £000	2002 Group £000	2003 Company £000	2002 Company £000
Goods for resale	2,048	1,258	-	-
Consumable stock	11	-	-	-
	<u>2,059</u>	<u>1,258</u>	<u>-</u>	<u>-</u>

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2003

16 DEFERRED TAX ASSET

The Group continues to follow the accounting treatment for deferred taxation as prescribed in FRS19. Given the financial difficulties currently being experienced by the football sector and the uncertainty over the timing of future taxable profits, the Group has decided to write off the deferred tax and advance corporation tax assets, which provides a tax charge of £5.86m (2002 : £65,000).

Group

The deferred tax asset included in the Financial Statements, assuming a tax rate of 30%, can be analysed as follows:

	2003		2002	
	£000	£000	£000	£000
Gross:				
Accelerated capital allowances	-		(1,221)	
Losses	-		6,938	
		-		5,717
Discount:				
Accelerated capital allowances	-		1,438	
Losses	-		(1,540)	
		-		(102)
At 30 June		-		5,615

	2003	2002
	£000	£000
The movement in the deferred tax asset comprises:		
At 1 July	5,615	5,680
Charge to profit and loss account (Note 9)	(5,615)	(65)
At 30 June	-	5,615

At the balance sheet date the value of deferred tax asset not reflected in the Group's Financial Statements was £7.41m. This asset will be recoverable against future taxable profits of the Group.

In addition advance corporation tax of £250,000 is recoverable against future taxable profits of the Group.

Company

The deferred tax asset included in the Financial Statements, assuming a tax rate of 30%, can be analysed as follows:

	2003		2002	
	£000	£000	£000	£000
Gross:				
Accelerated capital allowances	-		(1,221)	
Losses	-		-	
		-		(1,221)
Discount:				
Accelerated capital allowances	-		1,438	
Losses	-		-	
		-		1,438
At 30 June		-		217

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

	2003 £000	2002 £000
The movement in the deferred tax asset comprises:		
At 1 July	217	5,680
Losses transferred to subsidiary on restructure	-	(4,500)
Charge to profit and loss account	<u>(217)</u>	<u>(963)</u>
At 30 June	<u>-</u>	<u>217</u>

At 30 June 2003, the deferred tax liability not reflected in the Company's Financial Statements was £276,000. The liability has not been provided for due to the Group's tax losses available.

17 DEBTORS

	2003 Group £000	2002 Group £000	2003 Company £000	2002 Company £000
Debtors comprised:				
Trade debtors	2,075	3,382	7	1,475
Advance corporation tax	-	250	-	250
Other debtors	489	63	320	22
Prepayments and accrued income	2,096	837	211	182
Due from subsidiary undertaking	<u>-</u>	<u>-</u>	<u>7,977</u>	<u>1,374</u>
	<u>4,660</u>	<u>4,532</u>	<u>8,515</u>	<u>3,303</u>

Included in trade debtors is an amount of £nil (2002: £1,475,000) in respect of sums due from the sale of intangible fixed assets. The increase in accrued income largely represents amounts outstanding at the year end in respect of media revenues received pre year end in 2002. The amount due to the Company by its subsidiary undertaking reflects the intercompany balance between the Company and its principal subsidiary, Celtic F. C. Limited.

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2003

18 CREDITORS - amounts falling due within one year

	2003	2002	2003	2002
	Group	Group	Company	Company
	£000	£000	£000	£000
Creditors comprised:				
Loan instalments	2	27	2	27
Other loans	180	182	180	182
Trade creditors	3,984	3,820	1,349	2,566
Other taxation and social security	3,416	2,461	1,190	1,055
Proposed dividends	556	558	556	558
Other creditors	365	1,076	279	804
Accruals	2,904	4,130	2,362	2,916
Obligations under hire purchase agreement	353	353	353	353
	<u>11,760</u>	<u>12,607</u>	<u>6,271</u>	<u>8,461</u>

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

Included in trade creditors is an amount of £1.04m (2002: £1.21m) in respect of instalments due for the acquisition of player registrations.

The reduction in other creditors and accruals in 2003 largely represents reduced levels of capital accruals and bonus provisions respectively.

19 INCOME DEFERRED LESS THAN ONE YEAR

	2003	2002	2003	2002
	Group	Group	Company	Company
	£000	£000	£000	£000
Deferred income	<u>10,826</u>	<u>8,682</u>	<u>-</u>	<u>-</u>

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.

20 CREDITORS – amounts falling due after more than one year

	2003	2002	2003	2002
	Group	Group	Company	Company
	£000	£000	£000	£000
Loan instalments	18,000	16,002	18,000	16,002
Accruals	-	188	-	170
Obligations under the hire purchase agreement	-	442	-	442
Proposed dividends	1,644	743	1,644	743
	<u>19,644</u>	<u>17,375</u>	<u>19,644</u>	<u>17,357</u>

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2003

Group and Company

	2003 £000	2002 £000
Loan instalments are repayable as follows:		
In one year or less	2	27
Between one and two years	-	2
In more than five years	<u>18,000</u>	<u>16,000</u>
	<u>18,002</u>	<u>16,029</u>

Loans repayable by instalments include bank loans of £18.00m (2002: £16.00m). These loans bear interest at London Inter-Bank Offered Rate plus 1.125%. These loans form part of a £24.00m loan facility which is repayable in equal quarterly instalments from October 2009 until April 2019 and £16.69m is repayable in July 2019. The Company has the option to repay the loans earlier than these dates without penalty. The bank loans are secured over Celtic Park.

	2003 £000	2002 £000
Obligations under the hire purchase agreement are repayable in instalments as follows:		
In one year or less	353	353
Between two and five years	<u>-</u>	<u>442</u>
	<u>353</u>	<u>795</u>

The hire purchase creditor is secured over the asset concerned.

21 SHARE CAPITAL

Group and Company	Authorised		Allotted, called up and fully paid			
	2003 No.'000	2002 No.'000	2003 No.'000	2003 £000	2002 No.'000	2002 £000
Equity						
Ordinary Shares of 1p each	36,341	36,289	30,591	306	30,539	305
Non Equity						
Convertible Preferred Ordinary Shares of £1 each	20,000	20,000	18,012	18,012	18,012	18,012
Convertible Cumulative Preference Shares of 60p each	19,659	19,711	17,159	10,296	17,211	10,327
Deferred Shares of 1p each	<u>79,093</u>	<u>76,052</u>	<u>79,093</u>	<u>791</u>	<u>76,052</u>	<u>761</u>
	<u>155,093</u>	<u>152,052</u>	<u>144,855</u>	<u>29,405</u>	<u>141,814</u>	<u>29,405</u>

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

Each Convertible Preferred Ordinary Share carries, in priority to the rights of the holders of any other class of shares, the right to payment of a fixed cumulative preferential cash dividend at the rate of 4% per year applied to the amount subscribed for. This dividend accrues from day to day and is payable annually in arrears on 31 August in each appropriate year until 31 August 2007. However, the first payment of this dividend and the additional dividend referred to below, will be calculated to 30 June 2004 and will be due to be paid, subject to the availability of distributable profits, on 31 August 2004 and thereafter annually until 31 August 2007.

An additional dividend is also payable on Convertible Preferred Ordinary Shares by reference to the success of the first team in the UEFA Champions' League. This additional amount ranges from an additional 2% of the offer price per share if the first team progresses to the final sixteen of the Champions' League up to a maximum additional amount of 6% of the offer price per share, on reaching the semi-finals in the competition.

On 31 August 2007, the Convertible Preferred Ordinary Shares will convert into Ordinary Shares and Deferred Shares. The number of Ordinary Shares and Deferred Shares to which a holder of Convertible Preferred Ordinary Shares is entitled on conversion is determined by reference to the middle market price of Ordinary Shares in the three dealing days immediately prior to conversion, in accordance with the formula stated in the Company's Articles of Association and also takes account of any dividends which have accrued on the Convertible Preferred Ordinary Shares but which are unpaid as at the conversion date.

Each Convertible Cumulative Preference Share of 60p carries the right, subject to the availability of distributable profits and the priority accorded to the new Convertible Preferred Ordinary Shares, to the payment of a fixed preference dividend equal to 6% (before tax credit deduction) of its nominal value, cumulative with effect from 1 July 1996. The first dividend was paid on 31 August 1997. Following amendments to the Company's Articles of Association approved at the Extraordinary General Meetings of the Company on 31 July 2001, holders of Preference Shares of 60p are entitled on or at any time after 30 June 2001 to convert each Preference Share into one Ordinary Share of 1p and 59 Deferred Shares of 1p each. During the year ended 30 June 2003 50,939 Preference Shares were converted in accordance with these provisions. The Ordinary Shares of 1p each arising on conversion rank *pari passu* in all respects with the existing Ordinary Shares of 1p each. The Deferred Shares are non-transferable, carry no voting rights, no class rights and have no valuable economic rights. As at 13 August 2003, the latest practicable date before publication, conversion notices had been received in respect of 52,000 Preference Shares.

Details of Directors' and other share options are included within the Remuneration Report on pages 18 to 21.

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

22 RESERVES

The movement of reserves during the year was as follows:

	Group			Company		
	Share Premium Account £000	Other Reserve £000	Profit and Loss Account £000	Share Premium Account £000	Other Reserve £000	Profit and Loss Account £000
At 1 July 2002	21,222	-	(3,192)	21,222	-	1,253
(Loss)/profit for the year	-	-	(11,659)	-	-	1,368
Transfer of reserves	(21,222)	21,222	-	(21,222)	21,222	-
Dividends	-	-	(1,457)	-	-	(1,457)
At 30 June 2003	-	21,222	(16,308)	-	21,222	1,164

The parent Company's profit for the financial year is £1.37m (2002: £1.87m).

In accordance with Resolution No 8 at last year's Annual General Meeting and the Court Order obtained on 9 May 2003, the Share Premium Account was cancelled during the year and the balance therein transferred to the Other Reserve. The Other Reserve will remain non-distributable until the terms of the cancellation as advised by the Court have been fully complied with. Further, an amount equal to three times the Executive Club loans, currently equal to £540,000, will remain non-distributable from this Other Reserve until such loans are repaid by the Company.

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group	
	2003 £000	2002 £000
At 1 July	47,435	30,059
Movements in year:		
Retained loss for the year	(13,116)	(4,340)
Share capital issued in the year	-	18,013
Share premium arising in the year	-	3,703
	(13,116)	17,376
At 30 June	34,319	47,435

At 30 June 2003 Non-Equity Shareholders' Funds, defined in accordance with FRS4, amounted to £31.30m (2002: £30.40m). This relates to the Convertible Preferred Ordinary Shares, the Convertible Cumulative Preference Shares, the Deferred Shares and the associated accrued dividends.

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

24 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003 £000	2002 £000
Returns on investments and servicing of finance		
Preference dividend paid	(558)	(599)
Interest paid	(1,143)	(831)
Interest element of hire purchase payments	(66)	(66)
Issue costs of non-equity shares	-	(800)
Net cash outflow from returns on investments and servicing of finance	(1,767)	(2,296)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(2,113)	(2,229)
Payments to acquire intangible fixed assets	(5,738)	(14,615)
Proceeds from sales of tangible fixed assets	10	-
Proceeds from sales of intangible fixed assets	1,605	2,253
Net cash outflow from capital expenditure and financial investment	(6,236)	(14,591)
Financing		
Loans received	2,000	-
Loan instalments paid	(29)	(5,027)
Capital element of hire purchase payments	(442)	(356)
Issue of share capital	-	22,516
Net cash inflow from financing	1,529	17,133

25 ANALYSIS OF NET DEBT

	At 1 July 2002 £000	Cash Flow £000	Other Non-Cash Movements £000	At 30 June 2003 £000
Cash at bank and in hand	533	220	-	753
	533	220	-	753
Debt due within 1 year	(209)	29	(2)	(182)
Debt due after 1 year	(16,002)	(2,000)	2	(18,000)
Hire purchase creditor	(795)	442	-	(353)
	(17,006)	(1,529)	-	(18,535)
Net debt	(16,473)	(1,309)	-	(17,782)

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

26 CAPITAL AND OTHER FINANCIAL COMMITMENTS

a. Capital commitments

Group & Company

	2003 £000	2002 £000
Authorised and contracted for:	1,051	2,625

b. Other commitments

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

	Land & Buildings		Other	
	2003 £000	2002 £000	2003 £000	2002 £000
Expiry date:				
Within 1 year	-	-	12	-
Between 2 and 5 years	25	26	52	58
In more than 5 years	595	456	-	-

c. Transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of the transfer of player registrations, additional amounts would be payable/receivable by the Group if specific future conditions are met. Amounts in respect of such contracts at 30 June 2003 could result in an amount payable of £1.42m (2002: £2.32m), of which £1.11m could arise within one year and amounts receivable of £750,000 (2002: £760,000), of which £550,000 could arise within one year.

d. Cross guarantees

Cross guarantees exist between the Company and its subsidiary undertakings. The extent of these at 30 June 2003 was £Nil (2002: £Nil).

27 FINANCIAL INSTRUMENTS

Details of the financial instruments of the Group during the financial year ended 30 June 2003, and as at the balance sheet date are as follows:

Short term debtors and creditors have been excluded from the following disclosures in accordance with appropriate accounting standards.

The Group has no financial assets other than cash (2002 : Nil).

The bank loans and overdraft bear interest at LIBOR plus 1.125% and base rate plus 1.0% respectively, as was the case in the year ended 30 June 2002. The Company also has the ability to utilise up to £8m of the loan facility by way of acceptance credits. The other loans of the Group are interest free. It is the Group's policy to secure funding at the most cost-effective rates of interest available to the Group.

The Company's non-equity Convertible Preferred Ordinary Shares are convertible to equity (Ordinary) shares and non-equity (Deferred) shares on 31 August 2007. Until these are converted, the holders are entitled to a fixed dividend of 4% and an additional dividend which is dependent on the success of the first team as set out in Note 21.

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

Celtic plc

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2003

The majority of the transactions undertaken in the year are in sterling, therefore the Group's exposure to foreign currency risk is minimal.

The Group has not, at any time during the current or previous accounting periods, used financial instruments for hedging purposes.

The maturity profile of the Group's financial liabilities at 30 June 2003 and 30 June 2002 and details of applicable interest rates on these liabilities are disclosed in notes 18 and 20.

The fair value of the Group's financial assets and liabilities are not materially different to their book value.

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

Of the available bank facilities of £36.0m (2002: £36.0m), of which £24.0m is represented by long term loans and £12.0m by overdraft, £18.0m (2002: £ 20.0m) remains undrawn at the balance sheet date as follows:

	2003	2002
	£000	£000
Loans repayable in more than five years	6,000	8,000
Overdraft repayable on demand	12,000	12,000
	18,000	20,000

28 POST BALANCE SHEET EVENTS

Capital Expenditure

Since the balance sheet date further capital expenditure on intangible assets of £Nil (2002: £2.70m) has been incurred.

Celtic plc

CELTIC CHARITY FUND

Celtic Charity Fund, the charitable arm of Celtic Football Club has enjoyed another successful year. Hard work and the outstanding commitment of our supporters have brought the total money raised to over £100,000. This means that since the Charity Fund's formation in 1995 money raised, including the Club's direct contributions total over £900,000. It is the goal of the Celtic Charity Fund to break through the million pound barrier during the coming season. This would surely provide one of the proudest moments in the Club's long history of charitable giving.

We believe that Celtic is unique in world football as the only club formed to raise money for the needy. The Celtic Charity Fund strives to continue that work and ensure that those areas of need identified by Brother Walfrid over a century ago still receive our support. As always, the money raised has come from Celtic Football Club, Celtic supporters, colleagues, directors, players, as well as corporate clients and many members of the general public who support Celtic's charitable traditions. To these people we owe our gratitude for allowing the Celtic Charity Fund to flourish and provide help and support to so many people in need.

In addition to the many cash donations that were made throughout the year, Celtic also donated hundreds of autographed shirts and footballs, complimentary tickets and a range of other items to numerous worthwhile charitable organisations. Representatives from Celtic also made many visits to hospitals and to charity and community events.

The principal beneficiary of our charity fundraising this year was an organisation which supports some of the most vulnerable people in our local community. The Kilbryde Hospice Appeal is working tirelessly to raise money to build a new hospice for South Lanarkshire which currently has no such provision.

When the oil tanker, Prestige broke up off the Galician coast, Spain was faced with an environmental catastrophe. As Celtic journeyed to Galicia to face Celta Vigo in the UEFA Cup, the Club and supporters were very aware of the impact on the area and joined resources to donate €10,000 to the Galician Fishermen.

Yorkhill Hospital's Schiehallion Unit for seriously ill children was again treated to a Christmas Party attended by Celtic's first team squad and members of our football management team and a donation for several thousand pounds was presented towards the excellent work being undertaken at the Unit.

For the fifth successive year, Celtic Charity Fund was the principal sponsor of the famous Glasgow Taxis Outing Fund for Sick Children. Around 300 black cabs took approximately 800 children with special needs or from disadvantaged circumstances on the trip of a lifetime from Glasgow to Troon, with the colourful convoy making its way through the city and treating some very deserving children to a great day out.

The West of Scotland Football Club for the Physically Disabled has benefited from a donation of several thousand pounds. This is the only football club in Scotland which provides an opportunity for young people with special needs to play football. The team currently competes in an English League and the donation from Celtic Charity Fund will contribute to the team's continued participation in this League.

Over the last year, Celtic Charity Fund has again made donations to a number of homeless organisations. The street work charity Loaves & Fishes received a donation of several thousand pounds towards its excellent work in caring for Glasgow's homeless. The Glasgow Simon Community also received support from Celtic, presented at a Christmas Dinner for around 300 of the city's homeless people.

Celtic's efforts to work against bigotry and our promotion of social inclusion continued throughout the year. The Club's joint work with Glasgow City Council and Rangers Football Club continued to deliver our news education programme through schools and we continued to operate our Matchday Visit programmes at Celtic Park. Celtic Charity Fund also maintained its support of the Sense over Sectarianism initiative, the first project of its kind which aims to deliver funding to individuals working to change attitudes within their communities.

Through close co-operation with a number of organisations including Glasgow City Council and the Scottish Asian Sports Association, Celtic was pleased to continue its support of a number of multicultural initiatives. This co-operation will continue as we look for new and meaningful ways to work in partnership to support new and emerging international communities in Glasgow and in Scotland.

Other organisations to benefit from support by Celtic Charity Fund during the year include Bobath Scotland, the Royal National Institute for the Blind, Prince and Princess of Wales Hospice, the Samaritans, Rehab Scotland and CLIC which works to provide practical help, resources and research for childhood cancer and leukaemia.

Celtic Football Club is committed to supporting the community on both local and national levels and is proud that today it continues to honour the charitable objectives of the Club's founder Brother Walfrid. Through its charitable arm the Club is already considering a number of worthwhile organisations for the coming year.

Celtic plc

CELTIC CHARITY FUND

Celtic Charity Fund has the following aims:

- To raise funds and support specific areas of charity work, selected each year by Celtic Football Club;
- To uphold and promote the charitable principles and heritage of Celtic Football Club.

Celtic Charity Fund has identified three principal areas of support:

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

And three subsidiary areas:

- Supporting the homeless;
- Helping the unemployed;
- Support and research for projects aiding the afflictions of illness.

We would like once again to record our sincere thanks to the Celtic Charity Fund Raising Action Group members Charles Barnett, Liam Donnelly and Martin Super for their continued efforts as well as the Trustees and many volunteers who have worked extremely hard to again achieve such a high level of success throughout the year and have ensured that Celtic's charitable principles are maintained.

If you wish to support Celtic Charity Fund in 2003/04, please send your donation to:

Celtic Charity Fund
Public Relations Department
Celtic Football Club
Celtic Park
Glasgow
G40 3RE