

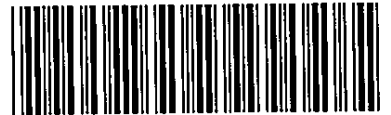
Celtic plc

ANNUAL REPORT

YEAR ENDED 30 JUNE 2013

Registered No: SC 3487

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Celtic plc
ANNUAL REPORT
YEAR ENDED 30 JUNE 2013

CONTENT

	PAGE
Summary of the Results	1
Directors, Officers and Advisers	2
Chairman's Statement	3
Chief Executive's Review	4
Financial Review	10
Directors' Report	13
Corporate Governance	20
Remuneration Report	24
Directors' Responsibilities Statement	28
Five Year Record	28
Independent Auditor's Report to the Members	29
Consolidated Statement of Comprehensive Income	30
Consolidated Balance Sheet	31
Company Balance Sheet	32
Statements of Changes in Equity	33
Consolidated Cash Flow Statement	34
Company Cash Flow Statement	35
Notes to the Financial Statements	36
Celtic Charity Fund	59

SUMMARY OF THE RESULTS

Operational Highlights

- Winners of the SPL.
- Winners of the Scottish Cup.
- Progression to the last 16 of the UEFA Champions League having played 6 home European matches (2012: 4).
- 30 home matches played at Celtic Park (2012: 24).
- Celtic Park selected to host the opening ceremony for the 2014 Commonwealth Games.
- New 3 year shirt sponsorship contract with Magners Irish Cider.
- 125 Anniversary celebrations.

Financial Highlights

- Group Revenue increased by 47.7% to £75.82m (2012: £51.34m).
- Operating expenses increased by 15.2% to £62.71m (2012: £54.44m).
- Investment in football personnel of £9.66m (2012: £5.24m).
- Year end net cash at bank £3.76m (2012: £2.77m net bank debt).
- Exceptional costs of £1.83m (2012: £0.54m).
- Profit before tax £9.74m (2012: £7.37m loss).

Celtic plc
ANNUAL REPORT
YEAR ENDED 30 JUNE 2013

DIRECTORS, OFFICERS AND ADVISERS

Directors

Ian P Bankier (Chairman)
Thomas E Allison*§
Dermot F Desmond*
Brian Duffy*
Peter T Lawwell (Chief Executive)
Ian P Livingston* (Lord Livingston Parkhead)
Eric J Riley (Financial Director)
Brian D H Wilson*

* Independent Non-Executive Director

§ Senior Independent Director

Company Secretary

Michael Nicholson

Company Number

SC3487

Registered Office

Celtic Park
Glasgow, G40 3RE

Directors of The Celtic Football and Athletic Company Limited

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

Football Manager

Neil Lennon

Auditors

BDO LLP
4 Atlantic Quay
70 York Street
Glasgow, G2 8JX

Solicitors

Pinsent Masons LLP
141 Bothwell Street
Glasgow, G2 7EQ

Bankers

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

Remuneration Committee

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

Audit Committee

Ian P Livingston (Chairman)
Brian Duffy
Dermot F Desmond
Brian D H Wilson

Nomination Committee

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

Stockbroker and Nominated Adviser

Canaccord Genuity Limited
88 Wood Street
London, EC2V 7QR

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 3FA

Web Site

www.celticfc.net

Celtic plc

CHAIRMAN'S STATEMENT

I am delighted to report that success on the field and, in particular, our European campaign have contributed to a very successful trading period.

These annual results show that in the year to end June 2013, turnover increased by £24.48m to £75.82m, which, after operating expenses of £62.71m, produced a profit from trading (before asset transactions and exceptional items) of £13.10m and retained profits after tax of £9.74m, compared to a loss of £7.37m in the previous year.

This is not only a highly satisfactory result, but represents a five year record profit. Consistent with such a robust financial performance, our net cash at bank position at the year end was £3.76m, an improvement of £6.53m from the same time last year.

Whilst the undoubted highlight of last season was qualifying from the group stages and playing in the last sixteen of the UEFA Champions League, it is crucial that we were able to win the Scottish Premier League title for the second time in a row and get another shot at Europe. This has led to another successful qualification for the group stages with a highly memorable win against Shakhter Karagandy on 28 August at Celtic Park.

The momentum we build by competing in Europe at this level in two successive years is considerable, both financially and in terms of our player pool development strategy.

The dynamics derived from the Board's strategy of developing the player pool, which I have been reporting on over successive statements, were employed fully throughout the financial year. We invested £9.66m in strengthening the first team squad, compared to £5.24m last year, and following the sales of players in the period, we made a gain of £5.19m, compared to £3.54m last time. Our new arrivals at Celtic Park during the financial year included; Efe Ambrose, Tom Rogic, (on a permanent basis) Fraser Forster, Amido Balde and Virgil Van Dijk. They were joined by Steven Mouyokolo, Derk Boerrigter, Nir Biton and Teemu Pukki during the summer transfer window.

Our decision, taken earlier in the financial year, not to accept offers for key players, so that we might maximise our chances of playing success, was a good one in hindsight. The relevant player disposals were made post the financial year end, during the summer transfer window.

Our strong financial performance has allowed us to invest funds across a number of other important areas, including the Youth Academy, with coaching staff, and the Stadium, where we have embarked upon a programme of upgrades that will be apparent this season. Our continued investment in the Youth Academy continues to deliver results at all levels, but special mention must be made of our Under 20 team, who won the league and cup double. The Academy continues to supply young players to the first team pool.

Throughout the journey we have been hugely mindful of our supporters, who have performed the role of the 'twelfth' man superbly at each and every crucial fixture, not least of all the recent encounter with Shakhter Karagandy. In recognition, we introduced a one off £100 award for all standard season ticket applications for season 2013/14 and this has been warmly received, with season ticket numbers in excess of those for season 2012/13.

This year demonstrates, above all, the impact that football success brings to Celtic plc in its current shape. The predominant focus of the board is to sustain a robust structure that can benefit fully from the fruits of playing success, yet withstand the economic pressures of today's football environment in Scotland. The two key elements of that structure are responsible financial management for the long term, coupled with an intelligent player pool strategy.

We believe that we are achieving this standard and, in so saying, tribute must be paid to Neil Lennon, his support team and players, the coaching staff and assistants at the Academy, Peter Lawwell, his executive team, and all of the staff and employees of Celtic who work enthusiastically for this great Club.

Celtic was built on charitable foundations and we continue to recognise the importance of that ethos and the Club's role in society. Throughout the year we provided the platform for an array of charitable initiatives. Honouring the objectives of the Club's founders, it was fitting that, in its 125th anniversary year, the Club continued to support the Celtic Charity Fund, which did more for charitable and social causes than it has ever done before.

Finally, we have enjoyed tremendous support from our fans, sponsors, business partners and shareholders and I thank them all.

Ian P Bankier
Chairman

23 September 2013

Celtic plc

CHIEF EXECUTIVE'S REVIEW

INTRODUCTION

After the groundwork laid down in previous years, season 2012/13 represented further progress for Celtic, benefiting from our clear strategy for development and growth both on and off the field of play.

The Club won the Scottish Premier League title by a margin of 16 points, and achieved the double with victory over Hibs in the Scottish FA Cup Final at Hampden Park. In addition to our domestic success, the team qualified for the last 16 of the UEFA Champions League following a very successful campaign in the group stages, re-establishing Celtic as a credible force in Europe.

Beating Barcelona in front of our own supporters in a packed Celtic Park ranks as one of the greatest achievements in our history. It was fitting, therefore, that that success followed a memorable service at St Mary's Church in the Calton, to celebrate the Club's 125th Anniversary.

Success on the field, and in particular the European campaign, has contributed to a very successful trading period, as has the continued commitment to excellence and innovation as we continue to develop the Celtic brand in Scotland and around the world.

FOOTBALL INVESTMENT AND OPERATIONS

Investment in the playing squad was made during the 2012/13 season, with just under £10m invested in the first team. A number of players were acquired, including Efe Ambrose, Tom Rogic and Fraser Forster on a permanent basis. We enhanced the blend of youth and experience in the squad, while a number of others progressed from the youth academy.

The average age of the starting eleven was regularly in the low twenties and we believe the value of the squad has been enhanced, given our progression in Europe. Our decision not to accept offers earlier for a number of key players, to maximise our chances of success and protect future income streams, was vindicated in terms of football success.

As the Company builds on the success achieved last season, our commitment to ongoing improvement and investment in young talent is reflected by the arrival of Virgil Van Dijk, Amido Balde, Steven Mouyokolo, Derk Boerrigter, Nir Biton and Teemu Pukki during the 2013 summer transfer window. We believe that the investment made will benefit performance in the coming season, as we build on the strong platform constructed in 2012/13.

The investment in our Lennoxton training facility continues to yield benefits, helping to ensure that players are recruited, developed and sold in the most efficient and cost effective way possible. Continued investment is planned to enhance the infrastructure that exists at our Centre of Excellence, providing the best possible resources, systems and facilities and thereby offering a greater opportunity for football success. We have created a world class scouting system, which is assisting player identification and recruitment at all levels, enhanced by the introduction of more advanced player performance analysis. In addition, we have maintained our investment in the sports science and medical team to ensure the best possible medical, nutritional and performance advice.

Our Academy has also benefited from ongoing investment in quality coaches and use of the facilities and expertise available at Lennoxton. Several members of our Development and U20 teams have stepped up to the senior squad and we plan to continue this policy, which has delivered significant success.

YOUTH ACADEMY

In a hugely successful season on the field, Celtic won the SPL Under 20 League by eight points, losing only one game in the process, and winning the Scottish FA Youth Cup in May, but more importantly a number of young players have graduated to participate in the first team pool.

The partnership between Celtic and St Ninian's High School in Kirkintilloch has now completed its 4th year. This partnership has gone from strength to strength with our young players combining football and education. The first intake has now seen the emergence of academy players who have developed and played in first team matches, including Paul George, Marcus Fraser, Joe Chalmers and John Herron. In addition, Calum McGregor also made his debut in our friendly fixture against Real Madrid.

For season 2013/14, 15 players will join the Club on full time professional contracts from the U16 squad (Intermediate Academy).

Celtic plc

CHIEF EXECUTIVE'S REVIEW

FINANCIAL PERFORMANCE

The impact of uncertainties in the world economy over the last three years has been significant and trading conditions generally have been extremely difficult. However, football success can have a major impact on reversing this trend as evidenced by our financial performance.

In the year to 30 June 2013, turnover was £75.82m, which is significantly up on the £51.34m reported the previous year. Much of this improvement is due to increased match ticket and TV revenues in connection with our participation in the UEFA Champions League group stages, and qualification for the last 16 of that competition, with 30 home matches in the season in comparison to 24 in 2011/12.

During the period, total operating expenses before exceptional costs increased in comparison to the previous year, by £8.27m (15.2%) to £62.71m. This uplift is largely because of an increase in labour costs, mainly football salaries and bonuses.

We invested £9.66m in strengthening the first team squad during the year, which has contributed to an amortisation charge of £5.93m in comparison to £6.37m the previous year. In addition, we achieved a gain on sale of £5.19m following the sale of players in comparison to £3.54m the previous year. Exceptional costs of £1.83m compare to £0.54m last year. These relate solely to providing for onerous leases in certain loss-making retail stores in accordance with IAS 37.

Overall, the Company's retained profit for the year to 30 June 2013 was £9.74m, compared with the previous year's loss of £7.37m. Further information is contained within the Financial Review.

TICKET SALES

2012/13 was a successful season for Ticket sales with almost 40,000 season tickets sold with a value of more than £13.3million.

A successful UEFA Champions League campaign contributed to home match ticket sales of over 470,000 for a value of over £10million.

In April, the Club recognised the phenomenal support and contribution of our fans during the year with a one off £100 reward on the cost of all full priced adult Season Tickets for season 2013/2014. The Club also reintroduced the £50 kids (under 13's) Season Ticket, as well as making Season Tickets available for 13-16 year olds at £105 and 17-18 year olds for £186 for next season. This has been well received by supporters and season ticket sales for the season 2013/14 are encouraging.

CELTIC DEVELOPMENT

Celtic Development Pools remains the top football club lottery organisation in Britain and one of the most successful in the society/charity lotteries sector. Nearly 2 million lottery chances were sold during the 12 month period to June 2013. Around £700,000 was donated to Celtic Football Club's Development Division for the purposes of youth development and supporters from all over the country shared almost £900,000 in prize money.

The weekly "Celtic Pool" continues to perform better than most football club and charitable lottery products in a challenging environment. Sales and marketing initiatives are continually updated in an effort to attract new members.

The match day Paradise Windfall lottery operated at Celtic Park remains very popular. Prize money of over £3 million has been paid out to Celtic supporters at Celtic Park since the Windfall began in 1995, including £375,000 paid out last season.

MERCHANDISING

Merchandising revenue for the year reached £14.98m, 12.6% up on the previous year, mainly driven by Champions League success and 125th Anniversary products. There were two kit launches in the period, as in 2011/12. Like for like retail sales were 29% up on the previous year with the relocated Glasgow Airport store in particular performing well ahead of expectations.

Other highlights included the release of an end of season DVD, "125 Years in The Making", charting the 2012/13 season. Personalised granite paving stones were introduced this year, complementing our engraved bricks product, and they too

Celtic plc

CHIEF EXECUTIVE'S REVIEW

have been a huge success. In addition, the "Young Hoops" Fan Club continued to grow with several events organised for members throughout the year.

MULTI MEDIA

Celtic TV has made good progress in the past year and is developing its route to market by offering the service on all iOS (Apple) devices such as iPads and iPhones. In addition to that, its main web portal, Celticfc.TV, and that of the Club, Celticfc.net, are under development.

The Club continues to invest in and develop its strategy for growth and improvement in interaction and revenue creation across all media and social media platforms, including You Tube, Facebook and Twitter. The Club's season ticket renewal campaign for season 2013/14 was concentrated around a social media initiative, which was very successful.

Over the year, Multi Media supported many events for the company, including the 125th Anniversary event at St Mary's Church attended by 1,400 people, produced three retail DVD products and released several "Apps", with more planned for the next financial year.

PUBLIC RELATIONS

Once again, the Club experienced a high level of media interest and activity throughout the year across domestic and International football.

The Club's PR Department continued to achieve and manage a substantial level of high profile media coverage for a range of Club activities at a national level in 2012/13, including commercial, charitable and community events.

The PR Department also acts as an important liaison with supporters' organisations, assisting with supporter enquiries, and deals with a range of initiatives ensuring that the Club upholds its important social dimension.

BRAND PROTECTION

As the Celtic brand continues to grow, so too does the number of rogue companies and individuals looking to divert revenue and traffic from official club channels. By protecting the brand on a worldwide basis, we continue to prevent unauthorised use by third parties. This ensures that the brand remains a valuable Club asset and helps to combat the loss of revenue and reputation.

Over the course of last season, counterfeit goods to the value of approximately £11 million were removed or disrupted, along with a number of websites and unauthorised social media profiles.

The Club continues to work closely with key partners, including NIKE, to protect the value and global profile of the Celtic brand, along with protecting the interests of our supporters.

PARTNER PROGRAMME

The Club's new shirt sponsor Magners Irish Cider, which was concluded during the year, has been well received by the supporter base following a successful launch of the partnership, which will see the development of some new and exciting fan engagement activities, leveraging the Celtic brand in International markets.

Further, the return of Phoenix Honda as Celtic's car supplier and sponsor highlights the power of the Celtic brand in delivering media value and sponsorship platforms leading to direct sales for our partners.

During the year, the Club's long standing relationship with Sports Revolution continued to grow with the launch of Stadium Live, which will see Celtic Park become one of the first fully Wi-Fi enabled stadiums in the UK. This progressive use of technology, combined with an innovative mobile application, will deliver an enriched match day experience for Celtic fans at Celtic Park.

Overall, the sponsorship landscape remains extremely tough as the ongoing economic difficulties continue to impact upon companies' advertising and marketing budgets. Despite this, the Club benefits from the ongoing support of existing partners and we thank them for that commitment. We continue to innovate and to pursue new business opportunities, both domestically and internationally, to enhance revenues.

Celtic plc

CHIEF EXECUTIVE'S REVIEW

STADIUM

During the course of the year, the Club continued to enhance the close liaison through partnership working with the Glasgow City Council Safety Advisory Group for Sports Grounds, placing spectator safety as our highest priority. Spectator safety is of paramount importance and the Club recognises and values the expert advice and support provided.

The training of colleagues responsible for public safety duties continued to be developed. The Club's Matchday Safety Officers responsible for the management of spectator safety are fully qualified and accredited in compliance with Edition 5 of the Guide to Safety at Sports Grounds. In addition, matchday safety stewards are also qualified in compliance with the 'Green Guide'. Protectevent stewards participate in an accredited training programme leading to an SVQ Level 2 in Event Stewarding.

To enhance safety and provide assistance to our travelling support, the Club has maintained its commitment to providing Celtic Travel Stewards at away fixtures both at home and abroad. The season produced a number of spectator safety issues at away stadiums as our fans travelled to Europe in support of the team. The Club will continue its efforts to influence the safety of our fans travelling in Europe with away clubs, the local authorities responsible for public safety and UEFA.

The Club continues in its support of the work of the Football Safety Officers Association Scotland and recognises the importance of spreading best practice in spectator safety management across Scottish Football.

FACILITIES

The Facilities Department have once again worked to a high standard to ensure our supporters' expectations are met. Work has continued to improve infrastructure at Celtic Park, Lennoxton and Barrowfield. The department continues to strive towards reducing the company's Carbon Footprint.

In the face of adverse weather conditions, our ground staff managed to maintain a high calibre playing surface with commendation from UEFA officials for its admirable condition. The pitch has been well maintained by the ground staff throughout the season, having held over fifty events from Champions League matches to successful Sponsor/Charity games.

Our facilities are widely recognised across European football as top class and we will continue to invest to maintain this reputation.

CATERING AND HOSPITALITY

Celtic Hospitality performed to the highest standard, contributing significant revenues and receiving very positive customer recognition.

With our participation in the Champions League, our profile has been raised in the conference market with enquiries from a number of blue chip companies.

The Visitor Centre has continued to perform well over the season with an increase in visitors and sales compared to previous years.

We continue to attract visitors from all over the world to enjoy the Celtic story.

SUPPORTER RELATIONS

Our Customer Relationship Management (CRM) system brings supporter and transactional data from many different business areas into one database and is now an integral part of both the Club's and our sponsors' marketing activities, allowing our supporters to be contacted with offers, news and information in a targeted and cost-effective manner.

This summer, we appointed a Supporter Liaison and Service Manager to act as a point of contact for supporters and supporter groups at the Club.

CELTIC CHARITY & FOUNDATION

Celtic Charity, the Club's charitable arm, again enjoyed an exceptionally successful year, raising hundreds of thousands of pounds for a range of worthy causes. The 1254125 fundraising campaign was launched in August 2012 and activities

Celtic plc

CHIEF EXECUTIVE'S REVIEW

throughout the year included Kenyan Connection 2013, Annual Sporting Dinner, 1888 Charity Shield, Ben Nevis Huddle and two Lions Roar Again events.

The Club's commitment to its charitable roots was maintained in 2012/13. Celtic Charity is now in the process of joining forces with the Celtic Foundation (a department at the Football Club which delivers social projects in our local communities) to establish a new, stronger Scottish Charity with a wider role and greater reach. This new entity, led by a new Chief Executive, will be called Celtic FC Foundation and supporters will see further developments in 2013/14.

HUMAN RESOURCES

Last season's on-field successes highlighted the results of our commitment to nurturing talent within our First Team and Academy operations. We have endeavoured to emulate this with the management of our people off the field too, maintaining our Investors in People status. In doing so, talent development has been a key area of focus and investment over the past year and continues to be high on the agenda for 2013/14. The latter part of last year saw the introduction of Celtic's Talent Development programme, designed to assist in terms of internal succession planning. The forthcoming months will see the roll out of training programmes to address personal development plans.

The Club has demonstrated its ongoing commitment to child protection with the appointment of a dedicated Safeguarding Officer reporting to the HR function, ensuring we are continuing to work to the highest standards in this important area.

Compensation and Benefits has been an additional focal point over the past year and will continue to be over the coming months with the introduction of Pensions Auto-Enrolment. The Club is on track to ensuring all its obligations are met.

In April this year, we launched our annual Colleagues' Attitudes and Opinions Survey, which once again provided a wealth of useful feedback. We will implement a plan of action to address areas for improvement in the coming months, reflecting our ongoing commitment to employee engagement.

A number of new employees have joined us in the last 12 months, this injection of new blood bringing with it a wealth of new thinking, knowledge and experience. In addition, we have also seen the creation of some important new roles within the Club, including Supporter Liaison Officer and Social Media Officer, both of which reflect our proactive approach to communicating with our supporters.

SUMMARY AND OUTLOOK

Season 2012/13 was an extremely successful year for Celtic. Neil Lennon and his management team deserve much credit for the football success achieved. Celtic progressed to the last 16 of the UEFA Champions League and domestically the Scottish Premier League was retained in addition to winning the Scottish Cup.

The football success achieved has greatly improved trading performance, which, in addition to the gains reported from player transactions, has resulted in impressive financial results for the year to 30 June 2013, with a profit of £9.74m reported despite the difficult economic climate. Such trading has assisted with year end net cash at bank of £3.76m, which compares favourably with £2.77m net bank debt the previous year. This performance has provided an ideal platform to ensure further progress is achieved.

Trading at the beginning of the new financial year has been encouraging. Standard season ticket numbers are in excess of last year, following the introduction of the one off £100 reward for all applicants. Seasonal sales of premium and corporate tickets are at levels comparable with last year and match ticket sales to date have been encouraging. In addition, a contemporary new home kit, together with a colourful away kit, have been launched successfully in a competitive merchandise market.

Additional revenue streams continue to be sought, particularly in respect of new media and commercial markets. The creation of the new SPFL creates an excellent opportunity for Scottish football to prosper, consider new opportunities to develop and improve the European co-efficient for Scotland.

Player transfers have been an increasingly important element of our business for a number of years. Our strategy to invest in the Lennoxton Football Academy, together with related support services, was designed to identify, recruit and develop players capable of playing in the Champions League. The strategy has been successful to date.

During the summer transfer window a number of new players were acquired and Victor Wanyama, Gary Hooper and Kelvin Wilson were sold for sums well in excess of book value. Such gains from player transfers, together with the

Celtic plc

CHIEF EXECUTIVE'S REVIEW

revenues that will be generated from our now secured participation in the group stages of the UEFA Champions League, greatly assists our financial position, enhances Celtic's profile and provides wonderful occasions for all fans.

The new match day bar and improved family section, opened for this season, have both been very popular. Over the coming year it is planned to demolish the London Road primary school, relocate the existing ticket office, upgrade the car parking and landscape the land at the front of Celtic Park adjacent to Kerrydale Street. We are also delighted that Celtic Park has been selected to host the opening ceremony of the Commonwealth Games in July 2014.

We continue to drive revenues and develop the Celtic brand at home and abroad, which, together with the ongoing management of costs, should maintain a sustainable financial model. The discipline of good financial management will continue. We are operating from a position of comparative financial and football strength, with exciting young players continuing to make their mark in the team and assisting the generation of value within the squad itself. The biggest challenge facing the Board is the management of salary and transfer costs whilst achieving playing success in order to yield satisfactory financial results.

The return of Champions League football to Celtic Park this season will undoubtedly provide a substantial boost and an added incentive to maintain the progress we have made.

Peter Lawwell
Chief Executive

23 September 2013

Celtic plc

FINANCIAL REVIEW

BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

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

FINANCIAL RESULTS

Celtic's financial results for the year to 30 June 2013 are impressive particularly given the difficult economic climate. The trading results emphasise the significant benefits from progression in the UEFA Champions League and maintaining tight cost control. The Group's reported profit of £9.74m is again a most pleasing result in a financially demanding football sector and is a significant improvement in respect of the £7.37m loss reported last year. This improvement is largely as a result of increased contribution from progressing to the last 16 of the UEFA Champions League together with an increased contribution from player trading.

Group revenue increased by £24.48m, 47.7% to £75.82m, having played 30 home matches compared to 24 last year. Total operating expenses, before exceptional costs, have increased over the previous year by £8.27m, 15.2% to £62.71m largely as a result of an uplift in football labour costs.

As a result the profit from trading before asset transactions and exceptional items of £13.10m compares with a loss of £3.09m last year. The retained profit for the year after exceptional operating expenses, amortisation of intangible assets, loss on disposal of property plant and equipment, gain on disposal of intangible assets, interest and tax amounted to £9.74m in comparison to a loss of £7.37m in 2012.

REVENUE

A summary of revenue per business segment is set out in notes 3 and 4 to the Financial Statements and a detailed analysis of performance of each operating division is given in the Chief Executive's Review on pages 4 – 9. The major movements in revenue in comparison to last year are noted below.

Income from football and stadium operations increased by £3.75m, 12.9% to £32.69m mainly as a result of increased match receipts, premium and corporate ticket income, match day catering and lottery income as a result of additional home matches and UCL progression partially offset by a drop in standard season tickets and pre-season match fee income.

Merchandising reported an increase in turnover of £1.63m, 12.2% to £14.98m mainly driven by UCL success, 125th Anniversary product and an additional six home matches compared to the previous year.

Multimedia and other commercial activities revenue has increased by £19.1m, 210.8% to £28.15m largely as a result of the additional television income from progressing to the last 16 of the UCL.

OPERATING EXPENSES

Total operating expenses have increased over last year by £8.27m, 15.2% to £62.71m predominately due to an increase in labour, cost of sales, matchday costs and additional travel and accommodation costs from playing 2 additional away European games this season.

Total labour costs increased by £6.87m, 20.3% to £40.75m largely due to increased wage costs in football and youth development over the previous year. The increase in football wage costs from last year is mainly due to an increase in base first team costs following the change in playing personnel during the summer of 2012 together with an increase in bonus payments particularly for progressing to the last 16 of the UCL.

The ratio of the total labour cost to turnover at 53.7% has decreased from the 65.9% of last year. This ratio compares with an average of 70% recently reported for the English Premiership in season 2011/12. Wage inflation is an area of concern throughout the worldwide football industry which will need to be carefully controlled. The Board recognises the need to maintain strict control over wage costs and this will continue to be closely monitored. On-going financial controls remain in place to ensure that labour costs are maintained at a manageable level, particularly in relation to revenues.

Celtic plc

FINANCIAL REVIEW

EXCEPTIONAL OPERATING EXPENSES

Exceptional operating expenses of £1.83m (2012: £0.54m) reflect a provision for onerous leases of £1.24m (2012: £nil) impairment to intangible assets of £0.5m (2012: £0.3m) and £0.09m (2012: £0.24m) in respect of labour and other costs.

AMORTISATION OF INTANGIBLE ASSETS

Total amortisation costs at £5.93m represent a fall of £0.44m, 6.9% in comparison to the previous year, mainly as a result of the impairment charge in respect of Rasmussen and Murphy at 30 June 2012 offset by the charge uplift in respect of the players that signed for Celtic just prior to or during the 2012/13 season including Ambrose, Balde, Forster, Lassad, Miku, Rogic and Van Dijk offset by the elimination of the charge in respect of players that left during or following the end of the 2012/13 season, including Ki, Rasmussen, Slane and Thomson together with the reduction from not activating the break clause for Hooper and Stokes.

PROFIT ON DISPOSAL OF INTANGIBLE ASSETS

The gain on sale of £5.19m largely reflects the sale of Ki, a crystallisation of the Feruz contingent clause and Rasmussen in comparison to the gain of £3.54m last year mainly from the sale Hooiveld, Maloney, Jaurez and Feruz.

LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

The loss on disposal of property, plant and equipment in the year of £0.1m mainly reflects the write downs associated with the refurbishment of the North Stand Lounges and the multimedia offices. The loss on disposal of £0.12m the previous year was largely as a result of the disposal of information technology equipment and the fixtures and fittings in closing the Edinburgh store.

FINANCE COSTS

The finance costs charge for the year to 30 June 2013 of £0.70m (2012: £0.79m) reflects interest due on the Company's borrowing facilities with the Co-operative Bank together with Preference Share dividends.

TAXATION PROVISION

No provision for corporation tax is required in respect of the year ended 30 June 2013. The provisional tax computation for accounts purposes provides tax losses carried forward of approximately £23.44m (2012: £33.27m) and an available capital allowance pool of approximately £12.82m (2012: £13.99m).

The value of the deferred taxation not reflected in the financial statements of the Group was £5.39m (2012: £8.42m) which will be recovered to the extent of future taxable profits of the Group.

PROPERTY, PLANT AND EQUIPMENT

The additions to property, plant and equipment in the year of £0.96m are represented mainly by replacement cladding for the East and West Stands, the '1888' sign in the North Stand, new multimedia offices, refurbishment of the North Stand lounges and development of a designated family stand concourse.

INTANGIBLE ASSETS

The increase in the net book value of intangible assets from 30 June 2012 of £2.46m to £9.80m reflects the investment in the playing squad of £9.66m less the amortisation charge of £5.93m, the provision for impairment of £0.51m and the net book value of disposals of £0.76m. The investment in the playing squad is largely represented by the acquisition of Ambrose, Forster, Rogic, Lassad, Miku and Gershon during the football season and Balde and Van Dijk following the end of the 2012/13 season. However, additional capital instalments were also paid in respect of Hooper and Kayal.

INVENTORIES

The level of stockholding at 30 June 2013 of £1.73m is less than the £2.16m reported last year as a result of there being no kit launch in June compared with the black strip being launched in June last year.

Celtic plc

FINANCIAL REVIEW

RECEIVABLES

The reduction in the level of receivables from 30 June 2012 of £1.05m to £3.93m is primarily a result of a reduction in amounts due in respect of player transactions and Central TV income from the SPL.

NON CURRENT LIABILITIES

The reduction in non-current liabilities from 30 June 2012 of £0.47m to £14.68m is largely as a result of a decrease in the term loan and also in deferred income due after more than one year.

CURRENT LIABILITIES

The increase in trade and other payables and in provisions from 30 June 2012 of £0.22m to £15.29m largely reflects the reduction in amounts payable in respect of player transfers and trade creditors offset by an increase in accrued expenditure, particularly the payments due under the Company's bonus and an increase in provisions in respect of the onerous leases.

INCOME DEFERRED LESS THAN ONE YEAR

Income deferred less than one year at £9.25m compares to the £12.73m reported last year and reflects the cash received prior to 30 June 2013 in respect of the financial year ended 30 June 2014. The significant reduction in comparison to last year reflects the reduction in season ticket prices as a result of the reward.

NET ASSETS AND FUNDING

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

Net cash, excluding Preference Shares and the Convertible Preferred Ordinary Shares at 30 June 2013, is £3.76m (2012: Net debt £2.77m) and includes all bank borrowings offset by cash at bank and in hand. The improvement from 30 June 2012 is principally as a result of the cash generated from trading and the disposal of player registrations in the 12 months to 30 June 2013 being offset by capital expenditure in respect of tangible asset additions and instalments paid in respect of player acquisitions, including instalments due in respect of prior period purchases, together with dividend and interest payments.

Trading at the beginning of the new financial year has been encouraging. In addition, the contribution from the now secured participation in the group stages of the UEFA Champions League together with the gains from the sale of players in the summer transfer window will assist with future funding requirements. An element of the funds from the transfer of these players post year-end will be received over the period to August 2015.

The Group has internal procedures in place to ensure efficient cash flow and treasury management in order to maximise return and minimise risks where appropriate. Details of the Group's financial instruments and debt profile are included in Notes 20, 21, 24 to 29 to the Financial Statements.

Eric J Riley

23 September 2013

Financial Director

Celtic plc

DIRECTORS' REPORT

The Directors present their Report together with the audited Financial Statements for the year ended 30 June 2013.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

Group revenue is reported as £75.82m compared with £51.34m in 2012. Operating expenses of £62.71m result in a profit from trading before asset transactions and exceptional items of £13.10m (2012: £3.09m loss). The profit before taxation amounted to £9.74m (2012: £7.37m loss).

Dividends were paid in cash on 2 September 2013 to those Preference Shareholders not participating in the scrip dividend reinvestment scheme. The record date for the purpose of the Preference Share dividend was 2 August 2013.

Mandates representing 1,351,659 Preference Shares are in place for the scrip dividend reinvestment scheme. Approximately £43,427 (2012: £44,364) of dividends for the financial year to 30 June 2013 will be reinvested. 75,922 new Ordinary Shares were issued under the scheme at the beginning of September 2013.

The scrip scheme was extended at the AGM in October 2009 until 29 October 2014.

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

The profit of £9.74m has been taken to reserves.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

EVENTS SINCE THE YEAR END

Celtic acquired the permanent registrations of Amido Balde and Virgil Van Dijk after the end of the 12/13 football season but prior to the Financial year end. Since 30 June 2013, Celtic has acquired the permanent registrations of Stephen Mouyokolo, Derk Boerrigter, Teemu Pukki and Nir Biton. The registrations of Victor Wanyama, Gary Hooper and Kelvin Wilson were disposed of on a permanent basis, with those of Callum MacGergor, Jackson Irvine and Tony Watt placed on loan.

SHARE CAPITAL

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

FINANCIAL INSTRUMENTS

Details and changes to the financial instruments used by the Group are included in Note 29 to the Financial Statements.

RISKS AND UNCERTAINTIES

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

There are many inherent uncertainties in professional football due to the nature of the game. These also are part of the attraction of the sport, with unpredictability of match outcome being part of the entertainment factor. These risks are included within a risk matrix, which is regularly reviewed internally and with the Audit Committee on behalf of the Board, and updated as necessary.

Celtic plc

DIRECTORS' REPORT

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

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

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

(i) *Player transfer market and wages*

Due to the application of football regulations the opportunity to acquire or dispose of player registrations occurs, subject to limited exceptions, only during 2 registration windows of specified duration each year. The time pressures that arise in the run-up to the closure of the windows can have an impact on the outcome of negotiations. Players are readily mobile, particularly when out of contract or nearing the end of their contracts, and have transferable skills and so the range of possible clubs willing to engage the player can be extensive, particularly where he is very talented. Changes in football managerial appointments can also influence player demand, with certain players, or styles of play, favoured by some managers more than others. Injuries and suspensions also affect player value and the willingness of clubs to release players for sale. The availability of players can change at very short notice.

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

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

(ii) *Season ticket revenues*

Significant revenue is derived from the sale of season tickets. External economic conditions can affect supporters' disposable income and there is a risk that the season ticket is treated as a dispensable luxury rather than a necessity. The quality of the team, the entertainment on offer, the level of success from preceding seasons, the opposition that the club may face in the season, together with pricing all have an effect on purchasing decisions. Many of these factors are beyond the control of the Group.

(iii) *Match day attendances*

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

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

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

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

Celtic plc

DIRECTORS' REPORT

(v) *Financial Risk*

At 30 June 2013, the Group has access to a debt facility of £33.19m provided by the Co-operative Bank plc. The composition and utilisation of the debt is outlined at Notes 24 and 29 to the Financial Statements. Given the current economic climate the availability and utilisation of such facilities is closely monitored.

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

Further information is provided in Note 29 to the Financial Statements as to how the Group addresses these risks.

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

Key Performance Indicators

The Group monitors performance against the following key performance indicators:

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

A detailed review of performance of the Group and each operating division is given in the Chief Executive's Review on pages 4 to 9.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL

The Directors serving throughout the year and at 30 June 2013 and their interests, including those of connected persons, in the share capital of the Company were as follows:

Name	30 June 2013		No. of Convertible Cumulative Preference Shares of 60p each	1 July 2012		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 Preferred Ordinary Shares of £1 each	No. of Ordinary Shares of 1p each	
T Allison	-	3,357,505	-	-	3,357,505	-
I Bankier	-	30,000	-	-	30,000	-
D Desmond	8,000,000	32,772,073	5,131,300	8,000,000	32,772,073	5,131,300
B Duffy	-	229,694	-	-	229,694	-
P Lawwell	-	356,000	-	-	356,000	-
I Livingston	1,600	505	500	1,600	505	500
E Riley	8,000	77,805	5,000	8,000	77,328	5,000
B Wilson	-	3,000	500	-	3,000	500

No changes in Directors' shareholdings between 30 June 2013 and 20 September 2013 have been reported to the Company.

Celtic plc

DIRECTORS' REPORT

Brief biographical details of the Directors serving as at 30 June 2013 are as follows:

Thomas E. Allison (65) has been a non-executive Director since September 2001. He is Chairman of the Remuneration Committee and a member of the Nomination Committee. Mr Allison is the nominated Senior Independent Director. He is Chairman of Peel Ports Limited and a director of a number of other companies within the Peel Ports Group. He is Chairman of Tulloch Homes Group Limited, a non-executive director of Sunseeker Yacht Group Limited and Pinewood Shepperton plc, an ambassador for The Prince and Princess of Wales Hospice in Glasgow and a member of the Council of CBI Scotland.

Ian P. Bankier (61) was appointed to the Board as an independent non-executive director on 3 June 2011 and became Chairman on 14 October 2011. Mr Bankier is Executive Chairman of Glenkeir Whiskies Limited, a company he substantially owns. Glenkeir operates The Whisky Shop chain, which is the UK's largest specialist retailer of whiskies. He has been involved in the Scotch whisky industry for over 20 years having been Managing Director of Burn Stewart Distillers PLC and Chief Executive of CL World Brands Limited. Mr Bankier's formative career was as a solicitor and he was a partner of McGrigors for 15 years, where he specialised in corporate law. Mr Bankier is a member of the Remuneration Committee and chairs the Nomination Committee.

Dermot F. Desmond (63) has been a non-executive Director of the Company since May 1995. He is the Chairman and founder of International Investment and Underwriting (IIU), a private equity company based in Dublin. Through IIU, he has investments in a variety of start-up and established businesses worldwide, in the areas of financial services, technology, education, information systems, leisure, aviation, health and sport (including Celtic FC). He also promoted the establishment of a financial services centre in Dublin in 1986. Today more than 500 companies trade from the IFSC.

Brian Duffy (59) joined the Board in February 2010. Mr Duffy was educated in Glasgow and qualified as a Chartered Accountant in 1976. He has held a variety of senior posts in the clothing and consumer goods sectors, most recently with the Polo Ralph Lauren Corporation, which he joined as President and Chief Operating Officer, Europe in 2003. He became Group President, Europe in 2008 and retired in March 2012. Mr Duffy is a member of the Audit and Remuneration Committees.

Peter T. Lawwell (54), Chief Executive, joined the Company in October 2003 from his position as commercial director with Clydeport plc. Previously he held senior positions with ICI, Hoffman-La-Roche and Scottish Coal. During the year Mr Lawwell served as a member of the Professional Game Board of the Scottish Football Association. On Monday 2 September 2013 he was appointed to the Board of the Scottish Football Association as a representative for the professional game in Scotland.

Lord Livingston of Parkhead (49) was appointed to the Board as an independent non-executive director in October 2007 and chairs the Audit Committee. Lord Livingston was Chief Executive of BT Group plc until September 2013, having also served as chief executive of BT Retail and as Group Finance Director. Lord Livingston has also previously been Group Finance Director of Dixons Group plc and a non-executive director of Ladbroke's plc (formerly Hilton Group plc). He qualified as a Chartered Accountant in 1987. He will become Minister for State for Trade and Investment from December 2013.

Eric J. Riley (56) is the Financial Director and joined the Company in August 1994. Mr Riley is a chartered accountant and has executive responsibility for operational areas of corporate strategy and finance. During the year Mr Riley served as a member of the Board of the Scottish Premier League Limited, which was renamed the Scottish Professional Football League Limited in July 2013. During the year Mr Riley was also a member of the Finance Committee of the European Club Association.

Brian Wilson (64) was appointed as a non-executive Director in June 2005. Formerly a Member of Parliament, Mr Wilson also held several ministerial posts during his political career. He is an experienced journalist and writer and a director of several private companies. In 2011, he was named UK Global Director of the Year by the Institute of Directors and was recently appointed a Trade Ambassador for the UK Government.

Policy on appointment of non-executive Directors

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

Celtic plc

DIRECTORS' REPORT

Retirement, Election, and Re-election of Directors

In accordance with the Articles of Association of the Company, Eric Riley and Peter Lawwell retire by rotation. Each being eligible, each Director offers himself for re-election.

Tom Allison and Dermot Desmond have each served more than 9 years as non-executive directors and in accordance with Rule B.7.1 of the UK Corporate Governance Code, each retires and offers himself for re-election.

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

A statement as to the Board's view of the independence of Tom Allison and Dermot Desmond is set out at page 20 of this Report.

The Directors recommend that Tom Allison, Dermot Desmond, Eric Riley and Peter Lawwell be re-elected as Directors of the Company.

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

SUBSTANTIAL INTERESTS

In addition to the Directors' interests set out above, the Company has been notified or is aware of the following interests of over 3% in its issued Ordinary Share capital as at 20 September 2013:

Registered Holder	Ordinary Shares of 1p each	Percentage of Issued Ordinary Share capital
Christopher Trainer	9,757,384	10.69
Bank of New York (Nominees) Limited	8,326,894	9.12
James Mark Keane	5,909,847	6.48

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

Registered Holder	Convertible Preferred Ordinary Shares of £1 each	Percentage of Issued Convertible Preferred Ordinary Shares
Telsar Holdings SA Depfyffer & Associes	1,600,000	11.55
Hanom 1 Limited	625,000	4.51
Vidacos Nominees Limited	509,010	3.67
Bank of New York (Nominees) Limited	500,000	3.61

DONATIONS

The Group made direct charitable donations of £14,360 (2012: £15,094), which in both years was represented by the costs of hosting the Celtic Charity Fund annual dinner.

CREDITORS PAYMENT POLICY

It is the Group's policy to pay creditors within the terms agreed when the contract of supply is made, to the extent that the creditors have fulfilled and performed their contractual obligations. Where no terms are agreed, creditors are paid within thirty days of the month end in which the invoice is received. The ratio expressed in days between amounts invoiced to the Group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 35 days (2012: 36 days).

Celtic plc

DIRECTORS' REPORT

GENERAL GROUP AND COMPANY POLICIES

Employee Communications

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

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

Employment Policies

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

Full consideration is given to applications for employment by disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing colleagues become disabled it is the Group's policy, where practical, to provide continuing employment under similar terms and conditions and to provide training and career development. Recognition from Jobcentre Plus has been maintained, with retention of the right to use the "Positive about Disabled People" logo.

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

Social Responsibility

The Company is proud of its charitable origins and operates policies designed to encourage social inclusion. These are referred to in the Chief Executive's Review.

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

CELTIC CHARITY FUND

Formed in 1995 as an independent charitable trust, with its own Trustees and separate accounting requirements, Celtic Charity Fund formalised the Club's support of charitable causes, based on Brother Walfrid's founding principles. As a separate and independent entity, the Charity Fund's financial results are not consolidated with the Company or Group accounts.

HEALTH AND SAFETY

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

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

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

INFORMATION SUPPLIED TO THE AUDITOR

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

Celtic plc

DIRECTORS' REPORT

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

AUDITOR

At the Annual General Meeting on 16 November 2012 PKF (UK) LLP were re-appointed as auditor to the Company. PKF (UK) LLP, following merger with BDO LLP, resigned as the Company's auditors on 7 June 2013 and BDO LLP were appointed as auditor of the Company on that date.

GOING CONCERN

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

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review. In addition, Note 29 to the Financial Statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

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

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

BY ORDER OF THE BOARD



Michael Nicholson, Secretary

23 September 2013

Celtic plc

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

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

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

The Group has complied with the provisions of the Code in force for the accounting period ended 30 June 2013.

Board of Directors

As at 30 June 2013 the Board of Directors consisted of a non-executive chairman, five other non-executive Directors and two executive Directors.

Tom Allison remains the Senior Independent Director.

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

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

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

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

Independence

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

Dermot Desmond has completed more than nine years' service and has a substantial shareholding. However, in accordance with paragraph B.1.1 of the Code, the Board has considered whether the director is independent in character and judgement and whether there are relationships or circumstances, which are likely to affect, or could appear to affect, the director's judgement. Accordingly, the Board is satisfied that in his work for and support of the Company, Mr Desmond displays independence of mind and judgement and objectivity in the contribution he makes, notwithstanding the level of his shareholding and his length of service.

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

The Board has therefore determined that all of the non-executive Directors were independent throughout the year and continue to be so. The Code advises that the test of independence is not appropriate in relation to a company chairman.

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

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

Celtic plc

CORPORATE GOVERNANCE

Review of Director Performance

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

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

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

Attendance

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

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

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

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

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

Board Committees

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

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

Audit Committee

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

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

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

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

The auditors are required to disclose any potential conflicts, contracts with the Company and non-audit work conducted by them. This was done prior to re-engagement and was discussed with the Audit Committee. For work carried out during the year, the fees are listed at note 6 of the accounts.

Celtic plc

CORPORATE GOVERNANCE

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

Remuneration Committee

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

The Remuneration Committee determines the terms of engagement and remuneration of the Company's executive Directors and Company Secretary on behalf of the Board. The objectives of the executive Directors are approved by the Committee and performance against these reported to the Board. The Committee also monitors the Company's executive share option scheme and implementation of other executive and employee incentive and bonus schemes. The Remuneration Report is set out in detail on pages 25 to 28.

Nomination Committee

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

INVESTOR COMMUNICATION

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

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

REPORTING AND INTERNAL CONTROLS

The Board's Review of Internal Control

Risk management, compliance and internal control programmes are approved, monitored and reviewed by the Audit Committee throughout the year on behalf of the Board. The results of these programmes are reported to the Audit Committee in detail at its meetings and then communicated to the Board at the next following Board meeting.

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

Internal Financial Control

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

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

The key features of the control environment are as follows:

- The work undertaken within the Internal Audit function is consistent with previous years and covers the key risk and systems of control within the business.

Celtic plc

CORPORATE GOVERNANCE

- In addition to an ongoing assessment of the effectiveness of the Company's system of internal financial controls, a framework is in place to plan, monitor and control the Group's activities including an annual budget and a rolling 5-year planning process.

- An annual review process is in place to consider the financial implications of significant business risks upon the business. Regular meetings of the Business Continuity Team take place throughout the year.

- A comprehensive internal forecasting process is in place and updated on a regular basis. Monthly management accounts are produced and significant variances from budget and forecast are investigated.

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

Celtic plc

REMUNERATION REPORT

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

The Remuneration Committee

The Committee has formal terms of reference, which are published on the Company's website. The Committee members serving during the year are identified on page 23.

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

Remuneration Policy

The Company has complied with the UK Corporate Governance Code during the year in connection with executive remuneration in force during that time.

The main objective of the Company's remuneration policy remains to attract, retain and motivate experienced and capable individuals who will make a significant contribution to the Group's success but, taking account of the marketplace, without paying more than is reasonable or necessary. Account is taken of remuneration packages within other comparable companies and sectors, particularly other large football clubs, the Group's performance against budget in the year and against actual performance from year to year. Specific corporate and personal objectives are used for executive Directors and certain senior executives. A similar appraisal system is also applied to most regular employees throughout the Group.

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

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

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

Remuneration of Executive Directors and Senior Executives

Payments made to Directors in the financial year are set out on page 28.

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

Basic salary and benefits

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

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

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

Annual Performance Related Bonus Scheme

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

- 1 Improving and sustaining the financial performance of the Group from year to year;
- 2 Delivering and enhancing shareholder value;

Celtic plc

REMUNERATION REPORT

- 3 Enhancing the reputation and standing of Celtic;
- 4 Delivering consistently high standards of service to Celtic and its customers; and
- 5 Attracting, retaining and motivating talented individuals whose skills and services will enable Celtic to meet its strategic objectives.

Performance conditions cover corporate financial performance and personal objectives. Corporate financial performance includes performance against budget and against the previous year's results. Maximum award levels depend upon seniority and contractual entitlements, ranging from 20% of basic salary to 60% of basic salary. The Committee reviews the bonus scheme structure and the corporate performance conditions each year. Bonus payments are not pensionable.

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

Pension

The Company operates a Group pension plan, with defined contributions, in which several senior executives and a number of other employees participate. Pension contributions for the Financial Director and Chief Executive are 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") expired in December 2004, having been in place for ten years. No further grants of options can be made under it. Options already granted, unless exercised or lapsing earlier, lapse on the tenth anniversary of the date of the grant.

The only Director participating in the Scheme is Mr Lawwell.

Performance Conditions

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

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

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

Option Grants

2003 Grant

Options over Ordinary Shares of 1p were granted under the Scheme on 27 October 2003 to Mr Lawwell, at an option price of 51p. These were also adjusted in the year to 30 June 2007 to reflect the dilutive impact of the December 2005 share issue. No options from this grant lapsed during the year. The total number outstanding at 30 June 2013 was 722,889 (2012: 722,889).

Celtic plc

REMUNERATION REPORT

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

	Balance at 1 July 2012 Number (adjusted)	Exercise Price (adjusted)	Grants 2012/ 2013	Exercised/ Lapsed 2012/2013	Balance at 30 June 2013	Class	Option Period
P Lawwell	722,889	41.5p	-	-	722,889	Ordinary 1p	Oct 2006/13

The closing market price of Ordinary Shares on 30 June 2013 was 56.0p (2012: 34.5p). The closing price range during the year was 34.0p to 66.0p.

Service Agreements

Executive Directors

Chief Executive

Mr Lawwell's service contract commenced on 25 October 2003. It continues subject to 12 months' notice by him to the Company or by the Company to him. For the financial year to 30 June 2013, Mr Lawwell continued to be entitled to a maximum payment under the Company's bonus scheme of 60% of basic salary, if all performance conditions were satisfied. Mr Lawwell served on the Professional Game Board of the Scottish Football Association during the year. No fee is payable for this post.

The Remuneration Committee decided to make an additional bonus award to Mr Lawwell, on an ex gratia basis, for the financial year having taken account of the scale of incremental value delivered for the benefit of the Company through fulfilment of the objectives set for him.

Financial Director

Mr Riley's service contract commenced on 19 August 1994 and continues subject to termination on twelve months' notice from the Company, or three months' notice from Mr Riley. Mr Riley is entitled to a maximum payment under the Company's bonus scheme of 50% of basic salary, if all performance conditions are satisfied. Mr Riley served as a director of the Scottish Premier League Limited, renamed as Scottish Premier Football League Limited on 5 July 2013. No fee is payable for this post.

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

Non-executive Directors

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

Unexpired periods of service for non-executive Directors as at 30 June 2013:

Ian Bankier	First term	1 year remaining
Brian Duffy	Second term	2 years and 5 months remaining
Ian Livingston	Third term	2 years and 5 months remaining
Brian Wilson	Third term	11 months remaining

Tom Allison and Dermot Desmond each retire annually.

Celtic plc

REMUNERATION REPORT

Remuneration of Directors

Directors' remuneration and benefits for the year to 30 June 2013 are set out in the table below.

	Salary/ Fees	Bonus	Benefits in kind	Pension Contributions	2013 Total	2012 Total
	£	£	£	£	£	£
T Allison	25,000				25,000	25,000
I Bankier	50,000				50,000	44,794
D Desmond	25,000				25,000	25,000
B Duffy	25,000				25,000	25,000
P Lawwell	507,625	398,500	17,322	76,144	999,591	999,529
I Livingston	30,000				30,000	30,000
E Riley	148,655	65,307	20,638	22,298	256,898	221,003
B Wilson	25,000				25,000	25,000
Dr J Reid	-				-	14,418
	<u>836,280</u>	<u>463,807</u>	<u>37,960</u>	<u>98,442</u>	<u>1,436,489</u>	<u>1,409,744</u>


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

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

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

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

BY ORDER OF THE BOARD


 Michael Nicholson, Secretary
 Celtic Park
 Glasgow
 G40 3RE

23 September 2013

Celtic plc

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

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

The directors consider the report and accounts, taken as a whole, to be fair, balanced and understandable and to provide the information necessary for shareholders to assess the company's performance, business model and strategy.

FIVE-YEAR RECORD

	2013	2012	2011	2010	2009
FINANCIAL	£000	£000	£000	Restated £000	Restated £000
REVENUE	75,816	51,341	52,557	61,715	72,587
Profit from trading before asset transactions and exceptional items	13,102	(3,095)	56	4,461	11,229
Profit/(loss) after taxation	9,739	(7,371)	102	(2,131)	2,003
Non equity dividends paid	527	544	544	544	544
Total equity	42,557	32,678	40,003	39,860	41,939
Shares in issue (excl deferred) no. '000	121,273	121,030	120,903	120,763	120,592
Earnings/(loss) per ordinary share	10.73p	(8.17)p	0.11p	(2.37p)	2.24p
Diluted earnings/(loss) per share	7.56p	(8.17)p	0.47p	(1.17p)	1.87p
Number of employees	455	451	476	454	508
FOOTBALL	2013	2012	2011	2010	2009
League position	1	1	2	2	2
League points	79	93	92	81	82
Scottish cup	WINNERS	SEMI FINAL	WINNERS	SEMI FINAL	QUARTER FINAL
League cup	SEMI FINAL	FINALISTS	FINALISTS	QUARTER FINAL	WINNERS
European ties played	6	4	2	5	3
CELTIC PARK	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
Stadium investment to date	63,476	62,692	61,728	61,272	60,842
Stadium seating capacity (no.)	60,355	60,355	60,355	60,355	60,355
Average home league attendance (no.)	46,754	49,019	49,719	53,228	57,570
Season ticket sales (no.)	41,716	44,975	44,734	50,826	54,252

Celtic plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CELTIC PLC

We have audited the financial statements of Celtic plc for the year ended 30 June 2013 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the Group and Company statements of changes in equity, the consolidated and company cash flow statements, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2013 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

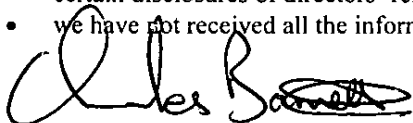
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Charles Barnett (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom
23 September 2013

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

Celtic plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013			2012		
		Operations excluding intangible asset trading £000	Intangible asset trading £000	Total £000	Operations excluding intangible asset trading £000	Intangible asset trading £000	Total £000
Continuing operations:							
Revenue	3, 4	75,816	-	75,816	51,341	-	51,341
Operating expenses (excluding exceptional operating expenses)	4, 5	(62,714)	-	(62,714)	(54,436)	-	(54,436)
Profit / (loss) from trading before asset transactions and exceptional items		13,102	-	13,102	(3,095)	-	(3,095)
Exceptional operating expenses	7, 16	(1,331)	(501)	(1,832)	(241)	(301)	(542)
Amortisation of intangible assets	5, 16	-	(5,930)	(5,930)	-	(6,367)	(6,367)
Profit on disposal of intangible assets		-	5,195	5,195	-	3,543	3,543
Loss on disposal of property, plant and equipment		(96)	-	(96)	(120)	-	(120)
Operating profit / (loss)	5	11,675	(1,236)	10,439	(3,456)	(3,125)	(6,581)
Finance costs:							
Bank loans and overdrafts	11			(173)			(246)
Convertible Cumulative Preference Shares				(527)			(544)
Profit / (loss) before tax				9,739			(7,371)
Income tax expense	12			-			-
Profit / (loss) and total comprehensive income for the year				9,739			(7,371)
Profit / (loss) attributable to equity holders of the parent				9,739			(7,371)
Total comprehensive income attributable to equity holders of the parent				9,739			(7,371)
Basic earnings / (loss) per Ordinary Share from continuing operations and for the year	14			10.73p			(8.17p)
Diluted earnings / (loss) per share from continuing operations and for the year	14			7.56p			(8.17p)

Celtic plc

Registered number: SC3847
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2013

	Notes	2013 £000	2012 £000
Assets			
Non-current assets			
Property, plant and equipment	15	52,456	53,452
Intangible assets	16	9,798	7,333
		<u>62,254</u>	<u>60,785</u>
Current assets			
Inventories	18	1,734	2,160
Trade and other receivables	20	3,934	4,981
Cash and cash equivalents	21,29	14,348	8,198
		<u>20,016</u>	<u>15,339</u>
Total assets		<u>82,270</u>	<u>76,124</u>
Equity			
Issued share capital	22	24,341	24,264
Share premium	23	14,486	14,443
Other reserve	23	21,222	21,222
Capital reserve	23	2,650	2,630
Accumulated losses	23	(20,142)	(29,881)
Total equity		<u>42,557</u>	<u>32,678</u>
Non-current liabilities			
Interest-bearing liabilities/bank loans	24	10,219	10,594
Debt element of Convertible Cumulative Preference Shares		4,345	4,441
Deferred income	27	119	121
		<u>14,683</u>	<u>15,156</u>
Current liabilities			
Trade and other payables	25	14,048	15,069
Current borrowings	24,25	489	493
Provisions	25,26	1,240	-
Deferred income	27	9,253	12,728
		<u>25,030</u>	<u>28,290</u>
Total liabilities		<u>39,713</u>	<u>43,446</u>
Total equity and liabilities		<u>82,270</u>	<u>76,124</u>

The financial statements were approved and authorised for issue by the Board on 23 September 2013 and were signed on its behalf by


Peter T Lawwell

Director


Eric J Riley

Director

Celtic plc
Registered number: SC3847
COMPANY BALANCE SHEET
AS AT 30 JUNE 2013

	Notes	2013 £000	2012 £000
Assets			
Non-current assets			
Property, plant and equipment	15	52,456	53,452
Intangible assets	16	9,798	7,333
Investment in subsidiaries	17	-	-
		<u>62,254</u>	<u>60,785</u>
Current assets			
Trade and other receivables	20	10,437	14,845
Cash and cash equivalents	21,29	11,901	7,316
		<u>22,338</u>	<u>22,161</u>
Total assets		<u>84,592</u>	<u>82,946</u>
Equity			
Issued share capital	22	24,341	24,264
Share premium	23	14,486	14,443
Other reserve	23	21,222	21,222
Capital reserve	23	2,650	2,630
Accumulated profits	23	1,564	1,216
Total equity		<u>64,263</u>	<u>63,775</u>
Non-current liabilities			
Interest bearing liabilities/bank loans	24	10,219	10,594
Debt element of Convertible Cumulative Preference Shares		4,345	4,441
		<u>14,564</u>	<u>15,035</u>
Current liabilities			
Trade and other payables	25	5,276	3,643
Current borrowings	24,25	489	493
		<u>5,765</u>	<u>4,136</u>
Total liabilities		<u>20,329</u>	<u>19,171</u>
Total equity and liabilities		<u>84,592</u>	<u>82,946</u>

The financial statements were approved and authorised for issue by the Board on 23 September 2013 and were signed on its behalf by

Peter T Lawwell

Director

Eric J Riley

Director

Celtic plc

STATEMENTS OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2013

Group	Share capital £000	Share premium £000	Other reserve £000	Capital reserve £000	Retained earnings £000	Total £000
Equity shareholders' funds as at 1 July 2011	24,264	14,399	21,222	2,628	(22,510)	40,003
Share capital issued	-	44	-	-	-	44
Transfer to capital reserve	-	-	-	2	-	2
Loss and total comprehensive income for the year	-	-	-	-	(7,371)	(7,371)
Equity shareholders' funds as at 30 June 2012	24,264	14,443	21,222	2,630	(29,881)	32,678
Share capital issued	1	43	-	-	-	44
Transfer to capital reserve	(20)	-	-	20	-	-
Reduction in debt element of convertible cumulative preference shares	96	-	-	-	-	96
Profit and total comprehensive income for the year	-	-	-	-	9,739	9,739
Equity shareholders' funds as at 30 June 2013	24,341	14,486	21,222	2,650	(20,142)	42,557
Company	Share capital £000	Share premium £000	Other reserve £000	Capital reserve £000	Retained earnings £000	Total £000
Equity shareholders' funds as at 1 July 2011	24,264	14,399	21,222	2,628	509	63,022
Share capital issued	-	44	-	-	-	44
Transfer to capital reserve	-	-	-	2	-	2
Profit and total comprehensive income for the year	-	-	-	-	707	707
Equity shareholders' funds as at 30 June 2012	24,264	14,443	21,222	2,630	1,216	63,775
Share capital issued	1	43	-	-	-	44
Transfer to capital reserve	(20)	-	-	20	-	-
Reduction in debt element of convertible cumulative preference shares	96	-	-	-	-	96
Profit and total comprehensive income for the year	-	-	-	-	348	348
Equity shareholders' funds as at 30 June 2013	24,341	14,486	21,222	2,650	1,564	64,263

Celtic plc
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2013

	Note	2013 £000	2012 £000
Cash flows from operating activities			
Profit /(Loss) for the year		9,739	(7,371)
Depreciation	15	1,823	1,817
Amortisation of intangible assets	16	5,930	6,367
Impairment of property, plant and equipment	15	37	-
Impairment of intangible assets	16	501	301
Profit on disposal of intangible assets	16	(5,195)	(3,543)
Loss on disposal of property, plant and equipment		96	120
Finance costs	11	700	790
		<u>13,631</u>	<u>(1,519)</u>
Decrease / (increase) in inventories		426	90
Decrease / (increase) in receivables		(510)	415
Decrease / (increase) in payables and deferred income		<u>(3,012)</u>	<u>2,552</u>
Cash generated from operations		<u>10,535</u>	<u>1,538</u>
Interest paid		<u>(173)</u>	<u>(246)</u>
<i>Net cash flow from operating activities - A</i>		<u>10,362</u>	<u>1,292</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,352)	(879)
Purchase of intangible assets		(9,503)	(7,737)
Proceeds from sale of intangible assets		<u>7,521</u>	<u>5,586</u>
<i>Net cash used in investing activities - B</i>		<u>(3,334)</u>	<u>(3,030)</u>
Cash flows from financing activities			
Repayment of debt		(379)	(384)
Dividends paid		<u>(499)</u>	<u>(498)</u>
<i>Net cash used in financing activities - C</i>		<u>(878)</u>	<u>(882)</u>
Net increase/(decrease) in cash equivalents A+B+C		6,150	(2,620)
Cash and cash equivalents at 1 July 2012		<u>8,198</u>	<u>10,818</u>
Cash and cash equivalents at 30 June 2013	21	<u>14,348</u>	<u>8,198</u>

Celtic plc

COMPANY CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2013

	Note	2013 £000	2012 £000
Cash flows from operating activities			
Profit for the year		348	707
Depreciation	15	1,823	1,817
Amortisation of intangible assets	16	5,930	6,367
Impairment of property, plant and equipment	15	37	-
Impairment of intangible assets	16	501	301
Profit on disposal of intangible assets	16	(5,195)	(3,543)
Loss on disposal of property, plant and equipment		96	120
Finance costs		709	800
		<u>4,249</u>	<u>6,569</u>
Decrease in receivables		2,849	(1,282)
Increase in payables		1,881	(4,506)
Cash generated from operations		<u>8,979</u>	<u>781</u>
Interest paid		(182)	(256)
<i>Net cash flow from operating activities – A</i>		<u>8,797</u>	<u>525</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,352)	(879)
Purchase of intangible assets		(9,503)	(7,737)
Proceeds from sale of intangible assets		7,521	5,586
<i>Net cash used in investing activities – B</i>		<u>(3,334)</u>	<u>(3,030)</u>
Cash flows from financing activities			
Repayment of debt		(379)	(384)
Dividends paid		(499)	(498)
<i>Net cash used in financing activities – C</i>		<u>(878)</u>	<u>(882)</u>
Net increase / (decrease) in cash equivalents A+B+C		4,585	(3,387)
Cash and cash equivalents at 1 July 2012		7,316	10,703
Cash and cash equivalents at 30 June 2013	21	<u>11,901</u>	<u>7,316</u>

1. BASIS OF PREPARATION

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

The Financial Statements have been prepared in accordance with IFRS as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through the Statement of Comprehensive Income.

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

Adoption of standards effective in 2012/13

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements (amended)
- IAS 28 Investments in Associates and Joint Ventures (amended)
- IFRS 13 Fair Value Measurement

The standards listed above were effective on 1 January 2013 and have no material impact on the financial statements of the Group.

Amendments to standards not yet effective until 1 January 2014

- IAS 32 Financial Instruments: Presentation
- IFRS 10 Consolidated Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements
- IAS 36 Impairment of Assets
- IAS 39 Financial Instruments: Recognition and Measurement

The adoption of the amended standards listed above is not expected to have a material impact on the financial statements of the Group.

New standards not yet effective until 1 January 2015

- IFRS 9 Financial Instruments

The adoption of the above standard is not expected to have a material impact on the financial statements of the Group.

2. ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidation includes the Financial Statements of the Company and its subsidiary undertakings and is based on their audited Financial Statements for the year ended 30 June 2013.

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

(b) Depreciation

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

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

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate. Gains or losses on disposal are reported in the consolidated statement of comprehensive income. The Group assesses at each balance sheet date whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value and where impairment is present, impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

Freehold land is not depreciated.

Freehold land and buildings includes capitalised interest of £0.43m (2012: £0.43m).

(c) Intangible assets

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

(d) Impairment policy

The Group and Company tests impairment at each balance sheet date. In determining, whether an intangible asset is impaired account is taken of the following:

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

(e) Revenue

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

Football and Stadium Operations revenue arises from all ticket sales, standard, premium and corporate, derived from matches played at Celtic Park. Other revenues are also derived from matchday and non-matchday catering and banqueting, visitor centre revenues, soccer school revenues, donations received from Celtic Development Pools Limited, UEFA participation fees and revenues derived from the hiring of

Celtic Park for football and non-football events.

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

Television rights sales are recognised dependent upon the nature of the sale of the rights as follows:

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

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

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

The critical judgements made in respect of income recognition are largely in respect of assessing the accuracy of estimated information provided by trading partners, the Scottish Football Association, The Scottish Premier League and UEFA where match-related and other revenues are due at the end of the financial year but, by the date of approval of the financial statements, confirmation of the finalised value of such revenues has not yet been fully received by Celtic.

(f) Financial instruments

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

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

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

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

(g) Leasing obligations

Leasing charges in respect of operating leases are recognised in the consolidated statement of comprehensive income over the lives of the lease agreements as incurred on a straight line basis. An onerous operating lease provision is recognised for projected losses of operating lease contracts where the forecast costs of fulfilling the operating lease contract throughout the period exceed the forecast income receivable. The onerous operating lease provision is calculated based on discounted cash flows to the end

of the lease contract.

(h) Inventories

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

(i) Trade receivables

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

(j) Trade payables

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

(k) Pension costs

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

(l) Foreign exchange

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

(m) Deferred tax

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

(n) Share based payments

The Group has applied the exemption available under IFRS 1 and elects to apply IFRS 2 only to awards of equity instruments made after 7 November 2002 that had not vested by 1 January 2006. Options are measured at fair value at grant date using the Black-Scholes model. The fair value is expensed on a straight line basis over the vesting period, based on an estimate of the number of options that will eventually vest. Cash settled share-based payment transactions results in the recognition of a liability at its current fair value. Details of the Group's share option schemes are provided in the Remuneration Report on page 25.

(o) Exceptional operating expenses

It is the Group's policy to categorise the impairment of property, plant and equipment or intangible assets, onerous contract costs, compromise payments and ancillary direct costs as exceptional operating expenses in the consolidated statement of comprehensive income.

(p) Critical accounting estimates and judgements

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

3. SEGMENTAL REPORTING

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

Year to 30 June 2013	Football and Stadium Operations £000	Merchandising £000	Multimedia and Other Commercial Activities £000	Consolidated £000
External revenue	32,687	14,976	28,153	75,816
(Loss) / profit from segment before asset transactions and exceptional operating expenses	(18,698)	5,968	25,832	13,102
Exceptional operating expenses				(1,832)
Amortisation of intangible fixed assets				(5,930)
Profit on disposal of intangible fixed assets				5,195
Loss on disposal of property, plant and equipment				(96)
Profit before finance costs and tax				10,439
Finance costs				(700)
Taxation				-
Profit for the year				9,739
Other information:				
Segment assets	62,899	3,555	1,418	67,872
Unallocated corporate assets				14,398
Consolidated total assets				82,270
Segment liabilities	15,347	250	1,224	16,821
Unallocated corporate liabilities				22,892
Consolidated total liabilities				39,713
Capital expenditure	769	17	175	961
Depreciation	1,595	213	15	1,823
Intangible asset additions	9,665	-	-	9,665
Amortisation	5,930	-	-	5,930
Impairment losses	538	-	-	538

Year to 30 June 2012	Football and Stadium Operations £000	Merchandising £000	Multimedia and Other Commercial Activities £000	Consolidated £000
External revenue	28,941	13,342	9,058	51,341
(Loss) / profit from segment before asset transactions and exceptional operating expenses	(14,138)	4,166	6,878	(3,094)
Exceptional operating expenses				(542)
Amortisation of intangible fixed assets				(6,367)
Profit on disposal of intangible fixed assets				3,543
Loss on disposal of property, plant and equipment				(120)
Profit before finance costs and tax				(6,581)
Finance costs				(790)
Taxation				-
Loss for the year				(7,371)
Other information:				
Segment assets	62,274	3,953	748	66,975
Unallocated corporate assets				9,149
Consolidated total assets				76,124
Segment liabilities	20,056	1,352	112	21,520
Unallocated corporate liabilities				21,926
Consolidated total liabilities				43,446
Capital expenditure	963	34	35	1,032
Depreciation	1,537	271	9	1,817
Intangible asset additions	5,239	-	-	5,239
Amortisation	6,367	-	-	6,367
Impairment losses	301	-	-	301

4. REVENUE AND OPERATING EXPENSES

	2013	2012
	£000	£000
REVENUE		
The Group's revenue comprised:		
Football and Stadium Operations	32,687	28,941
Merchandising	14,976	13,342
Multimedia and Other Commercial Activities	28,153	9,058
	<u>75,816</u>	<u>51,341</u>
OPERATING EXPENSES	2013	2012
	£000	£000
The Group's operating expenses comprised:		
Football and Stadium Operations (excluding exceptional items and asset transactions)	51,385	43,079
Exceptional items excluding impairment of intangible assets	1,331	241
Impairment of intangible assets	501	301
Amortisation of intangible assets	5,930	6,367
Profit on disposal of intangible assets	(5,195)	(3,543)
Loss on disposal of property, plant and equipment	96	120
Total Football and Stadium Operations	<u>54,048</u>	<u>46,565</u>
Merchandising	9,008	9,177
Multimedia and Other Commercial Activities	2,321	2,180
	<u>65,377</u>	<u>57,922</u>

5. PROFIT / (LOSS) BEFORE FINANCE COSTS AND TAX

	Note	2013	2012
		£000	£000
Group profit / (loss) before finance costs and tax is stated after charging:			
Staff costs	8	40,748	33,882
Depreciation of property, plant and equipment	15	1,823	1,817
Amortisation of intangible assets	16	5,930	6,367
Impairment losses on intangible assets	16	501	301
Impairment of plant, property and equipment	15	37	-
Operating lease expense	28	1,006	1,138
Foreign exchange loss / (gain)		109	(105)
Cost of inventories recognised as expense		7,555	6,515

6. AUDITOR'S REMUNERATION

	2013	2012
	£000	£000
Fees payable to the Company's auditor and its associates in respect of:		
Audit of the Company's accounts	19	17
Audit of the accounts of the Company's associates	15	15
Taxation compliance services	11	11
Taxation advisory services	2	2
Other non-audit services	27	19

7. EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £1.83m (2012: £0.54m) can be analysed as follows:

Exceptional operating expenses comprised	2013 £000	2012 £000
Impairment of property, plant and equipment	37	-
Impairment of intangible assets (Note 2d)	501	301
Compromise payments on contract termination	54	192
Onerous contract costs	-	49
Onerous lease provision (Note 26)	1,240	-
	<u>1,832</u>	<u>542</u>

8. STAFF PARTICULARS

Group	2013 £000	2012 £000
Wages and salaries	35,917	30,163
Social security costs	4,477	3,374
Other pension costs	354	345
	<u>40,748</u>	<u>33,882</u>

Included in the above wages and salaries is £501,000 (2012: £379,000) of agency fees.

Company	2013 £000	2012 £000
Wages and salaries	3,690	2,300
Social security costs	315	186
Other pension costs	170	169
	<u>4,175</u>	<u>2,655</u>

Included in the above wages and salaries is £21,000 (2012: £58,000) of agency fees.

Employee numbers Group	2013 Number	2012 Number
Players and football administration staff	151	154
Administration and retail staff	304	296
Average number of full time equivalents employed in the year:	<u>455</u>	<u>450</u>

Company	2013 Number	2012 Number
Players and football administration staff	59	61
Administration and retail staff	27	25
Average number of full time equivalents employed in the year:	<u>86</u>	<u>86</u>

9. DIRECTORS' EMOLUMENTS

	Salary/Fees £	Bonus £	Benefits in kind £	Pension Contributions £	2013 Total £	2012 Total £
T Allison	25,000				25,000	25,000
I Bankier	50,000				50,000	44,794
D Desmond	25,000				25,000	25,000
B Duffy	25,000				25,000	25,000
P Lawwell	507,625	398,500	17,322	76,144	999,591	999,529
I Livingston	30,000				30,000	30,000
E Riley	148,655	65,307	20,638	22,298	256,898	221,003
B Wilson	25,000				25,000	25,000
Dr J Reid	-				-	14,418
	<u>836,280</u>	<u>463,807</u>	<u>37,960</u>	<u>98,442</u>	<u>1,436,489</u>	<u>1,409,744</u>

The aggregate emoluments and pension contributions of the highest paid director were £923,447 (2012: £1,573,385) and £76,144 (2012: £76,144) respectively. The aggregate emoluments of the highest paid director include bonus provision entitlement. During the year, contributions were paid to defined contribution money purchase pension schemes in respect of 2 (2012: 2) directors. The employers NIC on directors remuneration during the year amounted to £194,361.

10. RETIREMENT BENEFIT OBLIGATIONS

The Group and Company pension arrangements are operated through a defined contribution money purchase scheme. The assets of the pension scheme are held separately from those of the Group and Company by The Standard Life Assurance Company. Contributions made by the Group and Company to the scheme during the year amounted to £245,992 (2012: £214,158) and £40,333 (2012: £59,171) respectively. Group and Company contributions of £30,644 (2012: £32,894) and £8,648 (2012: £8,855) respectively were payable to the fund at the year-end. In addition to this the Group and Company also made contributions to the personal pension plans of certain employees.

11. FINANCE COSTS

	2013 £000	2012 £000
Finance costs comprised:		
On bank and other loans	173	246
On Convertible Cumulative Preference Shares of 60p each	<u>527</u>	<u>544</u>
Total finance costs	<u>700</u>	<u>790</u>

12. TAX ON ORDINARY ACTIVITIES – GROUP

No provision for corporation tax or deferred tax is required in respect of the year ended 30 June 2013. Estimated tax losses available for set-off against future trading profits amount to approximately £23m (2012: £33m) and, in addition, the available capital allowances pool is approximately £12.82m (2012: £13.99m). These estimates are subject to the agreement of the current and prior years' corporation tax computations with H M Revenue and Customs.

The corporation tax assessed for the year is different from the standard rate of corporation tax in the United Kingdom of 24% (2012: 26%). The differences are explained below:

	2013 £000	2012 £000
Profit / (loss) on ordinary activities before tax	<u>9,739</u>	<u>(7,371)</u>
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 24% (2012: 26%)	2,337	(1,916)
Effects of:		
Expenses not deductible for tax purposes	15	5
Depreciation for the period (below) / in excess of capital allowances	(208)	173
Dividends reclassified as interest	126	141
Untaxed income	(176)	(187)
Other	(2)	20
Losses utilised in the year	<u>(2,092)</u>	<u>1,764</u>
Total tax charge for year	<u>-</u>	<u>-</u>

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

13. DIVIDENDS PAYABLE

A 6% (before tax credit deduction) non-equity dividend of £0.53m (2012: £0.54m) was paid on 2 September 2013 to those holders of Convertible Cumulative Preference Shares on the share register at 29 July 2013. On 31 August 2007 the entitlement to a dividend on the Convertible Preferred Ordinary Shares ceased. A number of shareholders elected to participate in the Company's scrip dividend reinvestment scheme for the financial year to 30 June 2013. Those shareholders have received new Ordinary Shares in lieu of cash. The implementation of the presentational aspects of IAS32 ("Financial Instruments: disclosure") in the preparation of the annual results, requires that the Group's Preference Shares and Convertible Preferred Ordinary Shares, as compound financial instruments, are classified as a combination of debt and equity and the attributable non-equity dividends are classified as finance costs. No dividends were payable or proposed to be payable on the Company's Ordinary Shares.

14. EARNINGS PER SHARE

	2013 £000	2012 £000
Reconciliation of earnings / (loss) to basic earnings / (loss):		
Net earnings / (loss) attributable to equity holders of the parent	9,739	(7,371)
Basic earnings / (loss)	<u>9,739</u>	<u>(7,371)</u>
Reconciliation of basic earnings / (loss) to diluted earnings / (loss):		
Basic earnings / (loss)	9,739	(7,371)
Non-equity share dividend	527	-
Diluted earnings / (loss)	<u>10,266</u>	<u>(7,371)</u>

	No.'000	No.'000
Reconciliation of basic weighted average number of ordinary shares to diluted weighted average number of ordinary shares:		
Basic weighted average number of ordinary shares	90,730	90,247
Dilutive effect of convertible shares	<u>45,098</u>	<u>-</u>
Diluted weighted average number of ordinary shares	<u>135,828</u>	<u>90,247</u>

The prior year figures have been restated to remove the anti-dilutive effect of convertible shares. The impact has been to restate the non-equity share dividend as £nil, previously stated at £0.54m and to restate the dilutive effect of convertible shares as £nil, previously £46.12m. This has had the overall impact of increasing the diluted loss per share from 5.01p to 8.71p.

Earnings per share has been calculated by dividing the profit for the period of £9.74m (2012: Loss £7.37m) by the weighted average number of Ordinary Shares of 90.7m (2012: 90.2m) in issue during the year. Diluted earnings per share as at 30 June 2013 has been calculated by dividing the profit for the period by the weighted average number of Ordinary Shares, Preference Shares and Convertible Preferred Ordinary Shares in issue, assuming conversion at the balance sheet date, and the full exercise of outstanding share purchase options, if dilutive, in accordance with IAS33 Earnings Per Share. As at June 2013 and June 2012 no account was taken of potential share purchase options, as these potential Ordinary Shares were not considered to be dilutive under the definitions of the applicable accounting standards.

15. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

Group and Company	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2012	49,602	4,878	18,856	73,336
Additions	108	38	815	961
Disposals	(40)	(584)	(2,198)	(2,822)
At 30 June 2013	<u>49,670</u>	<u>4,332</u>	<u>17,473</u>	<u>71,475</u>
Accumulated Depreciation				
At 1 July 2012	1,957	2,621	15,306	19,884
Charge for year	534	356	933	1,823
Impairments	37	-	-	37
Eliminated on disposal	(40)	(585)	(2,100)	(2,725)
At 30 June 2013	<u>2,488</u>	<u>2,392</u>	<u>14,139</u>	<u>19,019</u>
Net Book Value				
At 30 June 2013	<u>47,182</u>	<u>1,940</u>	<u>3,334</u>	<u>52,456</u>
At 30 June 2012	<u>47,645</u>	<u>2,257</u>	<u>3,550</u>	<u>53,452</u>

Group and Company	Freehold Land and Buildings £000	Plant and Vehicles £000	Fixtures, Fittings and Equipment £000	Total £000
Cost				
At 1 July 2011	49,170	4,560	20,215	73,945
Additions	453	318	261	1,032
Disposals	(21)	-	(1,620)	(1,641)
At 30 June 2012	49,602	4,878	18,856	73,336
Accumulated Depreciation				
At 1 July 2011	1,451	2,379	15,758	19,588
Charge for year	527	242	1,048	1,817
Eliminated on disposal	(21)	-	(1,500)	(1,521)
At 30 June 2012	1,957	2,621	15,306	19,884
Net Book Value				
At 30 June 2012	47,645	2,257	3,550	53,452
At 30 June 2011	47,719	2,181	4,457	54,357

Freehold land and buildings include capitalised interest of £0.43m (2012: £0.43m).

16. NON-CURRENT ASSETS - INTANGIBLE ASSETS

Group and Company	2013 £000	2012 £000		
Cost				
At 1 July	28,737	29,618		
Additions	9,665	5,239		
Disposals	(9,929)	(6,120)		
At 30 June	28,473	28,737		
Amortisation				
At 1 July	21,404	19,254		
Charge for year	5,930	6,367		
Provision for impairment	501	301		
Disposals	(9,160)	(4,518)		
At 30 June	18,675	21,404		
Net Book Value				
At 30 June	9,798	7,333		
The number of players with a book value in excess of £1m by contract expiry date is as follows:	2013 No.	2013 £000	2012 No.	2012 £000
Contract expiry within 1 year	-	-	-	-
Contract expiry within 2 years	-	-	1	1,286
Contract expiry within 3 years	3	5,227	-	-
Contract expiry within 4 years	-	-	-	-
	3	5,227	1	1,286

No individual intangible asset included above accounted for more than 24% of the total net book value of the intangible assets (2012: 16.8%). The opening net book value of intangible assets at 1 July 2012 was £7.33m and on 1 July 2011 was £10.36m.

The net gain on sale of intangible assets in the year was £5.19m (2012: £3.54m). The impairment provision in 2013 within the football segment reflects the Directors' view that the recoverable amount of the intangible asset is lower than the carrying value, as per Note 2(d) above, and recognises a write down to fair value less costs to sell. The valuation of players is based on an independent valuation carried out with reference to the market for player transfers. The impairment charge of £0.5m (2012: £0.3m) comprises one player (2012: 2) whose contract expires within one year.

17. INVESTMENTS

Subsidiaries

The Company's wholly owned subsidiary undertaking continues to be Celtic F.C. Limited, the main activity of which is the operation of a professional football club.

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

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

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

Other Investments

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

18. INVENTORIES

	2013 Group £000	2012 Group £000	2013 Company £000	2012 Company £000
Raw materials	26	19	-	-
Finished goods	1,708	2,141	-	-
	<u>1,734</u>	<u>2,160</u>	<u>-</u>	<u>-</u>

Inventories written down during the year amounted to £0.05m (2012: £0.16m). Inventories of £nil (2012: nil) are carried at net realisable value.

19. DEFERRED TAX ASSET

Group

The Group follows the accounting treatment for deferred taxation as prescribed in IAS 12 Income Taxes. At the balance sheet date the value of deferred tax asset was £5.39m (2012: £8.42m) which represents losses carried forward of £23.44m @ 23% (2012: £33.27m). This asset would be recoverable against future taxable profits of the Group. In addition, advance corporation tax of £250,000 would be recoverable against future taxable profits of the Group, while the Group has an available capital allowances pool of approximately £12.82m (2012: £13.99m). In line with IAS 12 Income Taxes and given the financial difficulties currently being experienced by the football sector, the Group has not recognised the deferred tax asset nor the advance corporation tax asset in the financial statements because it is not considered probable that future taxable profits will be available against which these assets can be utilised in the foreseeable future.

Company

At 30 June 2013, the deferred tax asset not reflected in the Company's Financial Statements was £0.43m (2012: £0.42m).

20. TRADE & OTHER RECEIVABLES

	2013 Group £000	2012 Group £000	2013 Company £000	2012 Company £000
Trade and other receivables	4,081	5,103	10,437	14,845
Provision for doubtful debts (see below)	(147)	(122)	-	-
	<u>3,934</u>	<u>4,981</u>	<u>10,437</u>	<u>14,845</u>
Analysed as follows:				
Prepayments and accrued income	2,891	1,937	390	477
Related party receivables	-	-	9,688	12,804
Trade receivables	946	2,885	275	1,563
Other receivables	97	159	84	1
	<u>3,934</u>	<u>4,981</u>	<u>10,437</u>	<u>14,845</u>

The movement in the provision for doubtful debts was as follows:	2013 Group £000	2012 Group £000	2013 Company £000	2012 Company £000
Opening balance	122	34	-	-
Balances written off	(155)	(45)	-	-
Change in provision	180	127	-	-
Balances recovered	-	6	-	-
	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>
Closing balance	<u>147</u>	<u>122</u>	<u>-</u>	<u>-</u>

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

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

21. CASH AND CASH EQUIVALENTS

	2013 Group £000	2012 Group £000	2013 Company £000	2012 Company £000
Balances with banks	14,325	8,176	11,901	7,316
Cash on hand	23	22	-	-
	<u>14,348</u>	<u>8,198</u>	<u>11,901</u>	<u>7,316</u>

22. SHARE CAPITAL

Group and Company	Authorised		Allotted, called up and fully paid			
	30 June		30 June			
	2013	2012	2013	2013	2012	2012
	No 000	No 000	No 000	£000	No 000	£000
Equity						
Ordinary Shares of 1p each	220,867	220,120	91,152	912	90,275	903
Deferred Shares of 1p each	538,405	496,924	538,405	5,384	496,924	4,969
Non-equity						
Convertible Preferred Ordinary Shares of £1 each	15,855	15,960	13,868	13,868	13,972	13,972
Convertible Cumulative Preference Shares of 60p each	18,753	19,282	16,253	9,752	16,782	10,069
Less reallocated to debt under IAS 32:						
Initial debt				(2,925)		(3,019)
Capital reserve	-	-	-	(2,650)	-	(2,630)
	<u>793,880</u>	<u>752,286</u>	<u>659,678</u>	<u>24,341</u>	<u>617,953</u>	<u>24,264</u>

On 31 August 2012, 130,842 new Ordinary Shares of 1p each were issued in respect of mandates received from holders of Convertible Cumulative Preference Shares ("CCP Shares").

From 1 September 2007, the Convertible Preferred Ordinary Shares may be converted into Ordinary Shares and Deferred Shares on the election of the shareholder. The number of Ordinary Shares and Deferred Shares to which a holder of Convertible Preferred Ordinary Shares is entitled on conversion was determined by reference to the middle market price of Ordinary Shares in the three dealing days immediately prior to 1 September 2007. As a result each Convertible Preferred Ordinary Share converts into 2.08 Ordinary Shares and 97.92 Deferred Shares. As at 20 September 2013, the latest practicable date before publication no conversion notices had been received in respect of conversion of Preferred Ordinary Shares.

Each Convertible Cumulative Preference Share of 60p carries the right, subject to the availability of distributable profits, to the payment of a fixed preference dividend equal to 6% (less tax credit deduction) of its nominal value, cumulative with effect from 1 July 1996. The first dividend was paid on 31 August 1997. Holders of Preference Shares of 60p are entitled to convert each Preference Share into one Ordinary Share of 1p and 59 Deferred Shares of 1p each. During the year ended 30 June 2013, 529,061 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 20 September 2013, the latest practicable date before publication, no conversion notices had been received in respect of conversion of Preference Shares.

The current measurement of the debt element of the convertible cumulative preference shares in the Statement of Financial Position is £4.345m. The difference between that liability and the amount initially recognised as debt arose as a result of interest expense charged during the initial period before dividends became payable.

The amount transferred to debt in respect of cumulative preferred ordinary shares was subsequently transferred to equity within the Capital Reserve following the expiry of the rights to dividend (Note 23).

Reconciliation of number of Ordinary Shares in issue:	2013	2012
	No. '000	No. '000
Opening balance	90,275	90,136
Shares issued re scrip dividend scheme	130	114
Shares issued re Convertible Preferred Ordinary Share conversions	218	24
Shares issued re Preference Share Conversion	529	1
Closing Balance	<u>91,152</u>	<u>90,275</u>

Reconciliation of number of Deferred Shares in issue:	2013	2012
	No. '000	No. '000
Opening balance	496,924	495,754
Shares issued re Convertible Preferred Ordinary Share conversions	10,266	1,141
Shares issued re Preference Share conversions	31,215	29
Closing Balance	<u>538,405</u>	<u>496,924</u>

Reconciliation of number of Convertible Preferred Ordinary Shares in issue:	2013	2012
	No. '000	No. '000
Opening balance	13,972	13,984
Convertible Preferred Ordinary Share conversions to Ordinary and Deferred Shares	(104)	(12)
Closing Balance	<u>13,868</u>	<u>13,972</u>

Reconciliation of number of Convertible Cumulative Preference Shares in issue:	2013	2013
	No. '000	No. '000
Opening balance	16,782	16,783
Convertible Cumulative Preference Share conversions to Ordinary and Deferred Shares	(529)	(1)
Closing Balance	<u>16,253</u>	<u>16,782</u>

23 RESERVES

In accordance with Resolution No 8 at the 2002 Annual General Meeting and the Court Order obtained on 9 May 2003, the previous Share Premium Account balance was cancelled and transferred to the Other Reserve. Under the terms of this cancellation, an amount equal to three times the Executive Club loans, currently equal to £342,000 (2012: £354,000) will remain non-distributable from this Other Reserve until such loans are repaid by the Company.

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

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

The profit for the year for the parent company was £0.35m (2012: £0.71m)

24. BORROWINGS – Group and Company

The Co-operative Bank	2013	2012
	£000	£000
Current portion of interest bearing liabilities	375	375
Non current portion of interest bearing liabilities	10,219	10,594
	<u>10,594</u>	<u>10,969</u>

The Interest bearing liabilities are represented by loans from the Co-operative Bank. These loans bear interest at London Inter-Bank Offered Rate plus 1.125%. The loans are floating rate loans and therefore expose the Group to cash flow risk. These loans form part of a £21.94m loan facility which is repayable in equal quarterly instalments from October 2009 until April 2019 and £16.69m is repayable in July 2019. The Group has the option to repay the loans earlier than these dates without penalty. The bank loans are secured over Celtic Park, land adjoining the stadium and at Westhorn and Lennoxton.

25. CURRENT LIABILITIES

	2013	2012	2013	2012
	Group	Group	Company	Company
	£000	£000	£000	£000
Current portion of bank loans	375	375	375	375
Other loans	114	118	114	118
Accrued expenses	10,856	9,964	3,845	2,015
Trade and other payables	3,192	5,105	1,431	1,628
Provisions (see note 26)	1,240	-	-	-
	<u>15,777</u>	<u>15,562</u>	<u>5,765</u>	<u>4,136</u>

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

26. PROVISIONS FOR LIABILITIES

Group and Company

	Total
	£000
Cost	
At 1 July 2012	Nil
Provided for during the year	1,240
Utilised during the year	-
At 30 June 2013	<u>1,240</u>

During the year, the Directors have identified certain retail outlets as being loss-making units. It is viewed that there is no alternative commercial course of action that would result in unavoidable lease costs being more fully recoverable and as a result, a provision has been made for onerous lease contracts relating to these outlets.

27. DEFERRED INCOME

	2013 Group £000	2012 Group £000	2013 Company £000	2012 Company £000
Income deferred less than one year	<u>9,253</u>	<u>12,728</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.

	2013 Group £000	2012 Group £000	2013 Company £000	2012 Company £000
Income deferred after more than one year	<u>119</u>	<u>121</u>	<u>-</u>	<u>-</u>

Deferred income due after more than one year comprises elements of income, the cash for which has been received prior to the year-end in respect of the years beyond 2013/14.

28. CAPITAL AND OTHER FINANCIAL COMMITMENTS

a. Capital commitments

Group and Company	2013 £000	2012 £000
Authorised and contracted for	<u>282</u>	<u>130</u>

b. Other commitments

At 30 June 2013 the Group had commitments under operating leases as follows:

	Land & Buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Amounts payable:				
Within 1 year	900	973	12	11
Between 2 and 5 years	1,648	2,285	1	4
In more than 5 years	<u>656</u>	<u>832</u>	<u>-</u>	<u>-</u>

Lease payments recognised in the income statement for the period amounted to £1.06m (2012: £1.14m).

c. Contingent transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of the transfer of player registrations, additional amounts would be payable/receivable by the Group if specific future conditions are met. Such future conditions could include first team competitive appearances, football success, international appearances and being a registered Celtic player at a certain point in time. Amounts in respect of such contracts at 30 June 2013 could result in an amount payable of £2.92m (2012: £3.60m), of which £1.75m could arise within one year and amounts receivable of £1.57m (2012: £2.93m), of which £0.05m (2012: £1.43m) could arise within one year.

Group and Company	2013 £000	2012 £000
Conditions for triggering additional amounts payable:		
Appearances	1,170	1,204
Success achievements	129	50
Appearances and success achievements	429	906
Registered at a pre-determined date	1,191	1,442
	<u>2,919</u>	<u>3,602</u>
 Number of players contingent transfer fee payable relates to	 36	 34

d. Cross guarantees

Cross guarantees exist between the Company and its subsidiary undertakings. The extent of these at 30 June 2013 was £nil (2012: £nil).

29. FINANCIAL INSTRUMENTS – Group and Company

The principal financial instruments during the financial year ended 30 June 2013 and as at the balance sheet date were trade receivables (Note 20) and payables (Note 25), bank borrowings (Note 24), cash and compound financial instruments (Note 21). The financial assets are trade receivables and cash. These are all categorised as loans and receivables. The financial liabilities are trade payables, bank borrowings other creditors and the debt element of the Convertible Cumulative Preference Shares. These are all categorised as financial liabilities measured at amortised cost.

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

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

It is widely accepted that the economic conditions have not improved over the last year with several major banks continuing to receive financial support from the Government to continue to trade. To date Celtic has not seen a material impact on its business and subject to that there has been no change in financial risks from 2012.

Interest Rate Risk

The working capital of the Group and Company is funded largely by bank borrowings. The Group and Company has a £33.19m facility with the Co-operative Bank of which £12m is in the form of overdraft and £21.19m in long-term loans. While the nature of the overdraft results in the application of a floating rate, the loans offer the possibility to lock into a longer-term interest rate. £10.59m (2012: £10.97m) of the loan facility is required to be drawn down for the term of the facility agreement. In 2012/13, fixed rate periods were each for three months and the average balance on the loans was £10.76m (2012: £11.14m). During the course of the year, the Group had an average credit balance on the overdraft facility of £6.98m (2012: £1.92m). The average overdraft rate applicable during the year was 1.50% (2012: 1.50%) and the average loan rate 1.65% (2012: 2.15%). In terms of the overall risk management process, executive management liaise closely with advisers in managing the risk profile of the Group and Company. In times of interest rate volatility, executive management take advice as to the various instruments that may protect the Group and Company against increased costs, whether this be an interest rate cap, collar or other mechanism. No such mechanisms were utilised during the year nor in 2012.

Based on the average levels of debt in the year to 30 June 2013 it is estimated that a 1% increase in interest rates would result in a net increase in finance costs, and thus reduction in profit and equity of £0.11m (2012: £0.11m). The calculation in both years incorporates the terms and conditions of the agreement with the Co-operative Bank as noted above, the terms of which have not altered from 2012.

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 2012. The other loans of the Group and Company are interest free. It is the Group and Company policy to secure funding at the most cost-effective rates of interest available to the Group.

The maturity profile of the Group and Company's financial liabilities at 30 June 2013 and 30 June 2012 and details of applicable interest rates on these liabilities are disclosed in Notes 24 and 25.

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

Of the available bank facilities of £33.19m (2012: £33.94m), of which £21.19m is represented by long-term loans and £12m by overdraft, £22.59m (2012: £22.97m) remains undrawn at the balance sheet date as follows:

	2013 £000	2012 £000
Loans repayable within one year	375	375
Loans repayable between two and five years	1,500	1,500
Loans repayable in more than five years	8,719	9,094
Overdraft repayable on demand	12,000	12,000
	<u>22,594</u>	<u>22,969</u>

The overdraft which is repayable on demand is next due for review on 31 October 2013.

Credit Risk

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

As at 30 June 2013, £0.75m representing 70% of trade receivables of the Group of £1.04m were past due but not impaired (2012: £0.62m, 20%) and £0.27m representing 75% of the trade receivables of the Company of £0.36m were past due but not impaired (2012: £0.20m, 13%). Group trade receivables of £0.15m (2012: £0.12m) were considered to be impaired at the year end. Details of trade receivables are included in Note 20. An analysis of trade receivables past due but not impaired is as follows:

Trade receivables:	2013	2012	2013	2012
	Group £000	Group £000	Company £000	Company £000
Up to 30 days past due	442	428	119	134
Between 60 and 30 days past due	180	58	97	24
Over 60 days past due	133	134	53	37
	<u>755</u>	<u>620</u>	<u>269</u>	<u>195</u>

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

	2013 Group £000	2012 Group £000	2013 Company £000	2012 Company £000
Co-operative Bank	4,164	8,105	1,901	7,316
Allied Irish Bank	161	71	-	-
Barclays	2,750	-	2,750	-
Santander	2,750	-	2,750	-
HSBC	4,500	-	4,500	-
Sub total	14,325	8,176	11,901	7,316
Cash on hand	23	22	-	-
Cash and cash equivalents	14,348	8,198	11,901	7,316

The Group deposits surplus funds in a number of banks in accordance with the Group's treasury management policy based on internal credit limits aligned with Moody's ratings in order to restrict credit risk to financial assets in the form of monetary deposits. However, throughout both 2013 and 2012, the Co-operative Bank was in a net lending position, as £10.59m (2012: £10.97m) of the available loan facility, as noted above, is required to be drawn down for the term of the facility agreement.

Liquidity Risk

The financial liabilities of the Group and Company, principally trade payables and bank borrowings, are repayable in accordance with the respective trading and lending terms entered into by the Group. Trade payables are payable monthly in arrears where undisputed or alternatively in accordance with particular contract terms. As at 30 June 2013 46% of trade payables of the Group were due to be paid within one month (2012: 63%) and 9% of trade payables of the Company were due to be paid within one month (2012: 28%).

The maturity profile of the bank borrowings of the Group and Company is as set out in Note 24. Other loans held by the Company of £0.11m (2012: £0.12m) are repayable on demand.

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

Contractual maturity analysis for financial liabilities:

	2013 Group £000	2013 Group £000	2013 Group £000	2013 Group £000	2013 Group £000	2013 Group £000
	Due between 0 to 3 months	Due between 3 months to 1 year	Due between 1 to 5 years	Due after 5 years	In perpetuity	Total
Non-current borrowings	-	-	2,392	8,760	-	11,152
Trade and other payables	12,444	-	2,317	-	-	14,761
Current borrowings	114	-	-	-	-	114
Current portion of non-current borrowings	94	281	-	-	-	375
Convertible cumulative Preference Share dividends*	-	-	-	-	527	527
Total	12,652	281	4,709	8,760	527	26,929

	2012 Group £000	2012 Group £000	2012 Group £000	2012 Group £000	2012 Group £000	2012 Group £000
	Due between 0 to 3 months	Due between 3 months to 1 year	Due between 1 to 5 years	Due after 5 years	In perpetuity	Total
Non-current borrowings	-	-	2,392	9,326	-	11,718
Trade and other payables	13,339	937	250	-	-	14,526
Current borrowings	118	-	-	-	-	118
Current portion of non-current borrowings	94	281	-	-	-	375
Convertible cumulative Preference Share dividends*	-	-	-	-	544	544
Total	13,551	1,218	2,642	9,326	544	27,281

* The amount above represents the annual amount payable in the future in respect of the Convertible Cumulative Preference Share dividends.

Compound Financial Instruments

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

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

Fair value of financial assets and financial liabilities

The fair value of the Group and Company's financial assets and liabilities, as defined above, are not materially different to their book value with the exception of the debt element of the Convertible Cumulative Preference Shares, the fair value of which is considered to be £9.08m (2012: £9.08m). The fair value of the debt element of the compound financial instruments has been calculated by reference to the discounted value of future cash flows.

Capital management

The Group and Company's capital base is as set out in the Statement of Changes in Equity and in Notes 22 and 23 (Share Capital and Reserves respectively). It is the policy of the Board that trading plans should result in cash positive results, providing shareholder value and satisfying all dividend requirements. The bank borrowing facility of £33.19m is utilised to fund working capital. The Board consider carefully all significant capital projects and where necessary ensures that the funding of such is achieved through utilisation of the most appropriate funding mechanism whether borrowings or additional equity. The Board considers all these things by reference to projected costings and budgets, taking into account funding structures and sources and its overall objectives and policies to mitigate risk. Neither the Group nor Company is subject to any regulatory capital requirements.

30. POST BALANCE SHEET EVENTS

Since the balance sheet date further capital expenditure on intangible assets of £4.55m has been committed. Post year-end player registrations have been disposed of amounting to £17.36m.

31. RELATED PARTY TRANSACTIONS

Celtic plc undertakes related party transactions with its subsidiary company Celtic FC Limited which are governed by a management services agreement. This agreement covers the recharge of certain direct expenditure and or income from Celtic plc to Celtic F.C. Limited and the rental of certain properties at Celtic Park to Celtic F.C. Limited. Amounts recharged in the year by Celtic plc to Celtic F.C. Limited was £15.42m (2012: £14.35m). The balance outstanding at the year end is disclosed in Note 20.

During the year Celtic F.C. Limited entered into a number of transactions, principally for the supply of goods and services, as part of its routine course of business, with organisations in which some Directors have an interest, as directors or shareholders of the other contracting party. Such transactions were conducted on an arm's length basis and were of an insignificant nature.

The salaries paid to related parties with regard to Directors' emoluments have been disclosed in the Remuneration Report on page 27. There are no outstanding balances at the year end (2012: £352,228) and all outstanding amounts of prior year fully settled in year.

Key management personnel are deemed the Directors as outlined in note 9. The remuneration of Directors is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

Celtic Charity

Formed in 1995, Celtic Charity formalised and revitalised our support of charitable causes, focusing on Brother Walfrid's founding principles of Celtic Football Club. It is currently in the process of joining forces with the Celtic Foundation and the new entity will be called Celtic FC Foundation, with a formal launch scheduled for later in 2013.

Due to the fantastic support received in 2012/13, a total of £448,118 was donated to 64 organisations, on behalf of the Celtic Family. Activities included:-

- 1254125
We launched our 1254125 fundraising initiative in the summer of 2012 which encourages every Celtic supporter across the globe to raise £125 in the Club's 125th Anniversary Year, to improve the lives of the world's poorest and most vulnerable people.
- Summer Games 2012
This four-week bespoke diversionary Summer Programme removed territorial and financial barriers and was delivered at Celtic Park in July/August 2012 for vulnerable children and young people from disadvantaged communities. The Friday sessions were offered exclusively in partnership with Down's Syndrome Scotland. In the summer of 2013, we delivered similar programmes in the East End of Glasgow (Celtic Park), London and Ireland.
- Season Ticket Renewals 2012/13
For the first time, renewal forms included a £1 'opt out' donation to Celtic Charity. This raised a phenomenal total of £17,809 and is funding an Art Therapy clinic for children with Cardiac Conditions, through Yorkhill Children's Foundation. The 2013/14 season ticket renewal process also included the 'opt-out' donation.
- Christmas Appeal 2012
Celtic Charity undertook a 2012 fundraising campaign and raised £33,000. Beneficiaries included 150 East End primary school children who came along to a Christmas Party at Celtic Park, a host of families, Glasgow East Women's Aid, Glasgow Simon Community, Great Ormond Street Children's Hospital, Glasgow City Mission, Aberlour Childcare Trust and Loaves and Fishes.
- Celtic's Kenyan Connection, January 2013
Twenty six volunteers set off for Nairobi in January 2013 to spend 10 days working in two local schools/orphanages in the slum of Kibera. As well as providing invaluable support on the ground, the volunteers also raised an incredible total of £35,000 for Celtic Charity and our partner in the initiative, Kibera Celtic Foundation.
- Annual Sporting Dinner, March 14, 2013
Mary's Meals was selected as the main beneficiary of our 2013 annual sporting dinner. A subsequent donation of £22,419 will now fund the construction, equipping and running of a feeding shelter for 450 pupils at the Mwiruti Primary School in Eldoret, Kenya. It will also allow the provision of food supplies for a full year.
- 1888 Charity Shield, Saturday, May 25, 2013
The inaugural 1888 Charity Shield seven-a-side tournament proved to be a tremendous success as 16 teams fought it out to lift the Shield. Principal sponsor of the event was Glasgow family firm, ACE Refrigeration. The tournament raised an incredible net total of £25,000 and will support Celtic Charity's work with disabled children in local communities through a year long programme.
- Ben Nevis Huddle, June 14, 2013
On Saturday, June 14, 109 supporters climbed to the summit of Ben Nevis and took part in an astonishing Celtic huddle! They also raised an incredible total, in the region £21,500, for Celtic Charity.
- Music and Digital Education Programmes
Celtic Charity recently launched two new complementary initiatives – the Music and Digital Education Programmes. These are using music and digital education as mediums for spirit, tolerance, inclusion, tradition, personal development and excellence. We are already working with a number of mainstream

and also special educational needs primary and secondary schools and investment to date totals £167,750.

In-Kind Support

In addition to the many cash donations received, Celtic Football Club once again contributed a substantial level of in-kind support to Celtic Charity including all staff, accommodation and support costs. In relation to the Annual Sporting Dinner, catering, staffing and venue hire, plus a wide range of auction and silent auction prizes, were provided free of charge, with a market value of around £46,700.

The Club also made direct in-kind contributions to a wide range of worthy causes throughout the season in the form of match tickets, signed merchandise, stadium tours and a range of other items. The estimated retail value of the Club's in-kind contribution in 2012-2013 was £111,008 increasing to a potential market value of £219,968, taking account of donated items then being used for fundraising purposes.

Small Donations Scheme

In terms of allocating other funds raised, Celtic Charity has an application process in place – with two closing dates per year; June 30 and December 31. We continue to receive bids totaling far greater than the funds we have available so the Trustees make decisions based primarily on each application's alignment with our three key areas of Poverty, Vulnerability and Inequality. Within these areas, there are many associated issues including (but not limited to) health and wellbeing, education, homelessness, social inclusion and employability

We help charities all over the World. However, due to the history of the Club, our priority areas are the East End of Glasgow, wider Glasgow and the West, Scotland and Ireland and overseas.

Those charities which received donations during 2012/13 include Autism NI, Calton Parents' Support Group, The Charlie Canning Centre, East End Kids & Co, Enterprise Education Trust, FASA, Homeplus NI, Hopscotch Children's Charity, Little Orchids, Pavillion (Great Easterhouse), Phoenix Futures, Project Scotland, Scottish Autism, The Senga Nicol School of Music and The Wayside Club.

Thank You

We would like to record our sincere thanks to Celtic Charity's seven Trustees who worked tirelessly throughout the year to ensure the continued success of Celtic Charity and the maintenance of the Club's charitable principles.

As in previous years, we would like to record appreciation of Fundraising Action Group members Charles Barnett, Tom Boyd and John Maguire for their superb efforts during 2012/13. We would also like to welcome and thank our new Supporters' Committee - Mark Cameron, Paul Brennan, Jim McGinley, Joe O'Rourke and, once again, Tom Boyd.

You can help us build on this.

Individual charitable donations, without doubt, make a genuine difference but if we pool our resources and make cumulative contributions on behalf of the Celtic Family, together we can generate a huge impact.

It is **our** Charity – the whole of the Celtic Family – from the owners / shareholders of the Club to players to other staff to supporters to sponsors to partners, so everyone should be given the opportunity to get involved and take more ownership of it.

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

If you wish to support Celtic Charity, please contact:-

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