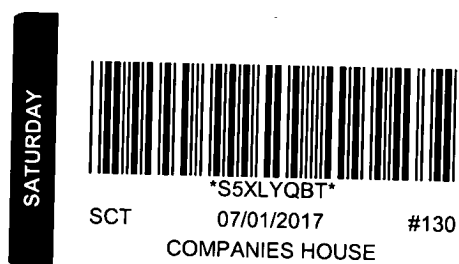


CELTIC F. C. LIMITED

ANNUAL REPORT

YEAR ENDED 30 JUNE 2016



Registered Number: SC223604

CELTIC F. C. LIMITED
ANNUAL REPORT
YEAR ENDED 30 JUNE 2016

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CELTIC F. C. LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors

P T Lawwell

C McKay

K Sweeney

Secretary

M Nicholson

Registered Office

Celtic Park

Glasgow

G40 3RE

Auditor

BDO LLP

4 Atlantic Quay

70 York Street

Glasgow

G2 8JX

Solicitor

Pinsent Masons LLP

141 Bothwell Street

Glasgow

G2 7EQ

Banker

The Co-operative Bank plc

29 Gordon Street

Glasgow

G1 3PF

CELTIC F.C. LIMITED

STRATEGIC REPORT

The Directors present their strategic report for Celtic FC Limited (the "Company") for the year ended 30 June 2016.

RESULTS

The profit for the financial year after tax was £0.37m (2015: loss of £4.41m) and the Directors recommend that no dividend will be paid.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the Company continues to be the operation of a professional football club, together with related and ancillary activities.

Revenue for the year increased from £50.69m in the prior year to £52.12m, with the first team playing 28 home matches compared to 29 last year. This is largely a result of the new distribution cycle for European competition resulting in improved revenues within the Multimedia division.

The Club enjoyed mixed fortunes on the field in 2015/16, winning our fifth Scottish Premiership title in a row eventually finishing the season with 86 points, 15 ahead of Aberdeen, but missing out in European and domestic Cup competitions.

Disappointingly, we failed to qualify for the lucrative UEFA Champions League group stages or to progress beyond the group stage of the Europa League. The profit for the year of £0.37m, compared to a loss last year of £4.41m, was largely due to the centrally distributed UEFA rights revenues which had a minimal associated cost impact.

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

The biggest on-going challenge facing the Company is the management of salary and transfer costs whilst achieving playing success with its consequent impact on financial results.

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

KEY PERFORMANCE INDICATORS

Performance is monitored against key performance indicators:

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

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

CELTIC F. C. LIMITED

STRATEGIC REPORT

Monthly management accounts are prepared for the Group highlighting performance against budget and the prior year, detailing analysis of sales performance and total cost control including total labour costs and capital expenditure.

Actual and forecast performance is fully considered at the regular Group Board meetings linking back to profit and cash generation. Management meetings are held to discuss actual and forecast performance with future action agreed accordingly. On a weekly basis, performance is noted on a series of key performance indicators including divisional sales and match attendance analysis. In addition, a number of key indicators are monitored on a daily basis at certain times of the year, including cash position.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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. In addition, there is a risk that a change in football regulations, or the application of national laws to those regulations, may impact on the player registrations held by the parent company.

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.

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 Company.

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 Development Pools Ltd, 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.

CELTIC F.C. LIMITED

STRATEGIC REPORT

Revenues from broadcasting contracts and football competitions

The Scottish Professional Football League ('SPFL') sells domestic broadcasting rights centrally. The Company 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 Company has little, if any, control. Participation in other competitions, such as UEFA Champions League or UEFA Europa League, also leads to additional revenue being received. The extent of this revenue depends on the competition, the level of advancement in the relevant competition, whether there are any other Scottish participants, and the size of the Scottish domestic television market. The revenue available is dependent on participation and therefore determined on the basis of football results, which cannot be guaranteed.

Financial Risk

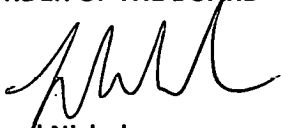
The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate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

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.

Each of the headings mentioned is influenced significantly by factors beyond the control of the Company. 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.

BY ORDER OF THE BOARD



Michael Nicholson
Secretary
21 December 2016

CELTIC F.C. LIMITED

DIRECTORS' REPORT

The Directors present their report together with the financial statements for the year ended 30 June 2016.

DIRECTORS

The Directors during the year ended 30 June 2016 were as follows:

C McKay (appointed 1 January 2016)
E J Riley (resigned 31 December 2015)
K Sweeney
P T Lawwell

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Strategic Report sets out the Business Review and Future Developments on page 2.

FINANCIAL INSTRUMENTS

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

EMPLOYEE COMMUNICATIONS

Colleagues at all levels are kept informed regularly of matters that affect the progress of the Company and Group that 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 Company operates a detailed annual appraisal system for all regular employees. This provides the opportunity for feedback and comment. An annual bonus scheme is operated in conjunction with the appraisal system.

EMPLOYMENT POLICIES

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

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

Investors In People status continues, following the Club's re-accreditation in December 2013, with good practice in relation to pregnant employees also commended through the Tommy's accreditation. In July 2016, the Club's Youth Academy gained Investors in Young People accreditation.

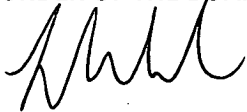
CELTIC F.C. LIMITED
DIRECTORS' REPORT

DISCLOSURE OF INFORMATION TO AUDITOR

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

- there is no relevant information of which the Company's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Michael Nicholson', written over the printed name.

Michael Nicholson
Secretary
21 December 2016

CELTIC F. C. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 Company and of the profit or loss of the Company for that period.

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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CELTIC F.C. LIMITED

We have audited the financial statements of Celtic F.C. Limited for the year ended 30 June 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditor

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 Financial Reporting Council's (FRC'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 FRC'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 Company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CELTIC F.C. LIMITED

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



Alastair Rae (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow
Date: 21 December 2016

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

CELTIC F.C. LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 30 JUNE 2016

	Notes	2016 £000	2015 £000
Revenue	1, 2	52,124	50,687
Cost of sales		<u>(6,879)</u>	<u>(6,178)</u>
Gross Profit		45,245	44,509
Administrative expenses		<u>(44,877)</u>	<u>(48,923)</u>
Operating profit / (loss)	3	368	(4,414)
Interest receivable		-	3
Interest payable		<u>-</u>	<u>(1)</u>
Profit / (loss) on ordinary activities before taxation		368	(4,412)
Tax on ordinary activities	7	<u>-</u>	<u>-</u>
Profit / (loss) for the year		368	(4,412)
Retained loss at 1 July		(15,764)	(11,352)
Retained loss at 30 June		<u>(15,396)</u>	<u>(15,764)</u>

All amounts relate to continuing operations.

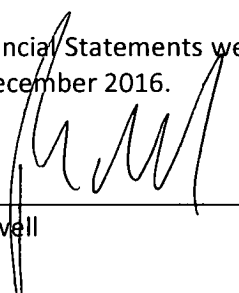
The Company has no other gains or losses other than the profits for the year.


The notes on pages 12 to 19 form part of these Financial Statements.

CELTIC F. C. LIMITED
BALANCE SHEET
AS AT 30 JUNE 2016
Company Number: SC 223604

	Notes	2016 £000	2015 £000
Fixed assets			
Investments	8	-	-
Current assets			
Stocks	9	1,889	2,098
Debtors	10	7,665	3,955
Cash at bank and in hand		766	375
		<u>10,320</u>	<u>6,428</u>
Creditors - amounts falling due within one year	11	(4,121)	(5,977)
Income deferred less than one year	13	(19,147)	(12,708)
		<u>(23,268)</u>	<u>(18,685)</u>
Net current liabilities		(12,948)	(12,257)
Creditors – amounts falling due after more than one year	12	(1,105)	(907)
Income deferred more than one year	14	(1,343)	(2,600)
Net liabilities		<u>(15,396)</u>	<u>(15,764)</u>
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account		(15,396)	(15,764)
Shareholders' deficit		<u>(15,396)</u>	<u>(15,764)</u>

The Financial Statements were approved and authorised for issue by the Board and signed on its behalf on 21 December 2016.


 _____ Director
 P T Lawwell


 _____ Director
 C McKay

CELTIC F. C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1 ACCOUNTING POLICIES

Company information

Celtic F.C. Limited is a limited liability company registered in Scotland. The registered office is Celtic Park, Glasgow, G40 3RE.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared under the historical cost convention. These are the first financial statements prepared under FRS 102 and the impact of first time adoption is given in note 19.

The financial statements are prepared in sterling and rounded to the nearest £'000.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Celtic plc as at 30 June 2016 and these financial statements may be obtained from the Company's registered office.

Basis of consolidation

The Company is exempt from the requirements to produce group financial statements under Section 400 of the Companies Act 2006. Accordingly the information presented within these financial statements concerns the Company only and does not include the results of its subsidiaries.

Going concern

At the balance sheet date the Company had net liabilities of £15.40m (2015: £15.76m). The Company is dependent on the financial support of the parent company to enable it to meet its on-going obligations. The parent company has confirmed it will continue to support Celtic F.C. Limited for the foreseeable future. Accordingly these financial statements have been drawn up on a going concern basis and do not include any adjustments that would result from the withdrawal of this support.

Cash flow statement

In accordance with FRS 102, a cash flow statement has not been prepared since the Company itself is a subsidiary undertaking, which is included in consolidated financial statements of its parent undertaking, Celtic plc.

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.

CELTIC F. C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1 ACCOUNTING POLICIES (CONTINUED)

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 FC Development Fund Limited; UEFA participation fees and revenues derived from the hiring of Celtic Park for football and non-football events. All such revenues are recognised in line with the completion of the matches or events to which they relate, with the exception of donations, which are recognised on receipt.

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

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

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

- i) Domestic league television rights are sold centrally by the Scottish Professional Football League ('SPFL') and distributed to the Scottish Premiership clubs on a percentage basis dependent upon the final league positions of the clubs. Revenue is recognised evenly over the period to which it relates, namely the course of the football season.
- ii) Depending on the competition, domestic cup rights are sold centrally by either the Scottish Football Association ('SFA') or the SPFL, 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 directly 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 revenue recognition are largely in respect of assessing the accuracy of estimated information provided by trading partners, the SFA, the SPFL 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.

CELTIC F. C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1 ACCOUNTING POLICIES (CONTINUED)

Leasing obligations

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

Investments

Investments in subsidiaries are held at cost less any impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on a first-in, first-out basis.

Pension costs

The Company operates a defined contribution scheme providing benefits for employees additional to those from their respective Governments. The pension cost charge includes contributions payable by the Company to the fund in respect of the year.

Foreign exchange

Non-monetary items denominated in foreign currency are translated at the date of the transaction. Foreign currency assets and liabilities at the year-end are translated at the year-end exchange rate. Exchange differences are recognised in the statement of income and retained earnings in the period in which they arise.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Profit and loss account

Profit and loss account represents the retained trading profit or loss.

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:

- revenue recognition, as noted above;
- onerous lease provisions, noted above; and
- provisions for future contractual obligations relating to commercial contracts, by measuring expected contractual performance against available information including the assessment of future income and expenditure against historical market data and best reliable future forecasts.

CELTIC F. C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2 REVENUE

Revenue in respect of the three business segments comprised:

	2016	2015
	£000	£000
Football and Stadium operations	25,264	27,425
Merchandising	12,577	11,679
Multimedia and other commercial activities	14,283	11,583
	<u>52,124</u>	<u>50,687</u>

3 OPERATING PROFIT / (LOSS)

Operating profit / (loss) includes the following charges:

	2016	2015
	£000	£000
Staff costs (Note 4)	32,295	29,761
Operating lease payments - land and buildings	1,523	1,670
- plant & vehicles	218	197
Cost of stock recognised as expense	6,879	6,051
Forex (gains) / losses	(133)	14
Auditor's remuneration: audit fees	<u>15</u>	<u>15</u>

The Company, being a subsidiary, has taken exemption from disclosing non-audit remuneration payable as the required disclosure is made within the parent company statutory financial statements.

4 STAFF PARTICULARS

	2016	2015
	£000	£000
Wages and salaries	28,725	26,431
Social security costs	3,271	3,061
Other pension costs	299	269
	<u>32,295</u>	<u>29,761</u>
	Number	Number
Average number of full time equivalents employed in year:	<u>379</u>	<u>377</u>

5 DIRECTORS' EMOLUMENTS

There were no directors' emoluments during the year (2015: £nil). Details of directors' emoluments in the parent company are included in the Annual Report of Celtic plc.

CELTIC F. C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

6 PENSION COSTS

The 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 Company in an independently administered fund by The Standard Life Assurance Company.

Contributions made by the Company to the scheme during the year amounted to £298,827 (2015: £270,075). Contributions of £37,841 (2015: £32,740) were payable to the fund at the year-end.

7 TAX ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the period:

Current tax:

	2016	2015
	£000	£000
UK corporation tax	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for year:

The corporation tax assessed for the year is different from the standard rate of corporation tax in the United Kingdom of 20% (2015: 20.75%). The differences are explained below:

	2016	2015
	£000	£000
Profit / (loss) on ordinary activities before tax	<u>368</u>	<u>(4,412)</u>
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 20% (2015: 20.75%)	74	(915)
Effects of:		
Expenses not deductible for tax purposes	4	-
Effects of untaxed income	-	(157)
Group relief surrendered	-	435
Unrelieved tax losses & other deductions	-	637
Adjust deferred tax to average rate of 20%	322	-
Deferred tax not recognised	<u>(400)</u>	<u>-</u>
Current corporation tax charge for year	<u>-</u>	<u>-</u>

Estimated tax losses available for set off against future trading profits, amount to approximately £15.97m (2015: £16.36m). This estimate is subject to the agreement of the current and prior year corporation tax computations with HMRC.

CELTIC F. C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

8 INVESTMENTS

At 30 June 2016 the Company had interests in the following subsidiaries:

Subsidiary Undertaking	Activity	Holding	Proportion held (%)	Country of Incorporation
Protectevent Limited	Dormant	Ordinary shares	100	Scotland
Glasgow Eastern Developments Limited	Management of properties	Ordinary shares	100	Scotland
The Celtic Football and Athletic Company Limited	Football club management and promotional services	Ordinary shares	100	Scotland

The cost of these investments is £504 (2015: £504).

9 STOCKS

	2016 £000	2015 £000
Goods for resale	1,860	2,068
Consumable stock	29	30
	<u>1,889</u>	<u>2,098</u>

10 DEBTORS

	2016 £000	2015 £000
Trade debtors	4,012	2,379
Other debtors	248	182
Prepayments and accrued income	849	1,394
Amounts due from group companies	2,556	-
	<u>7,665</u>	<u>3,955</u>

11 CREDITORS - amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	587	1,897
Other taxation and social security	1,423	231
Other creditors	607	467
Accruals	741	847
Provisions for liabilities (note 12)	196	251
Due to group companies	567	2,284
	<u>4,121</u>	<u>5,977</u>

CELTIC F. C. LIMITED
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12 PROVISIONS FOR LIABILITIES

	Onerous lease £000	Dilapidations £000	Other £000	Total £000
Cost				
At 1 July 2015	1,038	120	-	1,158
Provided for during the year	56	10	328	394
Utilised during the year	(251)	-	-	(251)
At 30 June 2016	843	130	328	1,301
Due within one year or less	190	6	-	196
Due after more than one year	653	124	328	1,105
At 30 June 2016	843	130	328	1,301

13 INCOME DEFERRED LESS THAN ONE YEAR

	2016 £000	2015 £000
Deferred income	<u>19,147</u>	<u>12,708</u>

Deferred income comprises season ticket, sponsorship and other elements of income, which have been received prior to the period-end in respect of the following or subsequent football seasons.

14 INCOME DEFERRED MORE THAN ONE YEAR

	2016 £000	2015 £000
Deferred income	<u>1,343</u>	<u>2,600</u>

15 SHARE CAPITAL

	Authorised £	Allotted £	Called Up & Fully Paid £
Equity			
Ordinary Shares of £1 each			
At 1 July 2015 & 30 June 2016	<u>1,000</u>	<u>2</u>	<u>2</u>

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16 CAPITAL AND OTHER FINANCIAL COMMITMENTS

a. Other commitments

At 30 June 2016 the Company had commitments under operating leases as follows:

	Land & Buildings 2016 £000	Land & Buildings 2015 £000	Plant & Vehicles 2016 £000	Plant & Vehicles 2015 £000
Expiry date:				
Within 1 year	589	653	6	15
Between 2 and 5 years	1,728	1,851	-	6
In more than 5 years	490	771	-	-

b. Cross Guarantees

Cross guarantees exist between the Company and other members of the Celtic plc group. The extent of these at 30 June 2016 was £6.6m (2015: £7.0m).

17 PARENT UNDERTAKING

The Company's ultimate parent undertaking is Celtic plc, a company registered in Scotland. Consolidated financial statements for Celtic plc are available from:

The Company Secretary
Celtic plc
Celtic Park
Glasgow
G40 3RE

In the opinion of the Directors, Celtic plc is also the Company's ultimate controlling party.

18 RELATED PARTY TRANSACTIONS

The Company has taken the exemption as a qualifying entity through FRS 102 and has not disclosed any transactions with group undertakings.

19 TRANSITION TO FRS 102

The Company has adopted FRS 102 for the year ended 30 June 2016. There have been no changes to comparative amounts for the year ended 30 June 2015 as a result of this adoption.