

CELTIC F.C. LIMITED
ANNUAL REPORT
YEAR ENDED 30 JUNE 2022



Registered Number: SC223604

CELTIC F.C. LIMITED
ANNUAL REPORT
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CELTIC F.C. LIMITED
DIRECTORS, OFFICERS AND ADVISERS

Directors

C McKay
M Nicholson

Secretary

C Duffy

Registered Office

Celtic Park
Glasgow
G40 3RE

Auditor

BDO LLP
2 Atlantic Square
31 York Street
Glasgow
G2 8NJ

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 F.C. Limited (the "Company") for the year ended 30 June 2022.

The principal activity of the Company continues to be the operation of a professional football club, together with related and ancillary activities. The Company is the primary trading entity of the Celtic plc Group (the "Group"), the activities of which are effectively managed collectively as a single operation. The Company is therefore subject to the same processes, procedures and controls applied within the Group and therefore references to the Group throughout this report are relevant to understanding the operational, strategic and financial management of the Company.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information. The assumptions used do not take into account any implications of the Covid-19 pandemic due to there being a reduced effect on the business in the financial year and at the time of writing, however there remains an unknown risk in this regard which the Directors do take consideration of.

The Strategic Report discusses the following areas:

- Covid-19 and the impact on the business.
- Review of the business including financial performance and key performance indicators.
- Principal risks and uncertainties.
- Current trading and outlook.

COVID-19

The adverse impact of Covid-19 had been significant in the two preceding financial years but was more limited in the last financial year. At the start of the financial year under review, it was clear that the impact on the business, most notably around fan attendances, was receding and a more normalised trading environment was returning across the large scale event industry. While the business remained mindful of the ongoing threat of Covid-19, the operations and activity across the business began to reflect the position pre-Covid with all employees returning to work and full stadium attendances in place by the middle of August 2021. Despite a Covid-19 surge in late December 2021 which resulted in the re-introduction of a number of restrictions in Scotland, the business was able to avoid any significant disruption due to the timing of home matches.

At the time of writing, there are no restrictions on the Group's trading operations and there are currently no obvious indications that this situation will change throughout the financial year ahead. There remains risks around new vaccine defeating variants and we view the winter months as being where the business could be most exposed to any impact of these.

REVIEW OF THE BUSINESS

The Company's financial results for the year to 30 June 2022 reflect the significant impact of normalised trading conditions particularly in relation to match ticket sales when compared with the prior year.

The Company has produced a compared profit before tax of £5.7m to a loss of £11.5m in the prior year. This significant improvement is driven by increased revenues, which have been delivered predominately due to the sales of match tickets, a revenue stream that was unavailable in 2021, as well as an uplift in gains on player trading.

Total revenue increased by £27.4m (45.1%) compared with 2021.

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Revenue from Football and Stadium operations increased by £21.9m (105.1%) compared with 2021. This is principally due to the return of match ticket sales and the availability of Corporate and Premium packages which were unable to be sold in 2021 owing to matches being played behind closed doors.

Merchandise revenues increased by £2.3m (10.2%) as the adidas range continues to be popular with the supporters and our stores were able to trade as normal in the year which was not the case in 2021.

Revenues from Multimedia and Commercial activities increased by £3.2m (18.3%). This was impacted by a more successful European campaign than in 2021 and increased revenues associated with winning the Scottish Premiership Football League (the "SPFL") compared with finishing 2nd in 2021.

Total operating expenses have increased from last year by £3.8m (36.8%) to £14.0m. Labour has increased by £5.1m (10.6%) to £53.3m. In the year to 30 June 2021, the Company received £2.2m in payments under the JRS scheme, which reduced the overall labour figure that year. In 2022, this figure was £59k. There was also increased investment in the Football department as well as increased costs associated with the matchday operation.

Wage inflation continues to be an area of concern throughout the worldwide football industry and now the wider UK economy. 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.

The overall Group strategy of maintaining tight cost control and utilising the inherent value in the first team squad, as and when required, impacts directly on the performance of the Company. The Company's profit before tax of £5.7m is reflective of the Group recorded a profit before tax of £6.1m (2021: £11.5m loss before tax), and although the Company cash position at the year end is £0.6m, the Group year end cash, net of bank borrowings, was £30.2m (2021: £16.6m).

The key objective for the Group and the Company clearly remains football success, aiming to maintain our domestic dominance and make progress 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 financial challenges that presents.

The Group continues to focus on securing the best football players available to a Club of our standing while managing the costs of the football operation, in particular player wages, ensuring the investment in this area is sufficient to maintain playing success with its consequent impact on financial results.

The development of a greater number of internally produced 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 the following key performance indicators:

Football success (refer to "Review of Business" above);
Match attendance statistics (refer to "Review of Business" above);
Sales performance per stream (refer to Note 3, Revenue);
Wage and other costs (refer to Note 4, Operating Profit and Note 6, Staff Costs); and
Profit and cash generation (refer to "Review of Business" above).

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STRATEGIC REPORT

KEY PERFORMANCE INDICATORS (Continued)

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

Monthly management accounts are prepared 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. The management accounts also include regular re-forecasts of the anticipated outturn performance for the financial year end to which they pertain.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

In addition to the uncertainties inherent in football, there are many risks associated with running any business. These risks are included within a risk matrix, which is regularly reviewed internally and with the Group Audit Committee on behalf of the Board, and updated as necessary. We also currently, and for the short term at least, have a further significant risk in the form of Covid-19 and this is specifically referred to below although it is inherent in almost all aspects of our business.

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 or mitigate the impact if it did occur. The individuals responsible for managing these risks are identified and the steps required to be taken are subject to internal audit verification.

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

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

Covid-19

At the time of writing, our trading environment, and in particular fan attendance at matches, is unaffected by Covid-19. However, there remains a risk that a renewed Covid-19 surge which could result in the re-introduction of restrictions. This risk may become more heightened in the winter months.

CELTIC F.C. LIMITED

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Player transfer market and wages

As noted above, the Company is directly impacted by factors affecting the Group as a whole. While player registrations are held in the parent company, the nature of the Group structure dictates that player trading is a significant contributor to the operational and financial performance of the Company.

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

Matchday Revenues

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

Significant revenue is also derived from the sale of season tickets. External economic conditions can affect supporters' disposable income. The quality of the team and management, the perceived 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.

Poor football results and performances, the nature and quality of opposition, changes to kick-off times and bad weather can all have an impact on attendance figures. 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.

External economic conditions such as the current constraints on consumer spending brought about by the cost of living crisis could also have a further adverse effect on potential revenues. However, season ticket monies for season 22/23 are already received, central rights distributions are largely secured, sales volumes for match tickets are strong and retail sales are tracking ahead of budget, and with government assistance outlined for consumer energy bills, all of these factors would suggest that any risk at this present time is limited. The Board will however continue to monitor this situation, particularly as we approach season 23/24.

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Revenues from broadcasting contracts and football competitions

The 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 the UCL or UEL, also leads to additional revenue being received. The extent of this revenue depends on the competition, the level of advancement in the relevant competition, the amount of UEFA coefficient points accumulated by the Club, whether there are any other Scottish participants, and the size of the UK domestic television market. The revenue available is dependent on participation and therefore determined on the basis of football results, which cannot be guaranteed. Season 2020/21 saw the commencement of a new 5 year contract with Sky TV as the sole broadcaster for the SPFL Premiership.

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 to the Group are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk.

These risks are managed by the Group through regular reforecasting, adopting hedges where appropriate, an assessment of key economic and market indicators and customer risk diligence.

Brexit

The UK officially left the EU on 31 January 2020 and on 31 December 2020 completed its separation from the EU with the ending of the transition period.

The Group has seen some impact on administration and costs particularly in respect of our merchandising division. Further risks could be access to workers, particularly around our casual/matchday staff as there are indications of a lack of supply in the hospitality and leisure markets.

In addition to the above, the Group has also experienced the effects of Brexit in relation to player transfers. To date, this has largely been translated to a resource and cost burden as there is a requirement for visa applications for EU nationals which would not have existed previously. In addition, a governing body (the SFA) endorsement is required for such application to be successful and at present there is discretionary panel which assesses these applications and determines whether the endorsement is appropriate. The operation of this panel was extended beyond the summer 2021 transfer window and discussions are ongoing around a long-term protocol. The extension of the panel provides us greater flexibility and is welcome.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

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.

CELTIC F.C. LIMITED

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Stadium Safety Certificate

Each year the Group is required to have the Celtic Park Safety Certificate renewed by the Safety Advisory Group of Glasgow City Council. Failure to achieve this could result in part, or all, of the stadium being closed. Should this ever occur it would inhibit our ability to host home matches without putting alternative arrangements in place.

The process for ensuring we are fully compliant on all aspects of health and safety is both continuous and taken extremely seriously. Our dedicated facilities management team implement a rolling preventative and reactive stadium maintenance plan and our stadium security team along with the relevant authorities implement and continue to evolve a stadium security strategy to ensure spectator safety. This topic also features as a standing item at our regular risk review meetings and at Board meetings.

We also recognise the added dimension which Covid-19 has had and will continue to bring around stadium safety. As with all other aspects mentioned above we will continue to seek the necessary advice and take the necessary steps to ensure our compliance in this area. At the time of writing, we have successfully secured our certificate for this season which will run until 30 July 2023.

Each of the risks aforementioned is influenced significantly by factors beyond the control of the Group. The failure to obtain our safety certificate, substantial increases in transfer fees or player wages, or a significant decline in ticket sales or attendances, or in revenues from broadcasting and football competitions could have a detrimental impact on financial performance.

CURRENT TRADING AND OUTLOOK

Season 2021/22 was characterised by the introduction and integration of Ange Postecoglou as first team coach. Significant investment was made into the playing squad with the objective of securing football success. The principal objective of winning the SPFL was achieved along with winning the Premier Sports Cup and playing in the Europa League then subsequently dropping into the Europa Conference League.

The importance of winning the league was high as this granted the winner automatic Champions League group stage qualification for season 2022/23, which results in a significant financial upside relative to the Europa League. This is the first time that a Scottish Club has achieved automatic qualification since 2010 and is a major milestone.

The immediate objective over the summer 2022 transfer window was to continue the process of structuring the first team playing squad in line with the manager's requirements in order to give us the best opportunity for participation in the Champions League group stages and to mount a defence of our SPFL title. The Champions League group stage fixtures against Real Madrid, RB Leipzig and FC Shakhtar Donetsk have now been completed with the Club ultimately exiting the competition.

At the time of writing, there appears to be no current Covid-19 threat although the risk has not been eliminated. Based on the current public health climate and the lucrative Champions League group stage football, we maintain an optimistic outlook for the year ahead.

STAKEHOLDER ENGAGEMENT

During the year, the Board and its Directors confirm they have acted in good faith in a way that promotes the success of the Group for the benefit of its members as a whole, and in doing so have had regard to the stakeholders and key matters set out in Section 172 of the Companies Act 2006. The Company's Company Secretary and in-house legal personnel provide support to the Board to ensure sufficient consideration is given to s172(1)(a)-(f).

CELTIC F.C. LIMITED STRATEGIC REPORT

The Board considers that the Group's key stakeholders are its shareholders, employees, supporters, commercial partners, suppliers, governing bodies, wider football environment and the wider environment and community. The Directors recognise that they are expected to take into account the interests of those stakeholders whilst prioritising the long term success of the Company. This can mean that the interests of certain stakeholder groups in the short-term may need to be balanced against such long term success.

The Board has identified the key stakeholders and principal methods of engagement as shown in the below. The level of engagement informs the Board, both in relation to stakeholder concerns and the likely impact on decisions taken by the Board.

Stakeholder Group	Principal Methods of Engagement
Shareholders	<p>The Company is owned by Celtic plc, a listed company, and being the main trading entity within the Group, its performance and the decisions made for the Company impact directly on the shareholders of Celtic plc. Therefore the reference to communication and engagement with shareholders of Celtic plc is relevant for the Company.</p> <p>The publication of the Group annual report, interim report and periodic trading updates throughout the year facilitates and promotes shareholder engagement. In addition, the Annual General Meeting ('AGM') is recognised as being well attended and this gives all shareholders, many of whom are supporters of the Club, the opportunity to engage directly with the Board on a wide variety of matters. The Board views the AGM as a key event in the calendar in terms of shareholder engagement and particularly in relation to those with smaller shareholdings, many of whom use this opportunity to raise specific queries to the Board which will often result in follow up action in order to find a resolution on these issues. The Board generally also maintains very regular one to one dialogue with major shareholders and takes into consideration their views on a wide variety of matters. In addition, the Group's largest shareholder occupies a seat on the Board and is an active participant in key decisions.</p> <p>The 2021 AGM was live streamed in order to allow shareholders who were uncomfortable in attending large scale events access to the event. The 2022 AGM was recently held in November 2022 and was well attended by shareholders.</p> <p>Ongoing dialogue also took place with shareholders during the year, so that meaningful discussion was able to take place with a wide range of the shareholders, notwithstanding the restrictions. Face to face meetings or calls took place with shareholders representing over 75% of the ordinary shares of the Club.</p>
Employees	<p>A number of new employee engagement initiatives were launched during the year which were aimed at bringing employees together more frequently to share ideas and giving all employees access to the senior executives in the Club.</p> <p>Quarterly colleagues meetings were re-introduced which allowed employees to gather together physically and engage with each other. The Executive Directors would deliver a business update on relevant matters and employees were given the opportunity to ask the Executive Directors questions about the business and future plans.</p> <p>A new monthly forum was also introduced whereby smaller sessions of around 20 employees from all areas of the business were invited to an informal meeting with the Executive Directors. Celtic is a diverse business with a broad range of operational activities and the objective was to allow people across all business streams to mix with each other and also engage with the Executive Directors and get to know them.</p>

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	<p>Another newly launched initiative called the Celtic Continuous Improvement Team was introduced. The objective of this forum was for our senior managers to engage together articulate a particular challenge facing the business or identify an area where the Club could improve operationally. The task of the team was to then develop a solution to the challenge and implement it. The solutions were then backed by the Executive Management team at the implementation phase. This initiative was aimed at making our senior employees feel engaged in the day to day running of the Club and that they had a forum to effect change for the wider good of all employees.</p> <p>As part of the regular Board meetings, the board papers contain a dedicated Human Resource report whereby all significant employee matters are brought to the attention of the Board and are actively discussed at Board meetings with follow up actions taken as appropriate.</p>
Supporters	<p>The Club's highly engaged supporter base is undoubtedly one of the Club's greatest assets. The Board continues to recognise the commitment of our supporters and the unique position the Club finds itself in this regard when compared to other businesses.</p> <p>The Club engages with supporters through a number of channels. These include regular statements and news stories through our public relations team and popular social media channels, direct one to one engagement through our dedicated Supporter Liaison Officer and Disabled Access Officer and through one to one contact through our ticketing teams. In addition, members of the Executive Management team also took the opportunity to call supporters directly to discuss specific matters of concern throughout the year and attend supporter events to support the clubs and give supporters informal access to the Executive Directors of the Club.</p> <p>Following the formal constitution of a fan forum at the AGM in 2016, the Club continued to host its fan forums during the year and these were able to be return to physical meetings. Three in person forums were convened in the year. These were attended by the Executive Directors and members of the Board and provided an opportunity to discuss a wide and varied number of issues and also to keep supporters up to date with the factors affecting the Club at the time. The minutes of the meetings are available on a dedicated fan forum page on our website at www.celticfc.com.</p> <p>The Board are mindful of the increasing requirement to involve supporters in Club affairs and have plans to develop the fan forum further.</p>
Commercial partners	<p>The Group has a number of key commercial and sponsorship partners who the Club works alongside to promote their brands using the global reach of Celtic.</p> <p>Each partner has a dedicated member of our commercial team who maintains regular dialogue with them and fosters and builds on our relationships many of which are long-term in nature.</p> <p>The head of the commercial team reports directly into the CEO who in turn provides the Board with an update on the status of relationships and major developments concerning our key partners.</p>
Governing bodies & wider football environment	<p>As a professional football club, Celtic is subject to the jurisdiction and regulations of governing bodies in respect of the competitions it competes in each season and this includes the SPFL, the SFA and UEFA. Engagement with these bodies is both crucial for the efficient and effective operation of the business and also to promote and enhance the game of football.</p>

CELTIC F.C. LIMITED STRATEGIC REPORT

	<p>The Group CEO, the Group CFO (both company directors also) and other members of the executive team represent the Club on various governing body groups covering the domestic and European competitions the Club participates in. The Group CFO is a member of the European Club Association Finance Working Group and was a member of the ECA Technical Panel with the objective of working alongside UEFA to agree new financial sustainability rules for European football. The panel of nine European clubs met and reached an agreement on a new series of rules to reinforce financial governance of European football.</p> <p>During the year, the Club's Executive Management team participated in regular meetings, committees and boards to discuss and contribute ideas surrounding the various challenges facing the game with a view to promoting the long-term success of football. This was particularly relevant given the impact Covid-19 had on the industry and being at the forefront of these discussions enabled the Club to best position itself for the post pandemic recovery phase.</p>
Suppliers and key partners	<p>The Group is reliant on a number of key suppliers and key partners including our nominated advisers, bankers, player representatives, the emergency services, the local authority, software partners and landlords for our leased retail properties.</p> <p>The CFO maintains regular dialogue with our bankers, Co-Operative Bank and Canaccord Genuity, our nominated adviser, and provides them with regular financial information to enable them to continue to service our banking arrangements and advise the Company.</p> <p>Open and honest engagement and relationships with our suppliers and subcontractors is critical to the success of our business. The Group has a number of partners that we engage with to support our business in a number of key areas including the management of key football personnel, software, our landlords on leased property, the emergency services and Glasgow City Council. This is important in order to operate major events in a safe and compliant fashion. Engagement with the Safety Advisory Group of Glasgow City Council was regular and in-depth in the last year to ensure that the Club was able to operate matches behind closed doors in a Covid-19 secure fashion. This is also vitally important for public safety reasons and operations meetings take place with the police and relevant safety bodies in advance of all matches.</p> <p>The Group also bi-annually participates and records all relevant data with respect to supplier payment practices reporting. The statistics and reports lodged demonstrates that the Group follows good business conduct with regard to paying its suppliers in a prompt fashion. Additionally, there is a clearly defined process in place to resolve any disputes.</p> <p>Our employees interact with our strategic partners and all other suppliers on a regular basis to strengthen trading relationships and to ensure that the supply chain function continues to operate well to support the business.</p>
Environment and wider community	<p>The Group is cognisant of its carbon footprint and in response to this switched its electricity contracts to a supply derived entirely from renewable wind sources. The Group also commissioned a Phase 2 Energy Savings Opportunity Scheme ('ESOS') report and assessed and implemented a number of recommendations around its energy usage. This follows on from a previous decision to install energy efficient LED floodlights which represented a significant capital spend. The Group also meets the requirements of the Streamline Energy and Carbon reporting (SECR) regulations for our SECR reporting. The full report can be found in the Group financial statements. At the time of writing the Group is in the process of scoping an ESOS Phase 3 report.</p>

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	Celtic FC Foundation is a separate organisation set up for charitable purposes with its own independent board of trustees. Recognising its success in part depends on the generosity of many Celtic supporters, the Club provides Celtic FC Foundation with as much support as is required to assist it to fulfil its objectives. More details of the work done can be found at http://charity.celticfc.com .
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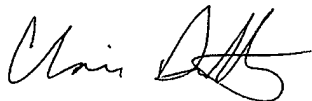
The Board held six board meetings in the year to address and meet its obligations under Section 172 of the Companies Act 2006. The following table covers the key decisions made during the year and the stakeholder group(s) impacted by these decisions.

Key Event/ Decision	Actions and Impact	Key Stakeholder Group's Impacted
Returning to work	<p>The employees of the Club are vital to both the short term and long term success of the business. Recognising that Covid-19 has prompted a significant and possibly permanent shift to the workplace environment the Club, through our HR department, consulted with our senior departmental leaders on returning to work protocols.</p> <p>After collating the results of this consultation the decision was made to introduce a hybrid working environment where employees could apply to spend part of the week working at home with the remainder in the office. Given the competitive environment for attracting and retaining the best talent along with the recognition that this affords our employees a better work life balance, this was seen as an important step to creating a more relevant workplace environment.</p>	Shareholders, employees
Ongoing management of the Covid-19 impact	<p>The new financial year started with the Club still facing significant Covid-19 restrictions, although the environment had improved. As a result the Club made use of the UK Government Furlough scheme up until September 2021. Running alongside this the Club made the decision to continue to support its employees and continue the practice of paying all employees in full.</p> <p>The new season started under a restricted operating environment whereby attendances at matches was set at restricted numbers for the months of July and August. Given our season ticket numbers materially exceeded the reduced capacity numbers the Club put in place a ballot system to try and fairly allocate the reduced capacity seats to supporters in as fair a way as possible.</p>	Shareholders, Employees, Supporters
Appointment of new Chief Executive	Dominic McKay was appointed CEO of the Group as well as Company Director on 1 July 2021 and decided to step down for personal reasons on 9 September 2021. Michael Nicholson was appointed to Interim CEO on this date and after consideration of all options the Board confirmed his appointment to permanent CEO on 23 December 2021.	Shareholders, Employees

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STRATEGIC REPORT

Investment in the year	<p>Having just appointed a new manager and not having won any trophies in the prior season the Board recognised that there was a need for investment in the first team squad and that the newly appointed first team manager would wish to recruit players in order to suit the style of play that he wished to implement.</p> <p>In line with the Club's policies in place around player acquisitions, the Board sanctioned investment of £38.4m in the first team playing squad.</p>	Shareholders, supporters, commercial partners
Season ticket pricing for 2022/23	<p>Each year one of the key decisions that requires to be taken is that of ticket pricing. This is an emotive topic in the football industry owing to the emotional connection between supporters and their club. As a result, this requires careful consideration with the objective of balancing the business environment that the club is operating in against the wider economic environment which in turn informs affordability.</p> <p>Like many other businesses, the Club is currently operating in an inflationary environment with 2022 seeing the highest inflation rates in around 40 years and in April 2022 the UK Government increased both employer and employee National Insurance Contributions by 1.25%. Payroll is by far the largest of the Clubs expenditure and along with the general inflationary environment, these costs increases had a material detrimental effect on earnings.</p> <p>Having considered the cost pressures and the fact that all prices were frozen in the prior season the executives brought this topic to the Fan's Forum as an agenda item and engaged in discussions with a broad category of supporters. Following this the decision was made to increase prices on average 6%.</p>	Shareholders, Supporters, employees

BY ORDER OF THE BOARD



Christopher Duffy
Secretary
7 December 2022

CELTIC F.C. LIMITED DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Company together with the financial statements and auditor's report, for the year ended 30 June 2022.

RESULTS

The profit for the financial year after tax was £5.6m (2021:loss £11.4m) and the Directors recommend that no dividend will be paid.

DIRECTORS

The Directors during the year ended 30 June 2022 were as follows:

C McKay

D McKay (appointed 01 July 2021, retired 10 September 2021)

M Nicholson (appointed 10 September 2021)

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Strategic Report sets out the Business Review on pages 2-3 and Current Trading and Outlook on page 7.

FINANCIAL INSTRUMENTS

The principal risks arising from the Company's financial instruments are market risk, credit risk and liquidity risks. The majority of the volume of transactions undertaken in the year are in Sterling; however a small number of high value transactions related to UEFA payments are denominated in Euro and the Company is therefore exposed to foreign exchange risk for these transactions. Where appropriate, the Company may hedge its position utilising forward contracts.

EMPLOYEE WELLBEING

The Club continue to review and develop the wellbeing support in place for colleagues, the objective of which being to ensure the correct level of support continues to be available. Over the course of the last year, several new initiatives have been introduced including hybrid working, an enhanced Employee Assistance Programme, a Cycle to Work scheme, discounted gym memberships and a financial wellbeing hub.

ENGAGEMENT WITH EMPLOYEES

Information on our engagement with employees and our regard to this stakeholder on the principal decisions taken by the Company during the financial year is included in the Stakeholder Engagement report on pages 7-12.

Further to this, regular internal communication takes place with all staff providing information on developments within the Club covering major developments e.g. new commercial partners and new player signings.

The Company encourages its employees to support Celtic FC Foundation through a payroll giving scheme and to involve themselves in the numerous charitable events organised by Celtic FC Foundation throughout the year.

EMPLOYMENT POLICIES

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

CELTIC F.C. LIMITED DIRECTORS' REPORT

EMPLOYMENT POLICIES (continued)

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 Company's policy, where reasonable, to provide continuing employment under similar terms and conditions and to provide training and career development. The Department for Work and Pensions has recognised the Club as a "Disability Confident" employer. Investors in People status continues, following the Club's re-accreditation in 2020, which resulted in the Club securing a Gold award for the first time. The Company also participates through the fully accredited "Tommy's Pregnancy at Work Scheme".

SOCIAL RESPONSIBILITY

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

Waste paper and materials are recycled where possible to the extent that the Group has a 100% recycling rate with Glasgow City Council, and efforts are being made to reduce paper use and natural resources consumption through the use of more efficient printers, improved system controls and monitoring. The Group also sources all electricity from certified renewable sources.

The Company's policies on Ethical Trading and Modern Slavery & Human Trafficking can be found on the Group's website.

GREENHOUSE GAS EMISSIONS REPORTING

The Company seeks to minimise the impact of our operations on the environment and is committed to reducing its greenhouse gas ('GHG') emissions. Key sources of energy, primarily electricity and gas utilised in running a football stadium, are monitored by the Company to allow us to be continually mindful of our energy consumption.

HEALTH AND SAFETY

The Company operate strict health and safety regulations and policies. The requirements of the Green Guide on Safety at Sports Grounds (6th 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 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 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
- each Director has 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.

CELTIC F.C. LIMITED DIRECTORS' REPORT

GOING CONCERN

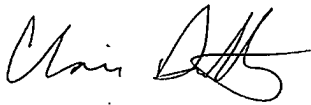
The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The future performance and sustainability of the Company is inextricably linked to the performance of the Group as a whole, with key areas such as player registrations and player trading, ownership and purchasing of property plant and equipment, and bank funding controlled through the parent company.

The Group has adequate financial resources available to it, including currently undrawn bank facilities, together with established contracts with a number of customers and suppliers, all of which impacts the financial robustness of the Company.

In addition, the Group continues to perform a detailed budgeting process each year which looks ahead four years from the current financial year, and is reviewed and approved by the Board. The Group also re-forecasts each month and these projections are distributed to the Board. As a consequence, and in conjunction with the additional forecasting and sensitivity analysis which has taken place, the Directors believe that the Company, with the support of the parent company as required, is well placed to manage its business risks successfully despite the continuing uncertain economic outlook.

In consideration of all of the above, 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



Christopher Duffy
Secretary
7 December 2022

CELTIC F.C. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the 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

Opinion on the 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 2022 and of its result 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.

We have audited the financial statements of Celtic F.C Limited ("the Company") for the year ended 30 June 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

Based on our understanding and accumulated knowledge of the entity and the sector in which it operates we considered the risk of acts by the entity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the accounting policies, UK accounting standards, the UK Companies Act 2006; those that relate to the payment of employees; and industry related such as regulations impacting football club operations including the UEFA Financial Fairplay Regulations whereby throughout our audit work we remained alert to any possible non-compliance especially in relation to player acquisitions. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to accrued income and deferred income, valuation of stock and relevant provisions thereto such as impairment and the expected credit loss provision;
- At the planning stage, we engaged forensic accounting experts in our risk assessment in order to identify areas of potential manipulation or fraud based specifically on football clubs and designed specific and targeted audit tests to address these concerns which included testing for duplicate seat purchases, remaining aware to the possibility of money laundering in seat purchases, testing the accuracy and validity of business interruption insurance claims, testing of discounts and associated gratuities as well as remaining alert to procurement payment transactions in Property, Plant and Equipment and stock additions;
- Focus was made on revenue year end cut-off procedures and the inclusion of revenue in the correct accounting periods;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords, manual journals to revenue and cash, journals posted by super users and journals posted at weekends;
- Discussions with management, the Audit Committee and Directors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- Review of minutes of Board meetings throughout the period;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations; and
- Targeted testing of payroll in order to identify any fraudulent or tax evasive payments.

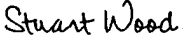
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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

Use of our report

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.

DocuSigned by:

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Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester, UK
07 December 2022

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

CELTIC F.C. LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £000	2021 £000
Revenue	3	88,165	60,781
Cost of sales		(13,999)	(10,231)
Gross Profit		74,166	50,550
Administrative expenses		(68,469)	(64,217)
Other operating income		59	2,204
Operating profit/ (loss)	4	5,756	(11,463)
Interest payable	9	(65)	(47)
Profit/ (loss) before tax		5,691	(11,510)
Tax on ordinary activities	10	(42)	139
Profit/ (loss) and total comprehensive profit/(loss) for the year		5,649	(11,371)

The Company has no other comprehensive income (2021: £nil) in respect of its operations for the year.

The notes on pages 24-41 form part of these financial statements.

CELTIC F.C. LIMITED
Registered Number: SC223604
BALANCE SHEET
AT 30 JUNE 2022

	Notes	2022 £000	2021 £000
Non-current assets			
Right of use assets	11	871	1,154
Investments	12	-	-
		<u>871</u>	<u>1,154</u>
Current assets			
Stocks	13	2,987	3,860
Debtors	14	53,196	31,874
Deferred tax asset	15	92	134
Cash at bank and in hand		635	2,619
		<u>56,910</u>	<u>38,487</u>
Creditors – falling due within one year	16	(15,361)	(9,934)
Lease liabilities	19	(539)	(645)
Income deferred less than one year	17	(31,469)	(24,092)
		<u>(47,369)</u>	<u>(34,671)</u>
Net current assets		<u>9,541</u>	<u>3,816</u>
Total assets less current liabilities		<u>10,412</u>	<u>4,970</u>
Creditors – falling due after more than one year			
Provisions	18	(114)	(99)
Lease Liabilities	19	(318)	(540)
Net assets		<u>9,980</u>	<u>4,331</u>
Capital and reserves			
Called up share capital	20	-	-
Profit and loss account		<u>9,980</u>	<u>4,331</u>
Shareholders' surplus		<u>9,980</u>	<u>4,331</u>

The notes on pages 24-41 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and signed on its behalf on 7 December 2022.



Director
C McKay

CELTIC F.C. LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Share capital £000	Retained earnings £000	Total £000
Equity shareholders' funds as at 1 July 2020	-	15,702	15,702
Loss and total comprehensive loss for the year	-	(11,371)	(11,371)
Equity shareholders' funds as at 30 June 2021	-	4,331	4,331
Profit and total comprehensive profit for the year	-	5,649	5,649
Equity shareholders' funds as at 30 June 2022	-	9,980	9,980

The notes on pages 24-41 form part of these financial statements.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1 BASIS OF PREPARATION

Company information

Celtic F.C. Limited is a private company limited by shares and registered in Scotland, UK, registration number SC223604. The registered office is Celtic Park, Glasgow, G40 3RE.

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

Basis of preparation

The Company has followed IFRSs in accordance with UK adopted international accounting standards, measurement and disclosures, other than for the reduced disclosures allowed by Financial Reporting Standard 101 (FRS101) 'Reduced Disclosure Framework' described below.

The financial statements have been prepared under the historical cost basis and in accordance with the Companies Act 2006. The functional and presentation currency used is Sterling and amounts have been rounded to the nearest thousands ("£'000s").

Disclosure exemptions adopted

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS101) Reduced Disclosure Framework issued by the Financial Reporting Council.

FRS101 allows the Company to take advantage of disclosure exemptions available under that standard including the following:

- IFRS 7 Financial Instruments: Disclosures;
- IFRS 13 Fair Value measurement: Paragraphs 91 to 99;
- IFRS 15 Revenue from Contracts with Customers: Paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129. Second sentence of paragraph 110;
- IAS 1 Presentation of Financial Statements: Paragraph 38 to present comparative information for IAS 1 paragraph 79(a)(iv), IAS 16 paragraph 73(e), IAS 38 paragraph 118(e), IAS 40 paragraphs 76 and 79(d) and IAS 41 paragraph 50. Paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136;
- IAS 7 Statement of Cash Flows;
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Paragraph 30 and 31;
- IAS 24 Related Party Disclosures: Paragraph 17 and 18A; and
- IAS 36 Impairment of Assets: Paragraphs 130(f)(ii) and (iii), 134(d) to 134 (f), 135(c) and 135 (e).

The financial statements of Celtic plc can be obtained as described in note 22.

Exemption from consolidation

The financial statements contain information about Celtic F.C. Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred under Section 400 of the Companies Act 2006 not to produce consolidated financial statements. Accordingly the information presented within these financial statements concerns the Company only and does not include the results of its subsidiaries.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The future performance and sustainability of the Company is inextricably linked to the performance of the Group as a whole, with key areas such as player registrations and player trading, ownership and purchasing of property plant and equipment, and bank funding controlled through the parent company.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1 BASIS OF PREPARATION (continued)

Going concern (continued)

The Group has adequate financial resources available to it, including currently undrawn bank facilities, together with established contracts with a number of customers and suppliers, all of which impacts the financial robustness of the Company.

In addition, the Group continues to perform a detailed budgeting process each year which looks ahead four years from the current financial year, and is reviewed and approved by the Board. The Group also re-forecasts each month and these projections are distributed to the Board. As a consequence, and in conjunction with the additional forecasting and sensitivity analysis which has taken place, the Directors believe that the Company, with the support of the parent company as required, is well placed to manage its business risks successfully despite the continuing uncertain economic outlook.

In consideration of all of the above, 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.

Adoption of new and revised standards

New and amended IFRS Standards that are effective for the current year

International Accounting Standards	Effective date for periods commencing
Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021

Adoption of the above standards has had no material impact on the Financial Statements of the Group.

Adoption of standards not yet effective

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

International Accounting Standards	Effective date for periods commencing
Amendments to IFRS 3, IAS 15, IAS 37, IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1 January 2022
Amendments to IAS 1, IAS 8, IAS 12 and IFRS 17	1 January 2023

The above standards and interpretations will be adopted in accordance with their effective date and are not anticipated to have a material impact on the financial statements.

2 ACCOUNTING POLICIES

(a) 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 2022

2 ACCOUNTING POLICIES (continued)

(a) Revenue (continued)

Football and Stadium Operations revenue arises from all ticket sales, standard, premium and corporate, derived from matches played at Celtic Park. Other revenues arise from 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 as the performance obligation associated with the ticket/package is satisfied with the right to attend the matches or events.

Merchandising revenue includes the revenues from Celtic's retail partners and outlets including e-commerce, wholesale revenues and other royalty revenues derived from the exploitation of the Celtic brand and is recognised when goods or services have been delivered to our customers. These revenue streams include revenues earned from the Company's kit manufacturer (as noted above) and outlets including e-commerce and wholesale revenues.

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

Media rights revenues, which also include an element of centrally negotiated sponsorship, are recognised either on a match-by-match basis in a specific competition or evenly over the course of a football campaign. Where there is a clear performance obligation of competing in a specified number of matches in a specific competition where all matches are broadcast live (e.g. SPFL, domestic cups, UCL or UEL), the revenues are recognised in line with these matches being completed. Final distributions from such competitions may include elements of variable consideration, however, an estimate of such revenues cannot be used as a basis for revenue recognition once the performance obligation has been completed because, until notification has been received from the relevant body, it cannot be said that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

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

Each of the contracts has a number of identifiable performance obligations, which include but are not limited to, branding on Club merchandise, provision of matchday hospitality, social media activity and, in the case of kit manufacture, the ability to sell Club merchandise. The primary value within sponsorship contracts is the brand exposure which is experienced by the sponsor. This exposure can take place at various times and locations and is not limited purely to the exposure on a matchday. With regards to the kit manufacture partnership, the performance obligations are also performed throughout the term of the agreement with both parties gaining from the economic benefits of the partnership.

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

(b) Financial instruments

The 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 Company becomes a party to the contractual provisions of the instrument.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2 ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

After initial recognition, the Company values financial instruments using the income approach. The income approach converts future cash flows to a single current amount. Such measurement reflects current market expectations using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating cash flows over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Cash flows are then recognised on an effective interest basis over the life of the asset or liability.

(i) Financial assets

All purchases of financial assets are recognised and derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Amortised cost

For financial assets the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2 ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "Interest receivable on bank deposits" line item (Note 9).

Cash and cash equivalents: Cash and cash equivalents include cash in hand, deposits held at call or on deposit with banks, other short-term highly liquid investments with original maturities of three months or less from inception.

Trade receivables: Trade receivables are stated at their amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. They are recognised on the trade date of the related transactions.

Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost (see above) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the 'other gains and losses' line item.

Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL in full for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2 ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(ii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading. Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in Note 9 in profit or loss.

Financial liabilities measured subsequently at FVTPL

Foreign Exchange Forward Contracts: Foreign Exchange Forward Contracts are recognised at fair value. They are held for trading with any subsequent gains or losses on changes in fair value recognised in the profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not held-for-trading are measured subsequently at amortised cost using the effective interest method.

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 Statement of Comprehensive Income over the period of the borrowings on an effective interest rate basis.

Trade payables: Trade payables are stated at their amortised cost. Interest expenses are recognised by applying the effective interest rate, except for short-term payables when the recognition of interest would be immaterial. They are recognised on the trade date of the related transactions.

(c) Leasing obligations

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see next page). Contingent rentals are recognised as expenses in the periods in which they are incurred.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2 ACCOUNTING POLICIES (continued)

(c) Leasing obligations (continued)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case an estimate of the Company's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Right of use assets are initially measured at the amount of the lease liability, reduced for any impairments for loss making rental properties previously recognised in onerous lease provisions.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2 ACCOUNTING POLICIES (continued)

(c) Leasing obligations (continued)

- In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual.

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.

(d) Inventories

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

(e) Pension costs

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

(f) Foreign exchange

The individual Financial Statements of the Company are presented in the currency of the primary economic environment in which it operates (GBP). For the purpose of the Financial Statements, the results and financial position of the Company are expressed in GBP (£), which is the functional currency of the Company, and the presentation currency for the Financial Statements.

In preparing the Financial Statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Non-monetary items denominated in foreign currency are translated at the date of the transaction.

Any resulting exchange gain or loss is dealt with in the Statement of Comprehensive Income in the period in which they arise.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2 ACCOUNTING POLICIES (continued)

(g) Taxation

Current taxation:

The tax currently payable is based on taxable profit/loss for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax:

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

(h) Provisions

Provisions are recognised when a present obligation (legal or constructive) as a result of a past event exists at the Balance Sheet date and it is probable that a settlement of that obligation will be paid and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimates required to settle that obligation, at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where appropriate, management take independent expert advice to determine the quantum and expected timing associated with settling provisions.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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

(i) Critical accounting estimates and judgements

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

(i) Provisions

Management judgement is used to determine whether a contract is onerous and, if so, the amount of provision required. This is assessed by comparing the future cost of contractual obligations against the projected income or economic benefit for the item in question using future forecasts.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2 ACCOUNTING POLICIES (continued)

(i) Critical accounting estimates and judgements (continued)

(i) Provisions (continued)

Judgement is required to assess the projected income or economic benefits achievable and in determining that no future changes in circumstances will result in a reversal of the provision as has been the case this year. This can occur where settlement agreements take place or economic value is generated from the intangible asset. This is assessed on a case by case basis.

(ii) Revenue

In respect of revenue where there is an element of variable consideration or potential uncertainty over the performance obligations being fulfilled, management will determine the value to be recognised on the best information available. For changes to contracts or arrangements management have recognised revenue based on the best information available at the balance sheet date to ensure there is no significant reversal of revenue in future periods.

In the case of centrally distributed rights revenues where there is an element of variable consideration, the Group does not make estimates and instead relies on confirmation of revenues from third parties during the year before these are recognised to ensure there is no significant reversal of revenue in future periods. Where there are separate performance obligations to consider, for example in the issuing of discounts or vouchers, the revenue will only be recognised at the point where the obligation is fulfilled.

(j) Contingent liabilities

Contingent liabilities are not recognised in the Balance Sheet on the basis they are either:

- (i) possible obligations, as it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits; or
- (ii) present obligations that do not meet the recognition criteria in accordance with IAS 37 (because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

(k) Other Income

Other income represents incoming cash or receivable to the business which is not deemed to generate from the normal course of business and does not meet the definition of revenue under IFRS15. In the current and previous financial year, this is represented by the receipt of the government grant in relation to the Job Retention Scheme. The amount of income is only recognised when the likelihood and value of any receipt is certain i.e. the cash or confirmation of payment have been received.

Government grant income is offset against the relevant operating cost as permitted under IFRS.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

3 REVENUE

Revenue by category:

	2022 £000	2021 £000
Football and stadium operations	42,711	20,824
Merchandising	24,925	22,609
Multimedia and commercial activities	20,529	17,348
	<u>88,165</u>	<u>60,781</u>

4 OPERATING PROFIT/ (LOSS)

Administrative expenses include the following charges:

	2022 £000	2021 £000
Staff costs (Note 6)	53,287	48,180
Depreciation of right of use assets (Note 11)	628	534
Cost of stock recognised as expense	13,999	10,231
Auditor's remuneration (Note 5)	25	20
Forex losses	14	10
	<u>81,953</u>	<u>69,075</u>

Other operating income is represented by:

Government grant income (Job Retention Scheme)	<u>59</u>	<u>2,204</u>
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5 AUDITOR'S REMUNERATION

	2022 £000	2021 £000
Auditor's remuneration: audit fees	<u>25</u>	<u>20</u>

The Company had no non-audit services provided during the year and any required disclosure is made within the parent company statutory financial statements..

6 STAFF COSTS

	2022 £000	2021 £000
Wages and salaries	47,424	42,211
Social security costs	5,228	5,320
Other pension costs	635	649
	<u>53,287</u>	<u>48,180</u>

Employee Numbers

	2022 Numbers	2021 Numbers
Players and football administration staff	92	81
Administration and retail staff	622	472
Average number of employees during the year	<u>714</u>	<u>553</u>

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

7 DIRECTORS' EMOLUMENTS

There were £nil Directors' emoluments during the year (2021: £nil). Details of Directors' emoluments in the parent company are included in the Annual Report of Celtic plc.

8 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 £564,205 (2021: £596,666). Contributions of £48,919 (2021: £48,273) were payable to the fund at the year-end. In addition to this, the Company also contributed to the personal pension plans of certain employees.

9 FINANCE INCOME AND FINANCE EXPENSE

	2022 £000	2021 £000
Interest receivable on bank deposits	-	-
Notional interest on leases	65	47

10 TAX ON ORDINARY ACTIVITIES

	2022 £000	2021 £000
Current tax expense / (credit)	-	(340)
Deferred tax expense/ (credit)		
Origination of temporary timing differences (Note 15)	32	495
Effect of changes in tax rates	10	(32)
Adjustments in respect of prior periods	-	(262)
Total deferred tax	42	201
Total tax expense/ (credit)	42	(139)

	2022 £000	2021 £000
Profit/ (Loss) on ordinary activities before tax	5,691	(11,510)
Profit/ (Loss) on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%)	1,081	(2,187)

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10 TAX ON ORDINARY ACTIVITIES (continued)

Effects of:

Expenses not deductible for tax purposes	6	7
Income not taxable for tax purposes	(251)	(121)
Group relief	257	66
Fixed asset differences	(12)	-
Adjustments in respect of prior periods	-	7
Tax rate changes	10	(32)
Losses utilised	(1,049)	-
Utilisation of previously unrecognised deferred tax assets	-	2,121
Total tax expense/ (credit)	42	(139)

11 RIGHT OF USE ASSETS

	Land and Buildings £000	Plant and Vehicles £000	Total £000
Cost			
At 1 July 2021	1,770	543	2,313
Additions	256	89	345
At 30 June 2022	2,026	632	2,658
Accumulated Depreciation			
At 1 July 2021	911	248	1,159
Charge for the year	478	150	628
At 30 June 2022	1,389	398	1,787
Net Book Value			
At 30 June 2022	637	234	871
At 30 June 2021	859	295	1,154

12 INVESTMENTS

At 30 June 2022 the Company had interests in the following subsidiaries:

Subsidiary Undertaking	Activity	Holding	Proportion held (%)	Country of Incorporation	Registered address	Year end date
Protectevent Limited	Dormant	Ordinary shares	100	Scotland	Celtic Park, Glasgow, G40 3RE	30 June
Glasgow Eastern Developments Limited	Dormant	Ordinary shares	100	Scotland	Celtic Park, Glasgow, G40 3RE	30 June
The Celtic Football and Athletic Company Limited	Dormant	Ordinary shares	100	Scotland	Celtic Park, Glasgow, G40 3RE	30 June

The cost of these investments is £504 (2021: £504). This is split as follows; £2 in each of The Celtic Football and Athletic Company Ltd and Glasgow Eastern Development Ltd and £500 in Protectevent Ltd.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

13 STOCKS

	2022 £000	2021 £000
Finished goods	2,931	3,829
Raw Materials	56	31
	<u>2,987</u>	<u>3,860</u>

14 DEBTORS- amounts falling due within one year

	2022 £000	2021 £000
Trade debtors	7,911	6,468
Other debtors	1,358	1,568
Corporation Tax	609	609
Prepayments and accrued income	2,374	1,689
Amounts due from group companies	40,944	21,540
	<u>53,196</u>	<u>31,874</u>

Amounts owed from group companies are interest free, due on demand and bear no fixed terms of repayment.

15 DEFERRED TAX

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were enacted in the Finance Act 2021 on 10 June 2021. Therefore, deferred taxes on the Balance Sheet have been measured at 25% (2021: 25%) which represents the future corporation tax rate that was enacted at the Balance Sheet date.

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

	2022 £000	2021 £000
At 1 July	134	335
<i>Recognised in Statement of Comprehensive Income</i>		
Origination of temporary timing differences	(42)	(463)
Adjustments in respect of prior periods	-	262
At 30 June	<u>92</u>	<u>134</u>

Deferred tax assets have been recognised in respect of all temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered in the foreseeable future. A deferred tax asset of £1.4m (2021: £nil) has not been recognised as it is not considered probable, at this time, that there will be sufficient future taxable profits for this asset to be received against in the foreseeable future.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

15 DEFERRED TAX (continued)

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

	Asset	Liability	Net	Charged to Statement of Comprehensive Income
	2022	2022	2022	2022
	£000	£000	£000	£000
Short term temporary differences	92	-	92	42
Net tax assets	92	-	92	42

	Asset	Liability	Net	Charged to Statement of Comprehensive Income
	2021	2021	2021	2021
	£000	£000	£000	£000
Short term temporary differences	134	-	134	201
Net tax assets	134	-	134	201

16 CREDITORS - amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	5,540	2,007
Other taxation and social security	24	45
Other creditors	3,060	5,431
Accruals	6,135	1,812
Provisions for liabilities (note 18)	33	70
Due to group companies	569	569
	15,361	9,934

Amounts owed to group companies are interest free, due on demand and bear no fixed terms of repayment.

17 INCOME DEFERRED LESS THAN ONE YEAR

	2022	2021
	£000	£000
Deferred Income	31,469	24,092

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

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

18 PROVISIONS FOR LIABILITIES

	Dilapidations £000	Total £000
Cost		
At 1 July 2021	169	169
Released in the year	(22)	(22)
At 30 June 2022	147	147
Due within one year or less	33	33
Due after more than one year	114	114
At 30 June 2022	147	147

Dilapidations

A provision is recognised where the Company has a contractual obligation in respect of restoration works required on conclusion of a lease agreement.

19 LEASES

All leases are accounted for by recognising a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Nature of Leasing activities

The Company leases various retail units located in the UK and Ireland and includes high street stores and units within shopping centres. As at 30 June 2022, there were 9 such leases in place with end dates ranging from December 2022 to January 2025. Some of the agreements have extension options as described below and the Company will consider whether to exercise these on individual basis, taking into account industry conditions at the relevant point in time, and determine whether to exercise the options under current terms, re-negotiate for more favourable conditions or terminate. The lease agreements currently in place do not impose any covenants and leased assets may not be used as security for borrowing purposes.

In addition the Company also leases a fleet of vehicles as well as some individual vehicles which cover the provision of contracted employee cars and general usage for Club activities. The end dates vary across the different categories of vehicles included.

The corresponding balances and movements for the year ended 30 June 2022 are on the next page.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

19 LEASES (continued)

At 30 June 2022

Right of Use Assets

	Land & Buildings £000	Plant & Vehicles £000	TOTAL £000
At 30 June 2021	858	296	1,154
Additions	256	89	345
Disposals – Cost	(597)	(206)	(803)
Depreciation on disposals	597	206	803
Depreciation	(478)	(150)	(628)
At 30 June 2022	636	235	871

Lease Liabilities

	Land & Buildings £000	Plant & Vehicles £000	TOTAL £000
At 30 June 2021	891	294	1,185
Additions	256	89	345
Interest expense	57	8	65
Lease payments	(577)	(161)	(738)
At 30 June 2022	627	230	857
Lease liabilities < 1 year	380	159	539
Lease liabilities > 1 year	247	71	318
Total lease liabilities	627	230	857

At 30 June 2022

	Up to 3 months	Between – 12 months	3 Between 1 – 2 years	Between 2 – 5 years	Over 5 years
	£000	£000	£000	£000	£000
Leases	1	176	249	431	-

20 SHARE CAPITAL

Equity	Authorised £	Allotted £	Called Up & Fully Paid £
Ordinary Shares of £1 each			
At 1 July 2021 & 30 June 2022	<u>1,000</u>	<u>2</u>	<u>2</u>

The ordinary shares carry rights of one vote per share.

CELTIC F.C. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

21 CAPITAL AND OTHER FINANCIAL COMMITMENTS

Cross guarantees exist between the Company and other members of the Celtic plc group. The extent of these at 30 June 2022 was £1.1m (2021: £2.1m).

22 PARENT UNDERTAKING

At 30 June 2022, the Company's ultimate parent company was Celtic plc, a company incorporated and registered in the United Kingdom. Copies of the group financial statements of Celtic plc available from:

The Company Secretary
Celtic plc
Celtic Park
Glasgow
G40 3RE

and;

Companies House website <https://beta.companieshouse.gov.uk/>
Club website <http://www.celticfc.net>

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