The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Celtic PLC

Announcement of Results for the year ended 30 June 2021

SUMMARY OF THE RESULTS

Operational Highlights

- Runners up in the SPFL Premiership
- Winner of the delayed 19/20 Scottish Cup for the 4th season in a row and completing an unprecedented 'Quadruple Treble'
- Qualification for the group stages of the UEFA Europa League
- 28 home matches played at Celtic Park (2020: 26[1] games)

Financial Highlights

- Group revenue decreased by 13.4% to £60.8m (2020: £70.2m)
- Operating expenses including labour decreased by 7.6% to £74.4m (2020: £80.5m)
- Gain on sale of player registrations of £9.4m (2020: £24.2m)
- Acquisition of player registrations of £13.5m (2020: £20.7m)
- Loss before taxation of £11.5m (2020: Profit £0.1m)
- Year-end cash net of bank borrowings of £16.6m (2020: £18.2m)

[1] due to the early curtailment of the 2019/20 Scottish domestic season, 4 home SPFL Premiership matches were unfulfilled.

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CHAIRMAN'S STATEMENT

These results for the year ended 30 June 2021 show that revenue fell to £60.8m (2020: £70.2m) and we recorded a loss before tax of £11.5m (2020: £0.1m profit before tax). This was driven by revenue attrition and significantly lower gains on player trading, compared to the prior financial year. In the face of this adverse swing in financial performance, we are satisfied that we took sufficient and appropriate steps to mitigate the losses and control costs in the business. Our year end cash, net of bank borrowings, was £16.6m (2020: £18.2m). This gave us a base to invest in the summer transfer window as discussed further below.

The persisting trading restrictions from Covid-19 translated into lost earnings and, taking account of the seasonality in our trading, this was the key factor in the widening of our losses in the second half of the financial year. Conditions have improved markedly since the year end and we were delighted to welcome our fans back in July 2021. Although our stadium has been operating at near full capacity, recently announced Scottish Government restrictions on large venues will be a further challenge. Whilst we look forward with optimism to a more normal operating environment, we are mindful of the inherent risk of the pandemic continuing to affect public health.

The Board was delighted to welcome new manager Ange Postecoglou to the Club in June 2021. Ange is a modern, progressive coach with exciting, attacking football as his philosophy. He has received a host of prestigious coaching accolades, including being named as Australia's PFA Manager of the decade in 2015. He has been well received by the media and our supporters.

Over the transfer window, post year end, we successfully accomplished a major overhaul of our playing squad. At the season end, we returned a number of loan players that had amplified our squad. Then we invested significant sums in the registrations of Liam Shaw, Osaze Urhoghide, Liel Abada, Carl Starfelt, Kyogo Furuhashi, James McCarthy, Joe Hart, Josip Juranovic, Liam Scales, Georgios Giakoumakis plus the loan signings of Filipe Jota and Cameron Carter-Vickers. And we achieved good value from the transfer out of a number of players, notably, Kristoffer Ajer, Odsonne Edouard and Ryan Christie, who have moved on to other opportunities.

Our strategy of balancing player development and player trading is fundamental to our self-sustaining business model. In particular, the disposal of the registrations of Odsonne Edouard and Kristoffer Ajer demonstrates our core strength of being able to transform young talented players into seasoned professional footballers. In turn, we invest the proceeds of these transactions back into the first team squad to enable us to continue to develop our squad and to challenge for future honours.

Dominic McKay, who was appointed CEO on 1st July 2021 chose to step down on 10th September for personal reasons. I thank Dom for his contribution over the summer and everyone at Celtic wishes him well for the future. Michael Nicholson, Director of Legal and Football Affairs, has been appointed to the Board as acting Chief Executive Officer. Michael carries the confidence of the Board, he is experienced in Celtic, highly regarded in football circles and is a most effective leader of our executive team.

The entire season captured in the year ended 30 June 2021 was characterised by the absence of supporters in football stadiums and the huge disruption to our operations. On behalf of the Board and everyone at the Club, I thank the Celtic support for their backing and understanding last season whilst also sharing their frustration and disappointment. I must also express my gratitude to our sponsors and partners, who were also challenged by the unique circumstances. As we progress through the current season, our objective is to work with the authorities to ensure that we can continue to operate in a safe manner and in a way that facilitates our players being able to give their best and our supporters being able to attend matches at full capacity.

We look forward to the season ahead with measured confidence in both our footballing prospects and the robustness of our business model. Celtic plc is directed by a Board of individuals with demonstrable experience both of Celtic and wider business, its operations are managed by an executive team of talented specialists led by our Chief Executive and the executive is supported by a dedicated cast of colleagues who have worked tirelessly for the Club over this most difficult financial year. I thank them all for everything that has been achieved. Celtic is in good hands.

Ian P Bankier, Chairman
20 September 2021

CHIEF EXECUTIVE'S REVIEW

The year ended 30 June 2021 was one of the most challenging periods the Club has faced in recent history. The impact of Covid-19 and consequential events disrupted our winning rhythm and, crucially, prevented our supporters from attending Celtic Park. Despite securing a historic quadruple treble in December 2020, following the delayed completion of season 2019/20, we were extremely disappointed to relinquish all three domestic trophies in season 2020/21. Similarly, we did not progress beyond the group stages of the Europa League as we had done in the previous season.

With the domestic game, European football and the transfer market in a state of profound uncertainty, we decided at the outset of the 2020/21 season to retain our key players and augment the squad with new acquisitions and loan players. We acquired the registrations of Albian Ajeti, Vasilis Barkas and David Turnbull, retained Mohamed Elyounoussi on loan and brought in experienced internationals Shane Duffy and Diego Laxalt on loan. For a combination of reasons it did not work out for us.

In February, Neil Lennon decided to step down as football manager and assistant manager John Kennedy stepped up to take the team to the end of the season. Our Chief Executive, Peter Lawwell, who had decided to retire during the season under review, stood down on 30th June 2021 after 17 successful years at the Club. I would like to thank both Neil and Peter sincerely for their leadership, commitment and unflinching support they have given the Club, through thick and thin.

Having endured the season described above, we have drawn a line under this and look to move the Club forward, as always. The Club was delighted to recruit Ange Postecoglou as football manager. Ange is a highly experienced international coach who started his career in Australia, following much domestic success by leading his country at international level at the World Cup finals and winning a continental championship, before more recently joining Yokohama in Japan, winning the J League Title. Ange is a winner and has a clear vision of the football he wants us to play, which reflects the Club's values and style of play.

In the year under review, we sold the registrations of Jeremie Frimpong, Jack Hendry and Patryk Klimala. And then over the summer transfer window, post year end, we have refreshed the squad, adding 12 new signings, whilst some players have moved on. In addition, academy graduates Stephen Welsh, Tony Ralston and Adam Montgomery have made a strong contribution to the first team in recent months, with other academy graduates also gaining vital experience. Although we will always have work to do, our playing squad is in good shape for the season ahead.

We thank and pay tribute to the players who have left us, and we wish them well, as they progress their individual football careers. I make special mention of our outgoing captain, Scott Brown, who spent 16 years at Celtic amassing ten Scottish championships, five Scottish Cups, and six Scottish League Cups. I thank Scott for his immense contribution to Celtic and I wish our new captain, Callum McGregor, and all of our new players success in their roles going forward under our new manager.

Over the recent years we have invested heavily in our football department so that it can perform at the highest levels in supporting our playing squads and our player identification and development strategy. That investment fed in to one of the most successful periods on the pitch in the Club's history, and we will continue to devote substantial investment to these key areas, our objective being to remain at the forefront of the modern game. A number of evolutionary initiatives are currently under way, to build on that success and to continue to take the Club forward.

Building on the growth and investment in previous years, season 2020/21 saw for the first time a full time professional Celtic FC Women's team take the field, competing in the Scottish Women's Premier League. This was both a significant and a proud moment for the Club. Led by our manager Fran Alonso, our team finished second in the Scottish Women's Premier League, which was a notable achievement. We will continue to invest for future success in this important area of the Club.

I am also pleased to report that a Celtic B team has entered the Scottish Lowland League for the first time in season 2021/22, led by manager Tommy McIntyre. This provides a competitive environment for player development and represents an important step in our player pathway strategy to progress our best young talent from the academy into the first team.

In the last year we have enjoyed working alongside adidas, our new technical kit partner. The response of the Club's supporters to the new merchandise has been outstanding, with record sales through our stores and online. This reflects both the combined global strength of the Club and adidas brand as well as the quality of the products on offer and we look forward to successful years ahead with adidas as a key partner. We also thank Dafabet, Magners and all of our partners for their ongoing support and for working collaboratively and constructively with the Club through the impact of Covid-19.

After the disappointments of last season, our supporters have stuck by the Club and I sincerely thank them for that. In very difficult circumstances, our supporters have backed Ange and the team with remarkable season ticket sales over the summer period. Celtic Park is finally back as it should be; full of the best supporters in world football. Everyone at the Club wants to reward our supporters' commitment and loyalty with entertaining and winning football and I look forward to this current season with optimism.

In closing, I would like to recognise the personal efforts and sacrifices of all colleagues at the Club over this challenging period. Their selfless dedication and steadfast commitment to Celtic has played a vital role in the Club emerging from the impact of Covid-19 and gives us a solid foundation to restore the success that our supporters and everyone at the Club desire.

Michael Nicholson, Acting Chief Executive
20 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**2021 £000**	2020 £000
Revenue	**2**	**60,781**	70,233
Operating expenses (before intangible asset transactions and exceptional items)		**(74,353)**	(80,549)
Loss from trading before intangible asset transactions and exceptional items		**(13,572)**	(10,316)
Exceptional operating expenses	**3**	**(333)**	(1,957)
Amortisation of intangible assets		**(11,821)**	(12,244)
Profit on disposal of intangible assets		**9,435**	24,188
Other income		**5,000**	-
Operating loss		**(11,291)**	(329)
Finance income		**855**	1,479
Finance expense		**(1,056)**	(1,049)
(Loss) / profit before tax		**(11,492)**	101
Tax expense	**5**	**(1,109)**	(469)
Loss and total comprehensive loss for the year		**(12,601)**	(368)
Basic loss per Ordinary Share for the year	**6**	**(13.35)p**	(0.39)p
Diluted loss per Share for the year	**6**	**(13.35)p**	(0.39)p

CONSOLIDATED BALANCE SHEET

	2021 £000	2020 £000
Assets		
Non-current assets		
Property, plant and equipment	**57,939**	58,752
Intangible assets	**18,303**	19,828
Trade receivables	**11,312**	13,527
	87,554	92,107
Current assets		
Inventories	**3,860**	1,269
Trade and other receivables	**23,764**	28,478
Cash and cash equivalents	**19,459**	22,406
	47,083	52,153
Total assets	**134,637**	144,260
Equity		
Issued share capital	**27,166**	27,166
Share premium	**14,914**	14,849
Other reserve	**21,222**	21,222
Accumulated profits	**5,629**	18,230
Total equity	**68,931**	81,467
Non-current liabilities		
Borrowings	**1,549**	2,844
Debt element of Convertible Cumulative Preference Shares	**4,174**	4,174
Trade and other payables	**4,043**	3,542
Lease liabilities	**540**	637
Provisions	**99**	272
Deferred tax liabilities	**2,793**	1,366
Deferred income	**-**	29
	13,198	12,864
Current liabilities		
Trade and other payables	**20,223**	20,744
Lease liabilities	**645**	604
Borrowings	**1,336**	1,364
Provisions	**6,213**	5,942
Deferred income	**24,091**	21,275
	52,508	49,929
Total liabilities	**65,706**	62,793
Total equity and liabilities	**134,637**	144,260

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share capital £000	Share premium £000	Other reserve £000	Accumulated (losses)/profit £000	Total £000
Equity shareholders' funds as at 1 July 2019	**27,157**	**14,785**	**21,222**	**18,598**	**81,762**
Share capital issued	-	64	-	-	64
Reduction in debt element of convertible cumulative preference shares	9	-	-	-	9
Loss and total comprehensive loss for the year	-	-	-	(368)	(368)
Equity shareholders' funds as at 30 June 2020	**27,166**	**14,849**	**21,222**	**18,230**	**81,467**
Share capital issued	-	65	-	-	65
Reduction in debt element of convertible cumulative preference shares	-	-	-	-	-
Loss and total comprehensive loss for the year	-	-	-	(12,601)	(12,601)
Equity shareholders' funds as at 30 June 2021	**27,166**	**14,914**	**21,222**	**5,629**	**68,931**

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Loss for the year		**(12,601)**	(368)
Taxation charge		**1,109**	469
Depreciation		**2,494**	2,640
Amortisation of intangible assets		**11,821**	12,244
Impairment of intangible assets		**-**	2,217
Reversal of prior period impairment charge		**(297)**	(413)
Profit on disposal of intangible assets		**(9,435)**	(24,188)
Loss on disposal of tangible fixed assets		**110**	-
Finance income*		**(855)**	(1,479)
Finance costs*		**1,056**	1,049
		(6,598)	(7,829)
(Increase) / decrease in inventories		**(2,591)**	1,374
Increase in receivables		**(1,627)**	(1,656)
(Decrease) / increase in payables and deferred income		**(698)**	4,486
Cash used in operations		**(11,514)**	(3,625)
Tax paid	**5**	**(268)**	(405)
Interest received*		**34**	202
Interest paid*		**(118)**	(188)
Net cash flow used in operating activities		**(11,866)**	(4,016)
Cash flows from / (used in) investing activities			
Purchase of property, plant and equipment		**(482)**	(1,175)
Purchase of intangible assets		**(13,630)**	(23,508)
Proceeds from sale of intangible assets		**25,522**	19,603
Net cash from / (used in) investing activities		**11,410**	(5,080)
Cash flows used in financing activities			
Repayment of debt		**(1,280)**	(1,280)
Payments on leasing activities		**(739)**	(798)
Dividend on Convertible Cumulative Preference Shares		**(472)**	(477)
Net cash used in financing activities		**(2,491)**	(2,555)
Net decrease in cash equivalents		**(2,947)**	(11,651)
Cash and cash equivalents at 1 July 2020		**22,406**	34,057
Cash and cash equivalents at 30 June 2021		**19,459**	22,406

*The cash flow statement for 2020 has been restated to correctly present finance income and finance costs as well as interest paid and interest received on a gross rather than the previously net basis. There is no change to the overall reported cash flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to financial years 2021 and 2020, presented, for both the Group and the Company.

Going Concern

As part of the Directors' consideration of the going concern assumption used in preparing the Financial Statements, different scenarios have been analysed for a minimum period of 12 months from the date of approval of the Financial Statements with outlook assumptions used beyond this time frame. The main factors considered were:

- Current financial stability of the Group and on-going access to funds;
- Current and forecasted trading conditions and any potential adverse impact as a result of Covid-19; primarily the attendance of fans in football stadia;
- Security of revenue streams;
- First team football performance and success; and
- Player transfer market conditions.

The Directors have adopted a prudent approach in the assumptions used in relation to the above, in order to provide additional comfort around the viability of the Group going forward.

At 30 June 2021 the cash net of bank borrowings was £16.6m. In addition, the Group had a net receivables position with respect to player trading payables/receivables. This provides a strong financial base over the short to medium term. Trading for the year to 30 June 2022 has begun well. The Group has sold over 50,000 season tickets for season 21/22; retail outlets are fully operational and performing strongly on the back of new kit and training kit launches; the first team have secured participation in the Europa League group stages; and we have clear visibility over committed labour costs and our player transfer cash flows. In addition to this, the Club has been able to welcome supporters back into football matches again which has a substantial positive impact on ticketing revenues generated for individual match tickets and packages.

The Group has established contracts with a number of commercial partners and suppliers providing assurance over future revenues and costs. In addition, the Group has in recent years, achieved significant gains in relation to player trading and manages the movement of players in and out of the team strategically to ensure maximisation of value where required while maintaining a squad of appropriate quality to ensure, as far as possible, continued on field success. This has again been reflected in our activity during the summer 2021 transfer window.

The most significant effect on trading brought on by Covid-19 primarily relates to the attendance of football fans in stadia. As noted above, we have had fans in attendance once again and at the time of writing we are able to accommodate almost capacity crowds. However, we recognise the potential risk of another 'wave' of Covid-19 and our sensitivity analysis takes into account the impact of such an event.

The Group continues to have access to a £13m RCF with the Co-operative Bank which at the date of signing of this annual report remains undrawn. This provides additional access to funds in the short to medium term should these be required. The current cash flow forecasts over the period of the going concern review do not show a requirement to utilise this facility.

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 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 Group and 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

2. REVENUE

	2021	2020
	£000	£000
The Group's revenue comprised:		
Football and Stadium Operations	**20,825**	35,797
Merchandising	**22,609**	15,042
Multimedia and Other Commercial Activities	**17,347**	19,394
	60,781	70,233

3. EXCEPTIONAL OPERATING EXPENSES

The exceptional operating expenses of £0.3m (2020: £1.96m) can be analysed as follows:

	2021	2020
	£000	£000
Impairment of intangible assets and other prepaid costs	**-**	2,351
Reversal of prior period impairment charges	**(297)**	(423)
Onerous employment contract releases	**-**	(51)
Settlement agreements on contract termination	**630**	80
	333	1,957

The impairment of intangible assets relate to adjustments required as a result of management's assessment of the carrying value of certain player registrations relative to their current market value. The carrying value of intangible assets are reviewed against criteria indicative of impairment and, where the carrying value exceeds their current market value, impairment is recognised. Where events subsequent to this initial assessment give rise to a reversal of any impairments, such as a transfer or a significant turnaround in performance, an impairment reversal is recognised.

Onerous employment contract costs result from a situation where the committed costs under that contract are assessed as exceeding the economic benefits expected to be received by the Group over the term of the contract.

Settlement agreements on contract termination are costs in relation to exiting certain employment contracts.

4. DIVIDEND ON CONVERTIBLE CUMULATIVE PREFERENCE SHARES

A 6% non-equity dividend of £0.53m (2020: £0.51m) was paid on 31 August 2021 to those holders of Convertible Cumulative Preference Shares on the share register at 30 July 2021. A number of shareholders elected to participate in the Company's scrip dividend reinvestment scheme for the financial year to 30 June 2021. Those shareholders have received new Ordinary Shares in lieu of cash. No dividends were payable or proposed to be payable on the Company's Ordinary Shares.

During the year, the Company reclaimed £nil (2020: £nil) in respect of statute barred preference dividends in accordance with the Company's Articles of Association.

5. TAX ON ORDINARY ACTIVITIES

The corporation tax receivable as at 30 June 2021 was £0.61m (2020: £0.02m). The current year tax credit was £0.32m and total tax payments in the year were £0.27m, which related to prior years. The available capital allowances pool is approximately £6.23m (2020: £7.53m). These estimates are subject to the agreement of the current year's corporation tax computations with H M Revenue and Customs.

The standard rate of corporation tax for the year in the United Kingdom is 19% (2020: 19%).

	2021 £000	2020 £000
Current tax expense		
UK corporation tax	**(609)**	262
Adjustments in respect of prior periods	**290**	(20)
Total current tax expense	**(319)**	242
Deferred tax expense		
Origination of temporary timing differences	**827**	254
Adjustments in respect of prior periods	**(69)**	(27)
Effects of changes in tax rates	**670**	-
Total deferred tax	**1,428**	227
Total tax expense	**1,109**	469

6. EARNINGS PER SHARE

Reconciliation of basic (loss) / earnings to diluted earnings:	**2021 £000**	2020 £000
Basic loss	**(12,601)**	(368)
Non-equity share dividend	**569**	569
Diluted (loss) / earnings	**(12,032)**	201

	No.'000	No.'000
Reconciliation of basic weighted average number of ordinary shares to diluted weighted average number of ordinary shares:		
Basic weighted average number of ordinary shares	**94,366**	94,276
Dilutive effect of convertible shares	**42,286**	42,358
Diluted weighted average number of ordinary shares	**136,652**	136,634

Loss per share and diluted loss per share of 13.35p (2020: loss per share of 0.39p) has been calculated by dividing the loss for the period of £12.60m (2020: loss £0.37m) by the weighted average number of Ordinary Shares of 94.4m (2020: 94.3m) in issue during the year. When considering a loss per share scenario, no adjustment is made for the preference share dividend and therefore the diluted loss per share is equal to the basic loss per share. This is the case in the year ended June 2021 and June 2020.

7. ANNUAL REPORT & FINANCIAL STATEMENTS

Copies of the Annual Report & Financial Statements together with the Notice and Notes of the 2021 AGM will be issued to all shareholders in due course.

The financial information set out above does not constitute the Company's statutory financial statements for the years ended 30 June 2021 or 30 June 2020. The Independent Auditor's Reports on the statutory financial statements for 2021 and 2020 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The statutory financial statements for 2020 have been filed with the Registrar of Companies and those for 2021 will be delivered to the Registrar of Companies in due course.