



Celtic plc
Interim Report
December 2023

Celtic plc (the “Company”)

INTERIM REPORT FOR THE SIX MONTHS TO 31 DECEMBER 2023

Key Operational Items

- 14 home fixtures (2022: 14).
- Participation in the UEFA Champions League group stages, securing 4 points.
- Commencement of the major development at Barrowfield Training Facility.

Key Financial Items

- Revenue increased by 11% to £85.2m (2022: £76.5m).
- Profit from trading was £32.0m (2022: £28.1m).
- Profit from transfer of player registrations (shown as profit on disposal of intangible assets) £2.6m (2022: £1.8m).
- Profit before taxation of £30.3m (2022: £33.9m).
- Acquisition of player registrations of £12.9m (2022: £5.7m).
- Period end cash net of bank borrowings of £67.3m (2022: £59.2m).

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CHAIRMAN'S STATEMENT

The results for the six months ended 31 December 2023 show revenues of £85.2m (2022: £76.5m) and a profit from trading, representing the profit excluding other income and player related gains and charges, amounting to £32.0m (2022: profit of £28.1m). The profit before finance income & expense and taxation amounted to £28.5m (2022: £33.8m).

We benefited from Champions League qualification in both 2022 and 2023 and increased underlying revenue by £8.7m to £85.2m in the first half of 2023 relative to the same period last year. The key factors in this were higher UEFA distributions this year alongside a general incremental upturn in trading across almost all revenue streams. A significant portion of this revenue increase was re-invested into football wages and salaries resulting in the profit from trading of £32.0m noted above. Amortisation charges were broadly in line with the same period last year and gains from player trading amounted to £2.6m for the six months to 31 December 2023 (2022: £1.8m). These principally related to the disposal of Carl Starfelt and several contingent fees that crystallised in the period.

Profit before finance income & expense and taxation fell to £28.5m, down from £33.8m in the prior year, despite the significant revenue increase. This is attributable to the increase in the football related investment alongside the absence of a significant non-recurring insurance receipt recognised in the prior period.

From a funding perspective, the cash and cash equivalents balance reduced from £72.3m to £67.3m in the period under review. A significant proportion of this cash is committed to the creation of a new training centre at the Barrowfield site, the finalisation of the Lennoxton developments and future stadium expenditure. The Board recognises the inherent inefficiencies of holding excess cash, and, in conjunction with other cash commitments, the importance of investing in strengthening the team to deliver football success. The Board shares the frustrations of the supporters regarding the less than anticipated activity in the recent transfer window.

Since the opening of the transfer window in June 2023, and up to the end of the winter transfer window which closed on 1st February 2024, we have committed £23.9m in player investment. Within this we renewed and extended the contracts of Cameron Carter-Vickers, Liel Abada, Matt O'Riley, Anthony Ralston and Reo Hatate. The Board's commitment is to strengthen and improve the playing squad in every transfer window and although resources were available, we were unable to further add to the squad due to the unavailability of identified targets. This was disappointing to us all, and never the intention. The January transfer window is notoriously difficult as clubs are very reluctant to let their best players go at such a crucial time of the season just as we are. Indeed, we resisted strong interest in our players from other clubs.

It is notable that transfer activity in England was the lowest it has been for over ten years, excluding the impact of Covid-19. A number of reasons have been cited for this including the absence of suitable players and new UEFA regulations which impose spending caps.

Although disappointed by the second-round exit of the League Cup away to Kilmarnock, we looked forward to our Champions League draw against Feyenoord, Atletico Madrid and Lazio. We achieved four points in the group stages and, whilst representing an improvement over last season's two points, we finished fourth in the group stage. We took consolation from a number of good performances which will serve our squad well, but our objective is to keep improving and competing in Europe. Looking towards the year ahead, winning the SPFL and the Scottish Cup is our immediate focus and priority. With 12 matches remaining in the league and having reached the quarter final of the Scottish Cup, there remains a long way to go and all to play for. We will all unite behind the team for these purposes.

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CHAIRMAN'S STATEMENT (Continued)

We also look forward to the creation of our new Barrowfield facility which is scheduled for the end of 2024 and will bring high quality facilities for our women's and academy squads. We are also nearing the completion of a significant investment in Lennoxton delivering new First Team and B Team changing areas and a newly enhanced medical and sports science facility. Investment in infrastructure is a key component of success in modern football.

December 2023 saw the departure of our women's team manager, Fran Alonso, to a new opportunity in one of the top women's football leagues in the world. Fran leaves us with our best wishes after almost four years with Celtic having overseen the transition of the women's team to professional status and having won the League Cup, two back-to-back Scottish Cups and narrowly missing out on the SWPL league title last season. Fran leaves us in a strong position and was recently replaced by Elena Sadiku. We wish to welcome Elena, at what is an exciting time for the women's game at Celtic and in Scotland.

UEFA and the European Club Association are close to agreeing the final aspects of the revised European Club Competition model. This will bring an exciting new format to European football and the opportunity to participate in more matches and give access to more teams across Europe. Pending completion of these discussions, this should provide stability and certainty for several years for the European football landscape.

As is often the case with the Club's earnings profile, we naturally expect a seasonal downturn in earnings in the second half of the year. In general terms, earnings are biased towards the first half of the year aligned to the receipts from European competition, whereas the second half is characterised by significant accounting losses. This is entirely within expectations and our planning assumptions. Our outturn earnings can also be materially impacted by football success and the year-end assessment of player registration carrying values. Taking all of this into consideration, we would expect our total outturn financial performance for the year ending 30 June 2024 to be significantly lower than the result posted for the first six months of the financial year.

On behalf of the Board and everyone at Celtic Football Club, I wish to extend our gratitude and appreciation to our supporters for the backing of our Club. Thanks also must go to our shareholders and commercial partners for their continued support.



Peter T Lawwell
Chairman
23 February 2024

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INDEPENDENT REVIEW REPORT TO CELTIC PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the London Stock Exchange AIM Rules for Companies.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 which comprises Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and related explanatory notes.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the London Stock Exchange AIM Rules for Companies which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the half-yearly financial report, 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.

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INDEPENDENT REVIEW REPORT TO CELTIC PLC (Continued)

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange AIM Rules for Companies for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
Glasgow, UK
Date: 23 February 2024

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

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS TO 31 DECEMBER 2023

	Note	2023 Unaudited £000	2022 Unaudited £000
Revenue	2	85,222	76,542
Operating expenses (before intangible asset transactions)		(53,217)	(48,398)
Profit from trading before intangible asset transactions		32,005	28,144
Exceptional operating expense	3	(50)	(53)
Amortisation of intangible assets	7	(6,099)	(6,018)
Profit on disposal of intangible assets		2,591	1,757
Other income	3	50	10,000
Operating profit		28,497	33,830
Finance income	4	2,540	636
Finance expense	4	(735)	(611)
Profit before tax		30,302	33,855
Income tax expense	5	(7,622)	(5,767)
Profit and total comprehensive income for the period		22,680	28,088
Basic earnings per Ordinary Share	6	23.98p	29.72p
Diluted earnings per Share	6	16.79p	20.74p

The notes on pages 10 to 13 form part of these financial statements.

Celtic plc

Registered number: SC3487

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

	Notes	2023 Unaudited £000	2022 Unaudited £000
NON-CURRENT ASSETS			
Property plant and equipment		56,328	55,920
Intangible assets	7	32,679	34,324
Trade and other receivables	8	8,624	4,515
		<u>97,631</u>	<u>94,759</u>
CURRENT ASSETS			
Inventories		3,802	2,534
Trade and other receivables	8	42,963	30,095
Cash and cash equivalents	10	67,327	60,142
		<u>114,092</u>	<u>92,771</u>
TOTAL ASSETS		<u><u>211,723</u></u>	<u><u>187,530</u></u>
EQUITY			
Issued share capital	9	27,169	27,166
Share premium		15,028	14,990
Other reserve		21,222	21,222
Accumulated profits		67,490	39,566
TOTAL EQUITY		<u><u>130,909</u></u>	<u><u>102,944</u></u>
NON-CURRENT LIABILITIES			
Debt element of Convertible Cumulative Preference Shares		4,173	4,174
Trade and other payables		6,280	9,018
Lease Liabilities		469	163
Deferred tax	5	3,482	3,189
Provisions		91	77
		<u>14,495</u>	<u>16,621</u>
CURRENT LIABILITIES			
Trade and other payables		40,338	38,390
Current borrowings		96	1,048
Lease Liabilities		447	394
Provisions		6,278	7,271
Deferred income		19,160	20,862
		<u>66,319</u>	<u>67,965</u>
TOTAL LIABILITIES		<u><u>80,814</u></u>	<u><u>84,586</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>211,723</u></u>	<u><u>187,530</u></u>

Approved by the Board on 23 February 2024.

The notes on pages 10 to 13 form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 31 DECEMBER 2023

	Share capital £000	Share premium £000	Other reserve £000	Accumulated Profits £000	Total £000
EQUITY SHAREHOLDERS' FUNDS AS AT 1 JULY 2022 (Audited)	27,166	14,951	21,222	11,478	74,817
Share capital issued	-	39	-	-	39
Profit and total comprehensive income for the period	-	-	-	28,088	28,088
EQUITY SHAREHOLDERS' FUNDS AS AT 31 DECEMBER 2022 (Unaudited)	27,166	14,990	21,222	39,566	102,944
EQUITY SHAREHOLDERS' FUNDS AS AT 1 JULY 2023 (Audited)	27,168	14,990	21,222	44,810	108,190
Share capital issued	1	38	-	-	39
Profit and total comprehensive income for the period	-	-	-	22,680	22,680
EQUITY SHAREHOLDERS' FUNDS AS AT 31 DECEMBER 2023 (Unaudited)	27,169	15,028	21,222	67,490	130,909

The notes on pages 10 to 13 form part of these financial statements.

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CONSOLIDATED CASH FLOW STATEMENT FOR THE 6 MONTHS ENDED 31 DECEMBER 2023

	Note	2023 Unaudited £000	2022 Unaudited £000
Cash flows from operating activities			
Profit for the period after tax		22,680	28,088
Income tax expense		7,622	5,767
Depreciation		1,261	1,292
Amortisation		6,099	6,018
Profit on disposal of intangible assets		(2,591)	(1,757)
Finance costs		735	611
Finance income		(2,540)	(636)
		33,266	39,383
(Increase)/Decrease in inventories		(376)	453
Decrease in receivables		5,142	4,137
Decrease in payables and deferred income		(28,643)	(15,522)
Cash generated from operations		9,389	28,451
Tax paid		(2,780)	-
Interest paid		-	(31)
Interest received		1,594	327
<i>Net cash flow from operating activities</i>		8,203	28,747
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,575)	(892)
Purchase of intangible assets		(23,274)	(14,341)
Proceeds from sale of intangible assets		12,473	16,197
<i>Net cash (used in)/generated from investing activities</i>		(12,376)	964
Cash flows from financing activities			
Repayment of debt		-	(640)
Payments on leasing activities		(300)	(343)
Dividend on Convertible Cumulative Preference Shares		(485)	(455)
<i>Net cash used in financing activities</i>		(785)	(1,438)
Net (decrease)/increase in cash and cash equivalents		(4,958)	28,273
Cash and cash equivalents at 1 July		72,285	31,869
Cash and cash equivalents at 31 December	10	67,327	60,142

The notes on pages 10 to 13 form part of these financial statements.

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NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The financial information in this interim report comprises the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and accompanying notes. The financial information in this interim report has been prepared under the recognition and measurement requirements in accordance with UK adopted international accounting standards, but does not include all of the disclosures that would be required under those accounting standards. The accounting policies adopted in the financial statements for the year ended 30 June 2023 will be in accordance with UK adopted international accounting standards.

The financial information in this interim report for the six months to 31 December 2023 and to 31 December 2022 has not been audited, but it has been reviewed by the Company's auditor, whose report is set out on pages 4 and 5.

Adoption of standards effective for periods beginning 1 July 2023

The following amended standards have been adopted as of 1 July 2023

- Amendments to IAS 8, IAS 1, IAS 12, IFRS 17, IFRS 9 and IAS 12

Going concern

The Company has sufficient financial resources available to it, together with established contracts with a number of customers and suppliers. As a consequence, the Directors believe that the Company is well placed to continue managing its business risks successfully and they 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 financial information in this interim report.

2. REVENUE

	6 months to 31 Dec 2023 Unaudited £000	6 months to 31 Dec 2022 Unaudited £000
Football and stadium operations	29,778	28,250
Multimedia and other commercial activities	37,153	30,866
Merchandising	18,291	17,426
	<u>85,222</u>	<u>76,542</u>
Number of home games	<u>14</u>	<u>14</u>

3. EXCEPTIONAL OPERATING ITEMS AND OTHER INCOME

The exceptional operating expense of £0.05m represents settlement payments. These items are deemed to be unusual in relation to what management consider to be normal operating conditions.

Other income in the prior period represents incoming cash or receivables to the business which is not deemed to be generated from the normal course of business and does not meet the definition of revenue under IFRS15. In the current financial period this is represented by a compensation sum receivable relating to the release of contractual obligations. In the prior period this related to an amount received in respect of a Business Interruption insurance claim. The amount of income is only recognised when the likelihood and value of any receipt is virtually certain i.e. the cash or confirmation of payment have been received.

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NOTES TO THE FINANCIAL INFORMATION (Continued)

4. FINANCE INCOME AND EXPENSE

	6 months to 31 December 2023 Unaudited £000	6 months to 31 December 2022 Unaudited £000
Finance income:		
Interest receivable on bank deposits	1,789	326
Notional interest income	751	310
	<u>2,540</u>	<u>636</u>

	6 months to 31 December 2023 Unaudited £000	6 months to 31 December 2022 Unaudited £000
Finance expense:		
Interest payable on bank and other loans	-	(31)
Notional interest expense	(451)	(296)
Dividend on Convertible Cumulative Preference Shares	(284)	(284)
	<u>(735)</u>	<u>(611)</u>

5. TAXATION

Tax has been charged at 25% for the six months ended 31 December 2023 (2022: 19%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax profit of the six month period. After accounting for deferred tax, this has resulted in tax expense in the statement of comprehensive income of £7.6m (2022: £5.8m).

6. EARNINGS PER SHARE

Basic earnings per share has been calculated by dividing the profit for the period of £22.7m (2022: £28.1m) by the weighted average number of Ordinary Shares in issue of 94,596,518 (2022: 94,515,655). Diluted earnings per share has been calculated by dividing the profit for the period by the weighted average number of Ordinary Share, Convertible Cumulative Preference Shares and Convertible Preferred Ordinary Shares in issue, assuming conversion at the Balance Sheet date if dilutive.

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NOTES TO THE FINANCIAL INFORMATION (Continued)

7. INTANGIBLE ASSETS

	31 December 2023 Unaudited £000	31 December 2022 Unaudited £000
Cost		
At 1 July	55,747	67,511
Additions	12,866	5,650
Disposals	(15,448)	(13,683)
At period end	53,165	59,478
Amortisation		
At 1 July	27,708	32,022
Charge for the period	6,099	6,018
Disposals	(13,321)	(12,886)
At period end	20,486	25,154
Net Book Value at period end	32,679	34,324

8. TRADE AND OTHER RECEIVABLES

	31 December 2023 Unaudited £000	31 December 2022 Unaudited £000
Trade receivables	34,365	21,232
Prepayments and accrued income	11,068	7,053
Other receivables	6,154	6,325
	51,587	34,610

Amounts falling due after more than one year included above are:

	31 December 2023 Unaudited £000	31 December 2022 Unaudited £000
Trade receivables	8,624	4,515

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NOTES TO THE FINANCIAL INFORMATION (Continued)

9. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid			
	31 December		31 December			
	2023	2022	2023	2023	2022	2022
	Unaudited		Unaudited		Unaudited	
	No 000	No 000	No 000	£000	No 000	£000
Equity						
Ordinary Shares of 1p each	223,775	223,681	94,615	946	94,526	945
Deferred Shares of 1p each	680,722	677,885	680,722	6,807	677,885	6,778
Convertible Preferred Ordinary Shares of £1 each	14,678	14,721	12,692	12,692	12,718	12,718
Non-equity						
Convertible Cumulative Preference Shares of 60p each	18,295	18,298	15,795	9,477	15,797	9,478
Less reallocated to debt:						
Initial debt	-	-	-	(2,753)	-	(2,753)
	<u>937,470</u>	<u>934,585</u>	<u>803,824</u>	<u>27,169</u>	<u>800,926</u>	<u>27,166</u>

10. ANALYSIS OF NET CASH AT BANK

The reconciliation of the movement in cash and cash equivalents per the cash flow statement to net cash is as follows:

	31 December 2023 Unaudited £000	31 December 2022 Unaudited £000
Bank Loans due within one year	-	(948)
Cash and cash equivalents:		
Cash at bank and on hand	<u>67,327</u>	<u>60,142</u>
Net cash at bank at period end	<u>67,327</u>	<u>59,194</u>

11. POST BALANCE SHEET EVENTS

Since the Balance Sheet date, we have acquired the permanent registration of Nicolas Kuhn from SK Rapid Vienna and the temporary registration of Adam Idah from Norwich City.

We have permanently transferred the registrations of David Turnbull and Yosuke Ideguchi, and temporarily transferred the registrations of Adam Montgomery, Hyeokkyu Kwon, Michael Johnston and Marco Tilio to other clubs.

Celtic plc

Directors

Peter T Lawwell (Chairman)

Michael Nicholson (Chief Executive Officer)

Christopher McKay (Chief Financial Officer)

Thomas E Allison

Dermot F Desmond

Brian D H Wilson

Sharon Brown

Brian Rose

Company Secretary

Christopher Duffy

Registered Office

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Registered Number

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