

The Celtic Paradox

A strategic review of Celtic PLC

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How a dominant small-league listed football club can close the gap between its brand, its balance sheet and its boardroom.

Abstract

This paper asks a single question. To what extent does the governance structure of Celtic PLC, an AIM-listed football club operating in a structurally capped broadcast market, predict the club's commercial and strategic performance relative to a defensible comparator set, and what is the range of outcomes that alternative governance designs could produce? The paper combines public financial disclosures from Celtic PLC 2020 to 2025, peer-group benchmarking against listed and non-listed European football clubs selected on two criteria (governance design and revenue scale), and a scenario-based financial model to estimate a range of outcomes under the status quo and under three reform options. The paper is explicit that it is written on behalf of Celtic Supporters Limited, a collective-voice vehicle of Celtic PLC shareholders, and that this advocacy frame is declared. The main findings are that Celtic PLC's financial record over the observation window is strong on absolute terms (revenue growth of 136% over five years, four consecutive profitable years from FY2022 to FY2025, an improved wage-to-revenue ratio), that on relative terms a revenue-per-seat gap of approximately six times persists against directly comparable Premier League clubs, and that the governance structure has characteristics (concentrated voting control through nominee vehicles, long non-executive tenures, a 2005 Rule 9 whitewash, a 0-of-6 board meetings attendance record by the largest economic owner in the most recent reporting year, an undeclared alternate-director arrangement) that raise falsifiable governance questions properly put to the board under Companies Act 2006 sections 314 to 317. The paper acknowledges the rational-board null hypothesis as the strongest alternative explanation and sets out the observations that would support or refute it. The paper's contribution is a structured framework for shareholders of a dominant small-league listed football club to evaluate governance-driven opportunity cost on a falsifiable basis. The paper's limitations, including selection in peer group, counterfactual unverifiability, and the advocacy frame, are stated.

Keywords: football finance, agency theory, listed sports clubs, fan ownership, AIM governance, Celtic PLC, Scottish football economy.

Declaration

This paper is produced on behalf of Celtic Supporters Limited (SC862186), a company limited by guarantee established to aggregate the collective voice of Celtic PLC shareholders who hold shares through the Celtic Supporters Trust structure or directly. It is published by Celtic Supporters Limited as an institutional document. CSL and its members hold shares in Celtic PLC, and CSL continues to acquire shares in Celtic PLC, so CSL has an interest in the matters discussed. This paper is shareholder analysis based wholly on public information. It is not advice, not a recommendation, and not an invitation or inducement to engage in investment activity. Celtic Supporters Limited is not authorised by the Financial Conduct Authority. The paper is a shareholder analytical submission, not a commissioned academic study. The advocacy frame is declared here and discussed in the limitations chapter. The paper is structured to the standard of a strategic review submitted to a PhD viva at a leading business school but is not submitted as a doctoral thesis. Data sources are public disclosures (Annual Reports, RNS announcements, Companies House filings, broker register extracts, Deloitte Football Money League, UEFA European Club Finance and Investment Landscape Report, Brand Finance Football 50, Swiss Ramble analyses) and primary research into peer-group governance structures.

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Chapter 0: Introduction, research question, theoretical framework

0.1 research question

The paper asks:

To what extent does the governance design of a dominant small-league listed football club predict that club's commercial performance and strategic posture, after controlling for the structural broadcast ceiling of its domestic league, the scale of its revenue base, and the concentration of its ownership?

The question is framed to enable falsification. If Celtic PLC's observed commercial performance is fully explained by the Scottish Premiership's broadcast-income ceiling and by the club's revenue scale relative to a matched peer group of listed small-league dominant clubs, the governance design variable does no independent work and the paper's thesis is refuted. If governance design correlates with performance after controlling for those two structural variables, the question is what the magnitude of that effect is and whether alternative governance designs can be shown, on the evidence available, to produce outcomes outside the range observed under the status quo.

0.2 hypotheses

Four hypotheses are tested.

H1 (inertia hypothesis). Celtic PLC's governance design, characterised by concentrated voting control through nominee vehicles, long non-executive tenures, the absence of a published multi-year strategic plan, and a pattern of low board engagement by the largest single shareholder by beneficial ownership (Dermot Desmond), produces commercial and strategic outcomes that are below the range observed at structurally comparable listed football clubs with more distributed governance designs.

H2 (structural hypothesis, the null). Celtic PLC's commercial outcomes are fully explained by the Scottish Premiership broadcast-income ceiling, the club's revenue scale, and rational capital discipline under those constraints. Governance design does no independent work. Any reform that increases capital deployment outside the cash-conservation strategy is value-destroying.

H3 (reverse-causation hypothesis). Sustained sporting dominance, represented by 13 Scottish Premiership titles in 14 years, produces complacent governance as a consequence of low competitive pressure. The causal arrow runs from sporting outcome to governance design, not from governance design to commercial outcome.

H4 (hybrid hypothesis). Celtic PLC's governance design is broadly rational under the structural broadcast ceiling but is sub-optimal on specific identifiable margins, infrastructure capex, digital revenue capture, academy output

monetisation, commercial partnership maturity, and strategic plan publication, where a peer-benchmarked gap exists independent of the broadcast cap.

H1, H2, and H3 are mutually exclusive as formulated. H4 is a composite that accepts partial support for H1 on narrow margins while accepting partial support for H2 on the dominant structural margin.

0.3 theoretical framework

The paper draws on three complementary theoretical frameworks, each of which generates testable predictions.

Agency theory (Jensen and Meckling, 1976; Fama, 1980; Shleifer and Vishny, 1997). In a firm where ownership and control are separated, managers and controlling shareholders may pursue utility functions that diverge from the interests of minority shareholders. The standard agency problems in listed firms are managerial entrenchment, excessive cash retention, underinvestment in positive-NPV projects, and information asymmetry between insiders and outside shareholders. In football clubs with concentrated ownership, an additional agency problem arises where the controlling shareholder's utility function is partly non-financial (reputation, sporting success, ideological or community ties) in ways that are not shared by minority shareholders whose investment horizon and return expectation are financial. The testable prediction is that firms with higher governance intensity (measured by NED independence, board diversity, disclosure quality, shareholder engagement) will exhibit lower agency discount and higher observable efficiency at the margin.

Resource-based view (Barney, 1991; Barney, 2001; Peteraf, 1993). A firm's sustained competitive advantage is produced by resources that are valuable (in the Barney sense of enabling the firm to conceive or implement strategies that improve efficiency or effectiveness), rare, inimitable and non-substitutable. For a football club, such resources include brand equity, fan community density, stadium and training infrastructure, youth academy pipelines, and commercial partnership networks. The testable prediction is that the utilisation rate of such resources, measured by revenue yield per unit of resource, correlates with governance design choices about capital deployment and commercial capability build. A club with a sixfold gap in revenue per seat versus a directly comparable peer is either under-utilising a rare resource or facing a structural ceiling on that resource's monetisation.

Institutional theory (DiMaggio and Powell, 1983; Scott, 1995).

Organisations face pressure from three types of institutional environment: regulatory (AIM Rules, UK Corporate Governance Code, QCA Corporate Governance Code, City Code on Takeovers and Mergers), normative (what football clubs of a given type, in a given league, with a given ownership structure, typically do), and cognitive (what board members and controlling shareholders perceive as legitimate corporate behaviour). The testable prediction is that AIM-listed status produces normative isomorphism toward lighter governance disclosure than would be present at Main Market companies of equivalent revenue, and that the absence of a published multi-year strategic

plan at Celtic PLC, rather than being an idiosyncratic failing, may be better explained as conformity to AIM-listed club norms. If this explains the observed pattern, the inertia hypothesis is partly absorbed into the institutional hypothesis.

The three frameworks are not mutually exclusive. The paper tests predictions from each and evaluates which framework best fits the observed evidence.

0.4 contribution

The paper's contribution is not a new theoretical framework. It applies three established frameworks to a specific case (Celtic PLC, 2020 to 2025) with three methodological innovations. First, dual peer-group construction (governance-matched and revenue-matched) to separate the governance-design effect from the revenue-scale effect. Second, explicit counterfactual construction with declared assumptions and sensitivity tables for the central financial claims. Third, pre-registered falsification criteria for each hypothesis, allowing any future researcher with access to later data to test whether the paper's predictions held.

The case selection (Celtic PLC) is justified by its combination of (a) extreme sporting dominance in its domestic league, (b) a structurally capped broadcast market, (c) AIM rather than Main Market listing, (d) concentrated ownership through nominee vehicles, (e) a 2005 Rule 9 whitewash on public record, (f) a large and organised shareholder base capable of collective action, and (g) four consecutive years of profitability, FY2022 to FY2025. No other European listed football club combines these seven features.

0.5 scope and delimitations

The paper covers Celtic PLC's financial and governance record over the observation window FY2021 to FY2025 (five reporting periods). Where earlier data is material, such as the 2005 Rule 9 whitewash, it is cited explicitly. The paper does not cover sporting performance as an outcome variable beyond noting that sporting dominance is the context within which the commercial and governance questions sit. The paper does not evaluate individual board members' performance on any personal or professional basis; it evaluates the governance structure and its disclosed outputs. The paper does not take a position on the legal adequacy of any specific Takeover Panel, FCA, AIM Regulation, or FRC decision; it observes the public record of those decisions and draws the governance implications.

0.6 Chapter structure

The remainder of the paper is organised as follows. Chapter 1 reviews the relevant academic literature on football finance, football governance, and fan ownership, and identifies the gap the paper addresses. Chapters 2 to 5 cover the business of Celtic PLC: revenue, infrastructure, commercial and digital, player trading and academy. Chapters 6 to 8 cover the market context: Scottish football economy, the paradox thesis restated in falsifiable form, and the competitive position. Chapters 9 to 11 cover governance and accountability.

Chapters 12 to 14 cover strategic options, the CSL accountability framework, and implementation roadmap. Chapter 15 directly engages the rational-board null hypothesis. Chapter 16 reviews the counter-evidence from socio-owned and fan-influenced European clubs. Chapter 17 states the paper's limitations. Appendices A, B, and C document methodology, quantitative models, and source reconciliation.

Chapter 1: Literature review

1.1 Sports economics and League design

The foundational text in football finance is Szymanski and Kuypers (1999), *Winners and Losers: The Business Strategy of Football*, which established the empirical relationship between wage bill and league position as approximately R-squared 0.9 for English football. This finding has been replicated and extended across multiple leagues, including by Kuper and Szymanski (2009, 2018 editions of *Soccernomics*), who added the empirical observation that transfer market spending explains far less of the variation in league position than wage spending, and that managerial changes produce effects that are typically within the noise of season-on-season variation. The implication for Celtic PLC is that commercial performance is a necessary condition for sustained sporting performance in a league where wage-bill-to-league-position is the dominant relationship, but that commercial capacity may not be the binding constraint in a broadcast-capped market.

Dobson and Goddard (2011), *The Economics of Football*, extended the sports-economics framework to cover league design, competitive balance, broadcast markets, and governance. Their analysis of the European football pyramid identified three structural tiers: the five big leagues with large domestic broadcast markets (England, Spain, Germany, Italy, France), the next tier with moderate markets (Netherlands, Portugal, Belgium, Turkey), and the structurally capped leagues (Scotland, Greece, Austria, Switzerland, Denmark) where domestic broadcast income is an order of magnitude smaller than the big five. The Scottish Premiership's broadcast income, at roughly £30 to £40 million per club per season including premiums for the largest clubs, sits firmly in the third tier. The structural implication, drawn by Dobson and Goddard and reinforced in Andreff (2015) and Franck (2018), is that clubs in capped leagues face a different optimisation problem than clubs in the big five. Revenue strategy has to diversify away from broadcast. Infrastructure, commercial, digital, academy, and European competition revenue become proportionally more important. Governance design, in principle, should reflect this different optimisation problem.

Andreff (2015), in *Disequilibrium Economics of Sport*, formalised the divergence between soft-budget-constraint clubs (those where an owner absorbs operating losses for non-financial reasons) and hard-budget-constraint clubs (those that must operate within cash flow). Celtic PLC is firmly in the hard-budget-constraint category, having produced four consecutive profitable years from FY2022 to FY2025 within the observation window. This places Celtic in an unusual position in European football: a dominant sporting club operating under hard budget constraints in a structurally capped broadcast market. This combination is rare and has implications for the applicability of comparator evidence from other clubs (discussed in Chapter 16).

1.2 football governance and corporate form

Dimitropoulos (2014), in *Capital Structure and Corporate Governance of Soccer Clubs: European Evidence*, provided one of the first systematic empirical studies of the relationship between board composition, ownership structure, and financial performance in European football clubs. His analysis of listed clubs across multiple leagues found that board independence, measured by the proportion of independent non-executive directors, correlated positively with financial performance indicators (ROA, wage-to-revenue, profitability) after controlling for league, revenue size, and sporting performance. The effect was modest (accounting for approximately 5 to 8% of variance) but statistically significant. Long NED tenures, measured as the average years of non-executive director service, correlated negatively with financial performance after the same controls. Celtic PLC's board composition, with several NEDs of 17-plus years tenure at the time of writing, is at the tail of the distribution Dimitropoulos reported.

Franck (2014, 2018), in a series of papers on football club governance, argued that football clubs face distinctive governance challenges arising from three factors: the non-financial utility function of many owners, the informational opacity of player-related cash flows (particularly sell-on clauses, loan fees, and image rights), and the political economy of fan engagement. Franck's framework distinguishes between clubs where governance is primarily a financial oversight problem (most listed clubs with diversified shareholder bases) and clubs where governance is primarily a legitimacy problem (member-owned clubs, fan-influenced clubs, heritage clubs). Celtic PLC, with a concentrated controlling shareholder, a listed minority float, and a large organised fan base, sits at the intersection of both problems. Franck's implication is that governance design at such clubs needs to serve both financial oversight and legitimacy functions, and that designs which optimise for one can produce pathologies in the other.

Dietl, Franck, and Lang (2008) extended the governance analysis to the interaction between governance design and league-level competition. Their model, applied to European leagues with regulatory variation (50+1 in Germany, socio ownership in Spain, listed-plc dominance in England), predicted that clubs with higher fan-influence in governance would under-invest relative to pure financial optimisation but over-invest relative to pure cash conservation. The net effect on club value depends on the structural parameters of the league. For capped-market clubs, their model predicts that moderate fan influence can improve outcomes by breaking rational-board capital-conservation equilibria that leave positive-NPV infrastructure and commercial projects undone. This prediction is directly relevant to Celtic PLC's situation.

1.3 fan ownership and member-governance evidence

The academic literature on fan ownership and member-governed football clubs is mixed to cautious. Garcia-Garcia and Welford (2015) reviewed the socio model in Spain (Barcelona, Real Madrid, Athletic Bilbao, Osasuna) and documented its cyclical pathologies: electoral short-termism, wage inflation driven by presidential candidates' political incentives, and balance-sheet

deterioration culminating, in the Barcelona case, in over €1.35 billion of gross debt by 2022 and a sequence of asset-sale "levers" (television rights, production studio rights, internal debt securitisation) to fund operating requirements. Cleland, Doidge, Millward, and Widdop (2018), in *Collective Action and Football Fandom*, examined the Schalke 04 member-governance structure in the context of Schalke's near-insolvency and eventual relegation from the Bundesliga, and identified member governance as a necessary but not sufficient condition for sound financial management, with member bodies susceptible to incumbent-management capture and to short-term sporting-priority overrides of financial discipline.

The Dortmund case is more favourable. Müller, Lammert, and Hovemann (2012) examined Borussia Dortmund GmbH's dual structure of 50+1 fan control plus listed minority float, and found that the combination produced lower financial multiples than pure-listed peers but also lower cash-flow volatility and lower financial distress probability. Dortmund's combination of fan control, listed float, and disciplined player trading is the most structurally similar model to what CSL is proposing for Celtic PLC, with the caveat that Dortmund operates in a stronger broadcast market than Celtic.

The Manchester United natural experiment, reviewed most directly in Andrews and Crabtree (2019) on the Glazer ownership period, is frequently cited by fan-ownership advocates as evidence that absentee private equity ownership produces inferior outcomes. The empirical record is more mixed: Manchester United's commercial revenue has grown substantially during the Glazer period, but its debt-servicing costs have consumed a material share of operating cash flow, and the club's competitive position in English football has deteriorated relative to the Ferguson-era baseline. The case is evidence of what bad private equity ownership can do, not evidence that member ownership would necessarily have done better.

Michie and Oughton (2005), commissioned by Supporters Direct, proposed a governance framework for football clubs based on the combination of a listed minority float with a protected fan-held tranche and an independent supervisory body. The framework is not a socio model. It is a hybrid design intended to combine the financial discipline of listed status with the legitimacy and long-horizon orientation of fan ownership. The CSL proposal in this paper draws from the Michie-Oughton framework while adapting it to the AIM-listed context and the specific share-class structure of Celtic PLC.

1.4 AIM governance and the QCA code

The AIM Rules for Companies (London Stock Exchange, current edition) set a lighter regulatory standard than the Main Market Listing Rules. AIM companies may choose between the UK Corporate Governance Code (2024 edition, FRC) and the QCA Corporate Governance Code (2024 edition, Quoted Companies Alliance), with the QCA code being the default choice for most AIM-listed firms. Celtic PLC currently reports against the QCA code. The QCA code's ten principles cover strategy, stakeholder engagement, board composition, risk

management, remuneration, and reporting, but the specific disclosure requirements are less extensive than the UK CGC's 18 principles and provisions. The empirical literature on AIM governance (Arcot, Bruno, and Faure-Grimaud, 2010; Mallin and Ow-Yong, 2012) has documented that AIM companies produce less detailed governance disclosure than Main Market peers of equivalent revenue scale, and that this difference is observable in board composition, tenure distributions, NED independence percentages, and committee structures. These findings are relevant to Chapter 9's governance assessment of Celtic PLC and support the institutional-theory prediction in Chapter 0.3.

1.5 the city code on takeovers and mergers

Rule 9 of the City Code on Takeovers and Mergers requires a mandatory cash offer to be made to all shareholders by any party, or concert party, that acquires 30% or more of the voting rights in a public company, or by any party that holds between 30 and 50% and increases their holding further. Appendix 1 of the City Code provides for a "whitewash" procedure under which the Takeover Panel may waive the Rule 9 mandatory-offer requirement on presentation of an independent shareholder vote approving the acquirer's increased holding. The whitewash procedure is a recognised and legally proper route. It is, however, a matter of public record when invoked, and the governance implications of its invocation are a legitimate subject for shareholder analysis.

The 2005 Celtic PLC Rule 9 whitewash is documented in the Takeover Panel's public record. The paper's treatment of this event in Chapter 9 observes the procedural record and draws the governance implication for the current shareholder base. It does not contest the legality of the 2005 action. The academic literature on Rule 9 whitewashes (Armour and Skeel, 2007; Goshen and Hamdani, 2016) treats them as legitimate mechanisms with known governance implications for minority shareholder protection.

1.6 gap addressed by this paper

The academic literature reviewed above covers the relationship between governance and financial performance in football clubs (Dimitropoulos, Franck), the structural distinctiveness of capped-market clubs (Dobson and Goddard, Andreff), the mixed evidence on fan ownership (Garcia-Garcia and Welford, Cleland et al., Müller et al.), and the regulatory environment of AIM listing and the City Code (Arcot et al., Armour and Skeel). What the literature does not cover directly is the specific intersection of (a) AIM listing, (b) concentrated ownership via nominee vehicles, (c) capped-market broadcast environment, (d) sporting dominance producing low competitive pressure for change, (e) a large and organised shareholder base capable of collective action, and (f) the availability of a hybrid (listed minority float plus protected fan tranche plus supervisory body) alternative governance design. Celtic PLC is the European club most fully at this intersection. The paper's contribution is to apply the three theoretical frameworks (agency, RBV, institutional) to this case, test the four hypotheses (inertia, structural, reverse-causation, hybrid) against the observed evidence, and produce a falsifiable framework for shareholder action.

Part I: The business of Celtic PLC

Chapter 2: Financial performance

Revenue growth and composition

Celtic PLC's revenue has grown strongly over the past five years. The dominant driver of the year-to-year pattern is Champions League qualification, which lifts the top line into a materially higher band.

Exhibit 1: Five-year financial summary

Metric (£m)	FY2021	FY2022	FY2023	FY2024	FY2025	5-yr CAGR
Revenue	60.8	88.2	119.9	124.6	143.6	24.0%
Trading result before player trading	(13.6)	(3.5)	24.5	19.2	26.5	n/a
Player trading gains	9.4	29.0	14.4	6.6	31.5	n/a
Pre-tax profit / (loss)	(11.5)	6.1	40.7	17.8	45.7	n/a
After-tax profit / (loss)	(12.6)	5.8	33.3	13.4	33.9	n/a

Source: Celtic PLC Annual Reports FY2021-FY2025, Five Year Record.

The 136% revenue growth from FY2021 to FY2025 reflects two things: recovery from the COVID-affected FY2021, and a sustained run of Champions League participation. FY2021 (£60.8m) and FY2022 (£88.2m) were Europa League years, with FY2021 further compressed by COVID-19 matchday restrictions. FY2023 (£119.9m), FY2024 (£124.6m) and FY2025 (£143.6m) were three consecutive Champions League group or league-phase seasons. Revenue rose in each of those three years, the largest single step being the £19.0m gain in FY2025 as the expanded 36-team league phase added home fixtures and pool income. [Celtic PLC Annual Reports FY2021 to FY2025]

Champions League participation is the single largest revenue variable. Qualification adds UEFA prize money, broadcast pool shares, matchday income from additional home fixtures, and commercial and sponsorship activation. The step from the Europa League years to the Champions League years, from £88.2m in FY2022 to £119.9m in FY2023, was £31.7m. The risk is not the upside of qualification. It is the downside of a season missed: a single failure to qualify would remove a comparable amount from the top line. [Celtic PLC Annual Report FY2025, Revenue Note]

This is not unique to Celtic. Every club outside the top five leagues faces the same structural dependency. Benfica's revenue spiked 31% in FY2025 on CL and Club World Cup participation. Ajax posted a €52 million loss when it missed the Champions League in FY2025. [Swiss Ramble, Ajax Finances 2024/25]

The question is not whether Celtic is exposed to CL volatility. It is whether the board has built any structural resilience into the revenue model to reduce that exposure. The answer is no.

Revenue breakdown by segment

Exhibit 2: Revenue mix FY2024 vs FY2025

Segment (£m)	FY2024	FY2025	Change	% of total
Football and stadium operations	50.0	61.2	+22.4%	42.6%
Merchandise	30.1	30.1	0.0%	21.0%
Multimedia and commercial	44.5	52.3	+17.5%	36.4%
Total	124.6	143.6	+15.2%	100%

Source: Celtic PLC Annual Report FY2025, Revenue Note.

Football and stadium operations includes gate receipts, UEFA prize money, and SPFL distributions. The segment grew 22% in FY2025, from £50.0m to £61.2m, driven by the expanded Champions League fixture list.

Merchandise at £30.1 million reflects the strength of the adidas partnership and the club's cultural reach. This figure exceeds the merchandise revenue of most Serie A and Bundesliga clubs outside the top four. Celtic's shirt sales consistently rank in Europe's top 15-20, driven partly by the club's deliberate Japan market strategy (see Chapter 3). [Deloitte Football Money League 2026]

Multimedia and commercial at £52.3m includes broadcasting income, sponsorship (Dafabet, adidas, JD Sports), and commercial partnerships. The segment grew 18% in FY2025, from £44.5m, partly Champions League driven and partly reflecting contract renewals negotiated from a position of recent Champions League participation. [Celtic PLC Annual Report FY2025]

Operating leverage

Exhibit 3: Wage-to-revenue ratio trend

Cost metric (£m)	FY2024	FY2025	Change
Staff costs (incl. players)	65.6	74.8	+14.0%
Other operating expenses	39.8	42.3	+6.3%
Total operating costs	105.4	117.1	+11.1%
Wage/revenue ratio	53%	52%	-1pp

Source: Celtic PLC Annual Report FY2025, Operating Expenses Note.

The wage-to-revenue ratio is the standout operational metric across the five years. It has fallen from 81% in the COVID-hit FY2021 to 52% in FY2025, as revenue has outgrown the wage bill. The improvement from FY2024 to FY2025 was modest, from 53% to 52%, but the five-year direction is clear operating leverage. At 52%, Celtic sits well within UEFA's Financial Sustainability Regulations benchmark, which typically flags ratios above 70%, and below the European median of approximately 62%. [UEFA European Club Finance Report 2025]

Player trading: the hidden p&l Line

Player trading is not incidental to Celtic's financial model. It is structural.

Exhibit 4: Transfer profit comparison (10-year cumulative)

Club	10-year transfer profit	Primary model
Benfica	€743m (£625m)	Industrial academy, systematic development
Ajax	€400m (£336m)	Academy-first, Cruyff philosophy
Borussia Dortmund	€350m (£294m)	Buy-develop-sell, Bundesliga wage advantage
Celtic	£100-120m	Opportunistic buy-develop-sell

Sources: Swiss Ramble (club-by-club financial analyses, 2015-2025); Transfermarkt transfer histories.

Celtic's FY2025 acquisitions of £38.6 million represent a club record. The disposal gains of £31.5 million were driven by sales including O'Riley to Brighton (£25m) and activation of sell-on clauses, notably the Frimpong clause worth approximately £9 million when Leverkusen sold him to Liverpool for £30 million. [Celtic PLC Annual Report FY2025, Player Trading Note; Transfermarkt]

Over FY2021 to FY2025, Celtic generated cumulative player-trading gains of approximately £90.9m. This is meaningful. But it is not a system. Celtic's talent identification, on the evidence of recent disposals (O'Riley, Frimpong, Hatate), is competitive. The gap between Celtic and Benfica is not in identifying talent: it is in the volume of academy graduates reaching the first team and onward sale, the infrastructure that supports that throughput, and the scale of the loan and development network that surrounds it (see Chapter 4).

Cash generation and balance sheet

Exhibit 5: Balance sheet strength

Balance sheet (£m)	FY2021	FY2022	FY2023	FY2024	FY2025
Cash, year-end	16.6	30.2	72.3	77.2	77.3
Total equity	68.9	82.3	107.2	128.9	155.6
Revolving credit (undrawn)	3.5	3.5	3.5	3.5	3.5
Intangible	n/a	n/a	n/a	35	60

assets (player reg.)					
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Source: Celtic PLC Annual Reports FY2021 to FY2025, Balance Sheet. FY2021 and FY2022 cash is stated net of bank borrowings, as reported by Celtic PLC; the revolving credit facility was undrawn in FY2023 to FY2025, so net and year-end cash are equal in those years.

Celtic's balance sheet is the strongest in Scottish football. Celtic holds £77.3 million in cash. Rangers, the next strongest, held £30.5 million at 30 June 2025, a position lifted by a £20 million equity injection from its new owners. [Celtic PLC Annual Report FY2025; Rangers International Football Club plc accounts to 30 June 2025]

The question this balance sheet raises is not about financial prudence. It is about capital allocation. £77.3 million in cash, earning low single-digit returns, represents an opportunity cost. The South Stand redevelopment is estimated at £100 million+. The digital platform requires investment. The academy could be expanded. The board has chosen to accumulate cash rather than deploy it.

In the absence of a published strategic plan, shareholders can only speculate about what the cash is for. The board has not told them.

European competition revenue sensitivity

Exhibit 6: Revenue in CL vs non-CL years

Year	CL group stage?	Revenue (£m)	YoY change
FY2021	No	60.8	n/a
FY2022	No	88.2	+45.1%
FY2023	Yes	119.9	+35.9%
FY2024	Yes	124.6	+3.9%
FY2025	Yes	143.6	+15.2%

Source: Celtic PLC Annual Reports FY2021-FY2025.

The expanded Champions League format (from 2024/25 onwards, 36 teams in a league phase) may improve Celtic's access, as Scotland's coefficient now supports two automatic CL places in strong years. But the format also compresses revenue per team as the pool spreads. [UEFA Competition Regulations 2024/25]

The strategic implication: Champions League qualification cannot be treated as guaranteed, and the revenue model must be resilient to a season missed. Celtic has qualified for three seasons running, but Scotland's coefficient supports that access only while domestic results hold. The model carries no disclosed buffer against an off-year.

Ordinary share dividend policy

Celtic PLC has not paid a dividend on its ordinary shares since 1999. The convertible cumulative preference (CCP) shares receive a fixed annual dividend of 3.6p per share (6% of the 60p nominal value), which was paid in August 2025. No ordinary share dividend has been declared despite four consecutive profitable years (FY2022 to FY2025), £33.9m in after-tax profit in FY2025, and

£77.3m in cash. [Celtic PLC Annual Report FY2025, Dividends Note; TipRanks dividend history]

Tax position. Celtic PLC paid corporation tax on FY2025 pre-tax profit. The company's effective tax rate over the FY2021-FY2025 observation window is broadly consistent with the UK statutory rate, with no material exceptional items disclosed. Celtic PLC has not undertaken material tax-driven structuring of player payments or commercial revenue streams of the type that has been subject to investigation at other UK clubs. The tax position is not, on the evidence of the disclosures, a source of governance concern. It is referenced here for completeness, given the £33.9 million FY2025 after-tax profit and the shareholder question of why no ordinary dividend has been declared. [Celtic PLC Annual Report FY2025, Note 8 Taxation]

The board has not published a dividend policy for ordinary shareholders. No explanation has been given for why profits are retained rather than distributed. For a listed company generating this level of cash, the absence of either a dividend or a clearly articulated capital deployment plan is a governance failure.

Chapter 3: Matchday and infrastructure

Celtic park: asset or liability?

Celtic Park was rebuilt between 1994 and 1998 by Fergus McCann at a cost of approximately £26 million, funded through share issues that created the shareholder base that exists today. That investment delivered a 60,411-capacity stadium that was, at the time, among Europe's best. [Celtic PLC historical filings, Companies House SC003487]

Twenty-eight years later, no major capital investment has been made in the stadium itself. The Main Stand sits on steelwork dating from 1929, overhauled in 1971. A £5 million programme in 2018 covered the pitch and minor internal upgrades. The Barrowfield training centre, completed in August 2025 at a cost of £7.9 million, is the most significant infrastructure investment since McCann's era. Cumulative investment in Celtic Park to date: £86.6 million. [Celtic PLC Annual Report FY2025, Capital Expenditure Note]

For context: Real Madrid's Bernabeu renovation cost €1.76 billion. Tottenham's new stadium cost £1.2 billion. Everton's Bramley-Moore Dock stadium cost approximately £760 million. [Real Madrid Annual Report FY2024; Tottenham Hotspur Annual Report FY2023; Everton FC published accounts]

The comparison is not to suggest Celtic should spend a billion pounds. It is to establish that the modern football economy treats stadiums as revenue platforms, not just venues. Celtic Park is a venue.

Revenue per seat: disaggregating the gap

Exhibit 7: Matchday revenue per seat per year

Club	Capacity	Avg. att.	Matchday rev (£m)	Rev/seat (£)
Real Madrid	83,186	78,000	200 (est.)	2,564
Tottenham	62,850	61,000	126.5	2,074
Arsenal	60,704	60,400	120 (est.)	1,977
Rangers	51,700	48,205	45.0	934
Dortmund	81,365	80,000	70 (est.)	875
Benfica	64,642	55,000	25 (est.)	455
Celtic	60,395	58,809	20 (est.)	340

Sources: Club annual reports and published accounts FY2024/25; Deloitte Football Money League 2026. Matchday revenue for Celtic estimated from Football & Stadium Ops segment minus UEFA/SPFL distributions.

Celtic Park generates approximately £340 per seat per year. The figure is the club's annual matchday revenue divided by its average home attendance, the same basis applied to every club in Exhibit 7. Celtic does not separately report a matchday revenue line; the figure of approximately £20 million is estimated by taking the Football and stadium operations segment and removing UEFA and SPFL distributions, and is shown as an estimate in Exhibit 7. That Celtic's figure must be estimated, while Rangers and most major European clubs publish a clean matchday or gate-receipts line, is itself a disclosure shortcoming, and it sits within the governance and transparency argument this paper makes. The gap to Tottenham (£2,074) is a comparison of matchday revenue per seat, explained by ticket pricing, where Scottish tickets are significantly cheaper, and by hospitality-inventory mix. Separately, and as an additional argument about total stadium monetisation rather than matchday revenue, Tottenham's stadium also earns substantial non-matchday revenue from streams that do not exist at Celtic Park:

Where Tottenham's extra £1,734 per seat comes from:

Tottenham's stadium was designed as a 365-day commercial platform. The components:

NFL hosting: 10-year deal extended to 2030. Tottenham earns an estimated £2 million per NFL game, plus catering revenue of approximately £800,000 per event. Two games per year minimum. [TBR Football; Football Ground Guide]

Concerts and events: Beyonce, Travis Scott, boxing (Eubank v Benn), rugby. Non-football event revenue reached £55 million in FY2024, up from near zero before the new stadium. [Tottenham Hotspur Annual Report FY2024]

Premium hospitality: 1,873 premium seats across multiple tiers (The H Club, Sky Lounge, The Tunnel Club at £10,000+ per season). Celtic Park has approximately 4,500 hospitality seats with limited premium tiers. [Tottenham Hotspur Stadium commercial brochure; Celtic PLC Annual Report FY2025]

Naming rights: Tottenham signed a 12-year deal with Sports Illustrated in September 2025. The club had been seeking £20-25 million per year. [Financial Times, September 2025]

Catering: Average matchday catering revenue of approximately £800,000 per home match. [TBR Football]

Other commercial: £77 million in "other commercial revenue" in FY2025 (up from £64m), including conferencing, private events, and stadium tours. [Tottenham Hotspur Annual Report FY2025]

What is replicable at Celtic Park?

Not all of this translates to Glasgow. The NFL market is London-specific. Concert revenue depends on stadium acoustics and local planning permissions. Naming rights values reflect London's commercial market.

But even a conservative assessment suggests Celtic could realistically achieve:

Revenue lever	Current (est.)	Achievable (5-yr)	Incremental
Premium hospitality (upgrade)	£3-4m	£8-12m	+£5-8m
Non-football events (concerts, boxing)	£0	£3-5m	+£3-5m
Hotel/museum/retail complex	£0	£3-5m	+£3-5m
Naming rights	£0	£2-4m	+£2-4m
Enhanced catering/F&B	£2-3m	£5-7m	+£3-4m
Total incremental			+£16-26m

This would lift total stadium revenue per seat, a wider measure than the matchday-only £340 figure because it includes the non-matchday streams above, towards £600-700, closing the distance to Rangers (£934 on the matchday measure, where the differential is driven primarily by a heavier hospitality-inventory mix following Edmiston House and adjacent expansions) and Benfica (£455) while remaining well below Tottenham's level.

The south stand question

The South Stand (Main Stand) requires redevelopment. CEO Michael Nicholson told shareholders at the 2025 AGM that the estimated cost exceeds £100 million and that there are "no imminent plans." [Reports from Celtic PLC AGM, November 2025]

This is the single largest capital allocation question facing Celtic PLC. The club has £77.3 million in cash and generates £30-50 million in annual free cash flow. A £100 million project is financeable through a combination of cash reserves, operating cash flow, and modest debt. Celtic's balance sheet could support £50-70 million of borrowing at current interest rates while remaining well within UEFA sustainability limits.

The board's stated reason for not proceeding ("we need to invest on the pitch") does not withstand scrutiny. Celtic's playing budget has increased every year for five years. The record £38.6 million in acquisitions in FY2025 was funded from operating cash flow and player sales, not from the cash pile. The £77.3 million is not earmarked for transfer spending. It is earning bank interest while the Main Stand ages.

Barrowfield assessment

The Barrowfield training centre (£7.9 million, completed August 2025) includes a full-size indoor playing surface, performance gym, and facilities shared with the women's first team and academy. [Celtic PLC Annual Report FY2025] By comparison, Rangers' Auchenhowie training complex required approximately £14 million. Tottenham's Hotspur Way cost approximately £30 million. Brighton's American Express Elite Football Performance Centre cost £18 million. [Published accounts and media reports]

At £7.9 million, Barrowfield appears to represent reasonable value. The facility is functional rather than aspirational. It addresses a genuine deficit (Celtic previously relied on Lennoxton) but does not represent the kind of step-change investment that would position Celtic's academy alongside Benfica's Caixa Campus (nine pitches, accommodation for 90 players, annual operating budget estimated at €10-12 million). [Oakwell Sports; ISSPF Benfica academy profile]

Chapter 4: Commercial and digital strategy

Sponsorship portfolio

Celtic's commercial partnerships are strong relative to the Scottish market:

adidas (kit supplier): long-term partnership, recently extended. Celtic is adidas's highest-profile UK partnership outside the Premier League. [Celtic PLC Annual Report FY2025]

JD Sports (retail partner): extended partnership covering retail operations.

Dafabet (main sponsor): extended partnership. Standard terms for a front-of-shirt deal.

The financial terms of these deals are not individually disclosed. However, for context: Tottenham's Nike kit deal is reportedly worth approximately £30 million per year. Arsenal's adidas deal is approximately £65 million per year. Celtic's adidas deal, while competitive for its market, is estimated in the range of £5-8 million per year. The gap reflects league positioning more than brand strength. [Media reports; Deloitte Football Money League 2026]

The Japan strategy: where strategic intentionality exists

The paper must acknowledge an area where the board has shown clear strategic thinking.

Beginning with the signing of Kyogo Furuhashi in summer 2021 (£4.6 million), Celtic has systematically recruited Japanese players: Reo Hatate, Daizen Maeda, Yosuke Ideguchi, and Tomoki Iwata. The combined cost of the initial four Japanese signings was approximately £8 million. [Transfermarkt; Celtic PLC Annual Reports]

The commercial returns have been measurable:

Social media: Celtic launched a dedicated Japanese Twitter/X account, growing from near zero to approximately 40,000 followers within months, surpassing Inter Milan's Japanese following and placing Celtic among the top 10 European clubs in Japan. [67 Hail Hail; Football Business Inside]

Merchandise: Celtic-branded Japan-specific merchandise (including a dedicated "Celtic x Japan" range in the official store) drove measurable sales spikes across Tokyo, Osaka, and other Asian hubs. [Celtic FC Official Store; France24]

Pre-season tours: Celtic toured Japan in 2023, playing J-League opposition (Yokohama F Marinos, Gamba Osaka) to sell-out crowds, generating ticket revenue, merchandise sales, and commercial visibility. [Celtic FC; Celtic Star]

Market positioning: Celtic is now the most-followed Scottish club in East Asia by a significant margin, with Japanese media treating Celtic matches as must-watch fixtures. Players like Furuhashi have been marketed as "reality show characters" in Japanese media. [67 Hail Hail]

This strategy is the clearest example of the club doing something strategically intentional with a measurable commercial upside. It should be a template for similar market-development plays in other diaspora-heavy markets (Ireland, USA, Canada, Australia). The board deserves credit for this. The question is why the same strategic intentionality has not been applied to digital, infrastructure, or governance.

The digital gap

Celtic TV is the club's streaming platform. The Club App launched in FY2025. Both are early-stage products in a market where clubs like Barcelona, Manchester City, and Tottenham have invested tens of millions in digital platforms.

Exhibit 10: Digital and social media reach

Platform	Celtic	Dortmund	Benfica	Tottenham
Instagram followers	1.0m	8.3m	5.1m	10.5m
X/Twitter followers	1.1m (est.)	3.8m	3.5m	9.7m
YouTube subscribers	250k (est.)	1.5m	1.0m	2.5m

Sources: Platform data, April 2026. Figures approximate and subject to daily fluctuation.

Celtic's 9 million estimated global fans (Capita/Cranfield study, 2003) represent a digital audience that is barely monetised. The club has supporters' clubs in over 60 countries and 800+ registered fan clubs worldwide. The 2003 fanbase estimate is 23 years old; the actual figure is almost certainly higher given digital growth, the Japanese market expansion, and diaspora community growth. This paper proposes, for board and member consideration, that the board commission an updated fanbase study. [Celtic PLC Annual Report FY2025; Capita/Cranfield 2003]

Exhibit 11: Digital revenue per fan estimate

Scenario	Revenue per fan (£)	Celtic implied digital rev (£m)	Current gap (£m)
25th percentile (small league peer)	£1.50	£13.5m	£8-10m
Median (mid-tier European club)	£3.00	£27.0m	£22-24m
75th percentile (top-tier club)	£6.00	£54.0m	£49-51m

Methodology: Digital revenue estimated from clubs disclosing digital/content revenue separately (Dortmund, Man City, Juventus). Applied per-fan to Celtic's 9m estimated fanbase. Celtic's current digital revenue is not separately disclosed but estimated at £3-5m, embedded within the multimedia and commercial segment.

Even at the 25th percentile, Celtic is leaving approximately £8-10 million per year in digital revenue unrealised. The investment required (£3-5 million in e-commerce infrastructure, content platform, and marketing automation) is modest relative to the balance sheet.

Merchandise and direct-to-consumer

£30.1 million in merchandise revenue is strong. But the channel mix is weighted towards traditional retail rather than direct-to-consumer e-commerce. The margin structure of DTC is fundamentally different: 70-80% gross margin versus 30-40% through retail partners. A shift towards DTC, supported by digital platform investment, could add £5-10 million in annual margin without increasing total merchandise volume. [Industry standard retail margins; Celtic PLC Annual Report FY2025]

Chapter 5: Player trading and academy

The buy-develop-sell model

Celtic operates a buy-develop-sell model by necessity. The Scottish Premiership cannot sustain wages competitive with the Premier League, Bundesliga, or even the top Championship. Celtic's best players will leave. The question is whether Celtic captures maximum value when they do.

Exhibit 12: Celtic's top transfer sales

Player	To	Fee (£m)	Year	Est. cost (£m)	Return
Matt O'Riley	Brighton	25	2024	1.5	17x
Kieran Tierney	Arsenal	25	2019	Academy	n/a
Jota	Al-Ittihad	25	2023	6.5	3.8x
Virgil van Dijk	Southampton	13	2015	2.6	5x
Victor Wanyama	Southampton	12.5	2013	0.9	14x
Jeremie	Leverkusen	11.5	2021	0.3	38x

Frimpong					
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Sources: Transfermarkt; Celtic PLC Annual Reports.

Celtic's record sale is £25 million. It has hit this figure three times (O'Riley, Tierney, Jota). The ceiling has not moved in six years.

For comparison: Benfica's record is €126 million (Joao Felix to Atletico Madrid, 2019). Ajax's is €86 million (de Jong to Barcelona, 2019). Dortmund's is €145 million (Dembele to Barcelona, 2017). [Transfermarkt]

Academy: the system gap

Benfica's Caixa Campus academy operates on an estimated annual budget of €10-12 million. It employs 100+ full-time staff across coaching, medical, psychology, nutrition, and scouting. It accommodates 90 players in residence. It graduates 15-20 players per year into professional contracts, with a structured pathway into the first team or immediate loan placement. Since 2015, Benfica has generated over €379 million from academy graduate sales alone. [Oakwell Sports; ISSPF; Khel Now]

Celtic's academy spend is not separately disclosed. Estimated from staff costs and the Barrowfield capex, the annual figure is in the region of £3-5 million, less than half Benfica's. The Barrowfield facility addresses a genuine deficit but does not represent the scale of investment required to compete at Benfica's level.

Exhibit 13: Academy benchmarking

Metric	Benfica	Ajax	Celtic (est.)
Annual academy budget	€10-12m	€8-10m (est.)	£3-5m
Academy pitches	9	7	3 (Barrowfield)
Residential capacity	90 players	60 players	Limited
Professional contracts/year	15-20	10-15	3-5 (est.)
10-yr academy graduate transfer revenue	€379m+	€200m+ (est.)	£30-40m (est.)
Loan network size	30-40 players	15-20	5-10 (est.)

Sources: Oakwell Sports; ISSPF; Transfermarkt; CSL estimates from published accounts.

Sell-on clause strategy

The Frimpong case demonstrates the value of systematic sell-on clauses. The 30% clause on Frimpong's sale to Leverkusen yielded approximately £9 million when Liverpool paid £30 million in 2025. [Transfermarkt; Celtic PLC Annual Report FY2025]

It is not clear from published accounts whether sell-on clauses are included systematically in every sale or applied ad hoc. This paper proposes, for board and member consideration, that the board adopt a formal policy of including sell-on clauses (20-30%) in all player disposals and that the portfolio of potential future sell-on revenue be disclosed in the annual report.

Scaling the model

To close the gap with Benfica, Celtic would need:

Increased academy throughput: target 10-15 professional contracts per year (currently estimated at 3-5)

Loan network: structured partnerships with Scottish Championship and international clubs for competitive minutes

Intermediate team: Celtic B currently competes in the Lowland League. Assessment of whether this provides sufficient competitive development or whether a more structured pathway is needed

Data and scouting: investment in recruitment analytics for undervalued markets

Sell-on clause discipline: systematic inclusion at 20-30% in every sale

The capital investment required: £5-10 million over three years in academy infrastructure (academy budget to £6-8m/yr), scouting technology, and loan network management. The return, based on Benfica's model, could be an additional £20-40 million per year in transfer profit within a five-year development cycle.

Part II: The market context

Chapter 6: The Scottish football economy

The broadcast constraint

Exhibit 14: Domestic broadcast deal comparison

League	Annual domestic TV deal	Clubs	Per-club average
Premier League	£1,675m	20	£84m
La Liga	£1,175m	20	£59m
Bundesliga	£940m	36	£26m
Serie A	£756m	20	£38m
Ligue 1	£420m	18	£23m
Portuguese Liga	£168m	18	£9m
Scottish Premiership	£33m	12	£2.75m

Sources: League broadcaster announcements; Deloitte Football Money League 2026.

Celtic's domestic TV income is approximately £3-4 million per year. The bottom-placed Premier League club received approximately £100 million in central broadcasting payments in 2024/25. This single data point explains why Celtic cannot compete on wages, transfer fees, or infrastructure investment with even the weakest English club. [Deloitte Football Money League 2026]

This is not fixable by Celtic PLC. The Scottish broadcast market is a function of population (5.4 million), disposable income, and international appeal.

What Celtic can control is: (a) maximising non-broadcast revenue streams; and (b) ensuring Champions League qualification as frequently as possible, which plugs Celtic directly into UEFA's distribution, worth approximately £30-50 million per qualifying season.

The celtic-rangers duopoly

Celtic and Rangers account for approximately 70% of SPFL revenue. Celtic has won 12 of the last 13 league titles. The last non-Old Firm champion was Aberdeen in 1985. [SPFL; scottishfootball.info]

For Celtic, the duopoly is simultaneously an advantage (domestic dominance is virtually guaranteed) and a constraint (the league's lack of competitive depth suppresses its market value). Domestic title revenue is a baseline, not an upside case.

UEFA coefficient and access

Scotland's UEFA coefficient has improved significantly, driven by Celtic's Champions League performances and Rangers' Europa League final in 2022. The reformed CL format may benefit Scottish clubs through additional qualification places. However, coefficient improvement is fragile. A single poor European campaign by both Old Firm clubs could erode several years of progress. [UEFA coefficient rankings]

Chapter 7: The Celtic Paradox

The thesis

Celtic is Europe's biggest small-league club. Consider:

Exhibit 17: Celtic's position: brand rank vs revenue rank

Metric	Celtic's rank (est.)	Revenue rank	Gap
Average attendance	12th in Europe	50th+	38 places
Global fanbase	20th-25th (est. 9m)	50th+	25-30 places
Shirt sales	15th-20th	50th+	30-35 places
Instagram followers	50th (1.0m)	50th+	0 (aligned)
Stadium capacity	25th	50th+	25 places
Brand Finance Football 50	Included (only Scottish club)	50th+	Significant

Sources: European Club Association attendance data; Deloitte Football Money League 2026; Brand Finance Football 50 2025; Social media platform data.

Celtic is the only Scottish club included in Brand Finance's annual Football 50 ranking of the world's most valuable football brands. The top 10 ranges from Real Madrid (€1.9 billion) to Tottenham (€798 million). Celtic's inclusion, somewhere in the bottom half of the ranking, confirms that the brand carries

international weight that the revenue does not reflect. [Brand Finance Football 50 2025]

The gap between Celtic's brand metrics and its revenue metrics is the Celtic Paradox. The brand says top 20-30. The balance sheet says top 50. The boardroom says top 100.

Why the Paradox exists

Three factors:

1. League broadcast revenue. The structural constraint (Chapter 5). Celtic's domestic TV income (£3-4m) versus a mid-table Premier League club's (£100m+) is a 25-30x multiplier. No operational excellence can close this within the current league structure.

2. Commercial under-monetisation. Celtic's 9 million global fans generate approximately £30 million in merchandise and an unspecified but modest amount in digital revenue. Clubs with similar fanbases in top-five leagues generate 3-5x more commercial revenue per fan. This is a commercial infrastructure gap, not a demand gap.

3. Governance inertia. No published strategic plan. No formal capital allocation framework. No structured engagement with shareholders. The board's average tenure suggests institutional comfort, not institutional challenge.

Clubs that transcend their League

Case study: Benfica

League: Portuguese Primeira Liga. Broadcast deal: €200m/yr total, €9m per club. Revenue: €231m. The most productive academy in European football: €743m in transfer profit over 10 years, €379m+ from academy graduates alone since 2015. Benfica's Caixa Campus operates on €10-12m/yr with 100+ staff, 9 pitches, and 90 residential places. The model is not about individual talent identification (Celtic does that well). It is about industrial-scale development with a structured pathway from youth to first team to sale. Benfica has built a transfer factory that generates more revenue than some clubs' entire commercial operations. [Swiss Ramble; Oakwell Sports; ISSPF]

Case study: Ajax

Revenue: €178m. The Cruyff DNA model: academy-first, with a structured pathway from age 7 to first team and an intermediate step (Jong Ajax in the Eerste Divisie). Listed on Euronext, providing capital market access. The model is fragile: Ajax posted a €52m loss in FY2025 when it missed the Champions League. The lesson for Celtic: academy models generate exceptional returns in good years but require financial resilience in bad years. The CL dependency is shared. [Swiss Ramble, Ajax Finances 2024/25]

Case study: Borussia Dortmund

Revenue: €526m. Efficient wage management (€115.5m, half Bayern's). World-record average attendance (81,000 at Signal Iduna Park). Buy-develop-sell in transfers. Listed on Frankfurt Stock Exchange with a market capitalisation of approximately €458 million (September 2025), giving an EV/Revenue ratio of approximately 0.79x. Dortmund benefits from a significantly stronger domestic broadcast deal (€1.121bn/yr for the Bundesliga). It is a big fish in a mid-sized pond, not a small one. [Dortmund Annual Report FY2025; Investing.com]

Case study: Club Brugge

Revenue: €100m (estimated). The closest structural comparator to Celtic. Operates from a league (Belgian Pro League) with limited broadcast revenue. Has achieved consistent Champions League qualification through domestic dominance and strategic player development. Leverages CL revenue for transfer market activity. Demonstrates that even a €100m club can become a CL regular if European qualification is treated as a strategic priority, not an aspiration. The primary lesson: Brugge has done this with weaker cultural reach and a smaller fanbase than Celtic. If Brugge can, Celtic's failure to do so consistently is a choice, not a constraint. [Swiss Ramble; Deloitte Football Money League]

The common thread: strategic intentionality. Each of these clubs has a published or clearly articulated model. Celtic has none. The board runs the club year to year, reacting to opportunities rather than creating them.

Chapter 8: The competitive context of European football

Rangers: the domestic context

Exhibit 19: Celtic vs Rangers financial gap

Metric (FY2025)	Celtic	Rangers	Gap
Revenue	£143.6m	£94.1m	+£49.5m (53%)
Pre-tax profit / (loss)	£45.7m	(£14.9m)	+£60.6m
Cash	£77.3m	£30.5m	+£46.8m (2.5x)
Wage/revenue ratio	52%	61%	-9pp

Sources: Celtic PLC Annual Report FY2025; Rangers International Football Club Group Annual Report FY2025.

Rangers' new American consortium (Andrew Cavenagh/ParetoHealth and 49ers Enterprises, 51% acquired on 29 May 2025) injected £20 million of new equity, and Rangers held £30.5 million in cash at 30 June 2025. Rangers' revenue and profit position remains well behind Celtic's, and closing that gap will take years even with external capital. [Rangers International Football Club plc accounts to 30 June 2025]

The competitive implication: domestic dominance is not at risk in the medium term. The risk is complacency. If Celtic treats the domestic title as guaranteed

rather than as a platform for European and commercial growth, the gap between Celtic and its international peers will continue to widen.

English championship wage inflation

The Championship's total wage bill exceeded £900 million in 2024/25. Several Championship clubs now operate at wage levels comparable to or exceeding Celtic's. The risk is not that Celtic loses domestic matches to English clubs but that it loses players to them.

Exhibit 20: Wage competitiveness

Club/league	Avg. first-team wage (est.)
Top Championship club (Leeds, Burnley)	£35-50k/week
Celtic (average)	£25-35k/week (est.)
Scottish Premiership median	£5-8k/week (est.)

Sources: Deloitte Annual Review of Football Finance; media reports.

Celtic's only counters are Champions League football and cultural significance. Both are real but neither is reliable year to year.

UEFA format changes

The expanded Champions League (36 teams, league phase) increases games and total prize pool but may compress per-game revenue. Celtic benefits from expanded access but faces increased fixture congestion requiring squad depth investment. [UEFA Competition Regulations 2024/25]

Emerging threats

The Saudi Pro League and MLS represent new destinations for Celtic's best players. The Jota sale to Al-Ittihad (£25m, 2023) and the Abada sale to Charlotte FC (£10m, 2024) are early examples. As these leagues mature, Celtic's ability to retain peak-value players for the optimal 2-3 season development window will be tested. [Transfermarkt]

Part III: Governance and accountability

Chapter 9: Corporate governance assessment

Board composition and tenure

Exhibit 21: Board tenure analysis

Director	Role	Appointed	Tenure (yrs)	Independent?
Peter Lawwell	Non-exec Chairman	1995 (exec) / 1 Jan 2023 (chair)	30	No (former CEO)
Tom Allison	Senior Independent Dir.	2001	24	No (exceeds 9-yr)

Dermot Desmond	Non-executive Director	1995	30	No (major shareholder)
Brian Wilson	Non-executive Director	2005	20	No (exceeds 9-yr)
Sharon Brown	Non-executive Director	December 2016	8.5	Yes (8.5 yrs at FY2025; approaching 9-yr benchmark)
Chris McKay	Chief Financial Officer	2016	10	No (executive)
Brian Rose	Non-executive Director	July 2023	1.9	Yes
Michael Nicholson	Chief Executive Officer	Sept 2021	4	No (executive)

Source: Celtic PLC Annual Report FY2025, Directors' Report.

Note: Lawwell resigned December 2025. Allison retired April 2026. Wilson is interim chairman. These changes occurred after the FY2025 reporting date. [Celtic PLC announcements, December 2025 and April 2026]

Average non-executive tenure, excluding Brian Rose, is 22.5 years, calculated from the five longer-serving non-executive directors in Exhibit 21. The UK Corporate Governance Code (2024 revision) establishes a 9-year maximum for NEDs to be considered independent, on the basis that long tenure compromises oversight. Five of Celtic's eight directors exceeded this benchmark. [UK Corporate Governance Code 2024, Provision 10]

Celtic does not apply the UK Code. As an AIM company, it adopts the QCA Corporate Governance Code, which has lighter requirements. Nothing prevents an AIM company from voluntarily adopting the more rigorous UK Code. Several do. Celtic chooses not to. [QCA Corporate Governance Code 2024; AIM Rules for Companies]

The share structure: understanding voting power

Exhibit 22: Celtic PLC share capital (as at December 2025)

Share class	Number in issue	Nominal value	Voting rights	Dividend	Conversion
Ordinary (1p)	95,067,410	1p	Yes (1 vote per share)	At board discretion (none since 1999)	n/a
CPO (100p)	12,631,806	100p	Yes (1 vote per share)	Participates in ordinary dividends	2.08 ordinary shares per CPO
CCP (60p)	15,505,623	60p	No	3.6p/yr fixed (6% of nominal)	1 ordinary share per CCP
Deferred (1p)	Various	1p	No	No	None

Source: Celtic PLC Issued Share Capital announcement, 4 December 2025, London Stock Exchange RNS.

Voting power analysis:

Total voting shares: 95,067,410 ordinary + 12,631,806 CPO = approximately 107.7 million voting shares.

Desmond's voting position via Line Nominees gives him a concentrated ordinary-share bloc. If he were to convert his CCP shares (held via Telsar Holdings, 12.64% of CCPs = 1.96m shares) into ordinaries, his position would increase further. Bank of New York Nominees, which appears on the register at 17.71% of ordinaries (16.8m shares), is the nominee for Lindsay Trust and is a separate holding.

The practical effect: with 107.7 million voting shares in issue and approximately 29,000 individual shareholders (many holding small parcels from the McCann-era share issues), Desmond's concentrated bloc can determine the outcome of any ordinary resolution. Individual shareholders who do not aggregate their votes have no practical influence. This is the structural reality that makes CSL's aggregation model necessary. [Celtic PLC Annual Report FY2025, Substantial Shareholders]

The Lawwell question

Peter Lawwell served as CEO from 2003 to 2021 (18 years) then became non-executive Chairman in 2021. This CEO-to-Chairman transition is explicitly warned against by the UK Corporate Governance Code (Provision 9): a former CEO chairing the board cannot objectively oversee the direction they set, the team they appointed, or the culture they created. [UK Corporate Governance Code 2024, Provision 9]

Lawwell's departure in December 2025 creates an opportunity for genuine board renewal. Whether the board seizes that opportunity will be the most important governance test in Celtic's recent history.

The Desmond question

Desmond's disclosed economic interest comprises ordinary shares held via Line Nominees plus convertible preference shares held via Telsar Holdings. The aggregate look-through figure requires confirmation against the share register; CSL will restate the precise percentage in the directors' governance briefing. Hanom 1 Ltd holds a further 4.94% in convertible preference shares; the beneficial owner is not publicly disclosed and should not be attributed to any named shareholder without primary-source confirmation. [Celtic PLC Annual Report FY2025, Substantial Shareholders]

Under the UK Corporate Governance Code, a holder above 30% would be expected to enter a formal relationship agreement. The City Code on Takeovers and Mergers requires a mandatory offer at 30% for Main Market companies. Celtic is on AIM. AIM does not require mandatory offers, and the QCA Code does not require relationship agreements. Celtic's board has stated that "no formal shareholder agreement is required." [Celtic PLC Annual Report FY2025; AIM Rules; City Code on Takeovers and Mergers]

This is a governance choice, not a regulatory constraint. Desmond has been a director of Celtic PLC since 1995. Public records reviewed by CSL do not identify his attendance at an AGM since 2006. [Celtic PLC Articles and Register of Directors; CSL review of public AGM records]

The 2005 mandatory-offer whitewash. In 2005, Desmond increased his shareholding to a level that, under Rule 9 of the City Code on Takeovers and Mergers, would ordinarily have required a mandatory general offer to all other shareholders at the highest price paid in the preceding 12 months. No such offer was made. Instead, a whitewash was granted under Appendix 1 of the Code, waiving the Rule 9 requirement with the approval of independent shareholders at a general meeting. A whitewash is an exceptional waiver, not a routine corporate action. Its use in 2005 allowed Desmond to consolidate control without the discipline of an all-shareholder offer. AIM listing does not disapply Rule 9 or the whitewash procedure. This is the single most specific Code-level governance event in Celtic's recent history and has not been revisited by the current board. [Takeover Panel whitewash rulings 2005; City Code on Takeovers and Mergers, Rule 9 and Appendix 1]

Alternate directors: the dynasty question

Celtic PLC's articles of association permit the appointment of alternate directors. An alternate director may attend and vote at board meetings in place of the appointing director. Dermot Desmond's current alternate is his son, Ross Desmond. [Celtic PLC Articles of Association]

This arrangement raises a governance question that goes beyond tenure or attendance. A controlling shareholder who does not attend AGMs has installed his son as his board alternate. If the alternate exercises board votes on behalf of the appointing director, the practical effect is that the Desmond family maintains board-level control across two generations without the contested test of director independence under the UK Corporate Governance Code.

CSL will seek formal clarification from Celtic PLC on the following: how frequently has the alternate director attended board meetings in the past three years? Has the alternate voted on any material resolutions? What criteria, if any, were applied to the alternate's appointment? These are legitimate shareholder questions that Celtic PLC is obliged to address under AIM Rule 26 (adequate information for shareholders).

Board meeting attendance. Per Celtic PLC's FY2025 Annual Report, Dermot Desmond attended 0 of 6 scheduled board meetings in the reporting period. His son Ross Desmond acted as his alternate. The formal status of Ross Desmond, whether he is employed by Celtic PLC or any subsidiary, whether he receives remuneration, and whether he is subject to the same fiduciary disclosures as appointed directors, is not set out in the Annual Report. This is a stronger finding than the nominee question: a controlling shareholder who has held a board seat for 30 years has devolved attendance and voting to a family alternate whose formal accountability is undisclosed. CSL will seek written clarification from the Chairman.

The NOMAD and auditor accountability gap

As an AIM-listed company, Celtic PLC retains a Nominated Adviser (NOMAD) responsible for ensuring the company complies with AIM Rules. The NOMAD has a continuing obligation to assess the appropriateness of the company's governance arrangements and the accuracy of its public disclosures. [AIM Rules for Nominated Advisers, Rule 39]

Celtic PLC's governance report (Annual Report FY2025, pages 24-30) makes claims about the independence of its non-executive directors. Five of eight directors exceeded the 9-year independence benchmark under the UK Corporate Governance Code. The dominant shareholder has held a board seat since 1995 and attended 0 of 6 board meetings in the most recent reporting period. The accuracy of the board's independence claims warrants NOMAD and auditor scrutiny, both of whom carry continuing obligations under AIM Rules and audit standards respectively.

Similarly, Celtic PLC's auditors are responsible for ensuring the accounts give a true and fair view of the company's position. The governance report forms part of the annual report that accompanies those accounts. If the governance disclosures do not accurately represent director independence or the nature of the controlling shareholder's influence, that is a matter for the auditors as well as the NOMAD.

CSL, as a registered shareholder, is entitled to seek clarification from the CEO or Chairman on matters affecting the company. CSL intends to exercise this right formally, beginning with written questions to the Chairman on the governance matters identified in this review. This is not confrontation. It is the ordinary exercise of shareholder rights under the Companies Act 2006. [Companies Act 2006, s.314-317]

Related party transactions

Celtic PLC's annual report discloses related party transactions in the notes to accounts. CSL has reviewed the FY2025 disclosure. Any transactions between Celtic PLC and entities connected to Desmond or other directors should be monitored annually for materiality and arm's-length compliance. This paper proposes, for board and member consideration, that the audit committee publish a specific statement confirming the arm's-length nature of all related party transactions in each annual report. [Celtic PLC Annual Report FY2025, Notes to Accounts]

The CEO and management team

Michael Nicholson became CEO in September 2021, promoted from within after serving as company secretary and then as football and business operations director.

What Nicholson has delivered: Revenue growth from £63m (FY2022) to £143.6m (FY2025). Two Champions League qualifications. A record transfer window (£38.6m). Barrowfield training centre completed on budget. Wage-to-revenue ratio improvement. A functional, profitable football operation.

Where delivery has fallen short: No published strategic plan. South Stand investment deferred. Digital platform underinvestment. The 2025 AGM descended into chaos, with the Chairman making disparaging comments towards shareholders and the meeting abandoned before shareholders could ask questions. [Scotsman; Scottish Daily Express; Football Transfers, November 2025]

The question is whether the CEO has genuine strategic autonomy or whether the Lawwell/Desmond power structure constrained management's ability to act. If the former, the accountability falls on Nicholson. If the latter, the governance argument is strengthened further.

AIM vs main market

Exhibit 23: Regulatory requirements comparison

Requirement	AIM (QCA Code)	Main Market (UK CGC)
Board independence	Recommended	Required (majority independent)
NED tenure limit	No hard limit	9-year benchmark
Relationship agreement for >30% holder	Not required	Expected
Mandatory offer at 30%	Not required	Required (City Code)
Interim management statements	Not required	Required
Audit committee independence	Recommended	Required
Nominations committee	Recommended	Required (independent chair)
Strategic plan disclosure	Not required	Expected (viability statement)

Sources: QCA Corporate Governance Code 2024; UK Corporate Governance Code 2024; AIM Rules for Companies; City Code on Takeovers and Mergers.

The football governance Act 2025 and Scottish context

The UK Football Governance Act 2025 creates an Independent Regulator for English Football covering the top five tiers of the English pyramid. It does not apply to Scotland. [Football Governance Act 2025; LawInSport analysis]

However, the Act creates a regulatory benchmark against which Scottish clubs will inevitably be measured. The Act mandates minimum governance standards including fan engagement requirements, owner and director suitability tests, and financial sustainability obligations. The Scottish Football Supporters Association has explicitly called for Scotland to adopt equivalent standards. [Scottish FSA position paper; Scotsman]

Celtic's governance currently falls below even the minimum standards that England has legislated for. If the Scottish Government or Scottish FA were to adopt similar provisions, Celtic's AIM listing and QCA Code adoption would not provide protection. The regulatory direction of travel is towards greater governance requirements, not fewer. CSL's governance demands are not aspirational; they anticipate where regulation is heading.

Chapter 10: Fan engagement and shareholder voice

The current state

Celtic PLC's fan engagement consists of:

An AGM that ran for approximately 30 minutes excluding the adjournment break, was abandoned in November 2025 amid shareholder protests, with voting conducted by poll and no shareholder questions answered [Scotsman; Football Transfers; Irish News, November 2025]

A Supporters' Forum that meets three times per year (advisory only, no decision-making power, no public minutes) [Celtic PLC Annual Report FY2025]

An annual report meeting AIM's minimum disclosure requirements

There is no fan advisory board. No published engagement plan. No structured communication between AGMs. No quarterly updates.

The 2025 AGM

The November 2025 AGM was adjourned within five minutes of opening after shareholder protests. The Chairman (Lawwell) told shareholders that "disruptive behaviour is not on," to which shareholders responded, "you respect us." The meeting was reconvened after a brief adjournment and ended approximately 30 minutes later (excluding the adjournment) at 11:27am, with no shareholder questions on transfers, European performance, recruitment, or governance answered. Ross Desmond (Dermot Desmond's son) described shareholders as "bullies." The board subsequently shifted to poll-only voting and invited written question submissions. [Scotsman; Football Transfers; Irish News; Celtic Trust statement; CSL director attendance record, November 2025]

An AGM is a statutory obligation, not a favour to shareholders. The board's conduct and the abandonment of the meeting without shareholder questions being answered is a governance failure by any standard.

International comparators

Exhibit 24: Fan representation models

Club	Model	Fan voting power	Board accountability
Real Madrid	Socio-owned	90,000+ members elect president	Direct electoral
Barcelona	Socio-owned	140,000+ members elect president	Direct electoral
Bayern Munich	50+1, member majority	432,000 members elect supervisory board	Strong indirect
Dortmund	Listed, 50+1	Members hold majority voting rights	Moderate
Man United	NYSE-listed, Fan	No voting power;	Advisory

	Advisory Board	structured input	
Celtic	AIM-listed, Supporters' Forum	No voting power; advisory only	Minimal

Sources: Club constitutions and governance documentation; published governance analyses.

Manchester United, often criticised for the Glazer family's stewardship, has a more structured fan engagement framework than Celtic, including a Fan Advisory Board co-chaired by an independent barrister. [Manchester United Fan Advisory Board terms of reference]

The CSL proposition

Celtic Supporters Limited exists to aggregate the voting power of individual shareholders and season ticket holders into an organised, credible voice inside Celtic PLC. CSL is a company limited by guarantee (SC862186). Members collectively hold Celtic PLC shares through proxy agreements.

The addressable population: approximately 29,000 individual shareholders and 53,193 season ticket holders (with overlap). The target: 5,000 members within 12 months of public release (by May 2027), scaling to 25,000 by Month 24 (May 2028) and 50,000+ by Month 36 (May 2029). At the date of this paper (April 2026), CSL membership is approximately 600 and the public recruitment drive begins with this paper's release.

Chapter 11: The accountability gap

What "good governance" would look like

If Celtic PLC adopted the standards expected of any Main Market company of its size:

A majority of independent non-executive directors

A formal nominations committee with an independent chair

Maximum 9-year NED tenure

A formal relationship agreement with Desmond / Telsar

Interim management statements

A published multi-year strategic plan with KPIs

A formal fan advisory board with published terms and minutes

AGM conduct standards that treat shareholders as owners

Annual board effectiveness reviews by an external party

A viability statement covering at least three years

Enhanced reporting on capital allocation

A dividend policy or published capital deployment rationale

None requires regulatory change. None requires shareholder approval. Every item is within the board's gift.

The cost of inaction: a financial model

Exhibit 27: Cost-of-inaction model, base case, incremental revenue FY2026 to FY2030

Year	Incremental revenue (£m)	Discount factor	Discounted (£m)	Cumulative NPV (£m)
FY2026	7.3	0.909	6.7	6.7
FY2027	14.6	0.826	12.1	18.8
FY2028	22.0	0.751	16.5	35.3
FY2029	29.3	0.683	20.0	55.3
FY2030	36.6	0.621	22.7	78.0

The model estimates the incremental revenue Celtic could earn under a maximise-within-constraints reform scenario versus the status quo, over five years (FY2026 to FY2030), discounted at 10%. The reform adds revenue through three levers: stadium and matchday monetisation (premium hospitality, non-matchday events, catering and naming rights), commercial, sponsorship and digital growth, and a scaled academy and player-trading operation. The enabling capital investment, about £50m (South Stand Phase 1 around £40m, a digital platform around £5m, academy scaling around £5m), is funded from cash reserves, operating cash flow and modest borrowing, and is shown separately rather than netted. The lever assumptions are in Appendix B.1 and are anchored to the paper's own evidence: the stadium lever to the revenue-lever analysis in Chapter 3, the commercial lever to the FY2025 controllable commercial base, and the player-trading lever to the verified five-year average of player-trading gains.

On the base-case assumptions the cost of inaction is approximately £78m: the net present value, over five years, of the incremental revenue foregone by not pursuing the reform. On conservative assumptions it is about £55m, and on stretch assumptions about £107m. Undiscounted, the cumulative incremental revenue foregone is about £110m in the base case. This is the cost of governance inaction: not the cost of bad decisions, but the cost of no decisions. The figure is a model output and depends on the assumptions in Appendix B.1, which are stated so they can be challenged. An earlier draft of this paper carried a £125m figure; it could not be reproduced from its own assumptions and is superseded by this model.

The shareholder discount

Exhibit 27b: Implied equity value at peer multiples

Comparator	EV/Revenue	Celtic implied EV (£m)	Celtic implied equity (£m)	vs current mkt cap (£181m)
Dortmund	0.79x	113	113	(£68m) discount
Man United	5.1x	732	732	+£551m

				premium
Juventus	1.5x (est.)	215	215	+£34m premium
Peer average (ex-Man Utd)	1.1x	158	158	(£23m) discount

Sources: Investing.com; Yahoo Finance; Statista; Club published accounts. Celtic revenue: £143.6m. Celtic market cap: £181m (at 190p, March 2026). EV approximated as market cap (minimal debt).

The comparison is complicated by the 50+1 rule suppressing Dortmund's multiple and the Glazer premium inflating Man United's. Excluding Man United as an outlier, Celtic trades at approximately 1.26x revenue against a peer average of approximately 1.1x.

This suggests Celtic's AIM listing and governance structure are not currently creating a measurable discount in isolation. However, this comparison understates the opportunity: if Celtic moved to the Main Market and adopted UK CGC standards, access to a broader investor base, index inclusion, and institutional liquidity could drive a re-rating. The potential equity uplift from a Main Market listing, combined with a published strategic plan and governance reform, could be in the range of £35-65 million in market capitalisation. This is speculative but directionally supported by the academic literature on governance premiums and listing upgrades. [FCA research on AIM to Main Market transitions]

Chapter 11a: Women's football

A strategic review that ignores women's football is incomplete

Celtic FC Women won their first SWPL title in 2023/24 under coach Elena Sadiku. The women's first team shares the Barrowfield facility with the academy, using the full-size indoor pitch, performance gym, and associated infrastructure. [Celtic FC Women; Celtic PLC Annual Report FY2025]

Women's football revenue is not separately disclosed in Celtic's accounts. At current scale, it is almost certainly immaterial to group revenue. But the strategic potential is significant:

Deloitte projects global women's elite sport revenue will exceed \$3 billion by 2030, with women's football as the fastest-growing segment. The English Women's Super League's five-year broadcast deal with Sky Sports and the BBC is worth £65 million in total, around £13 million per year, a step up from the £7 million to £8 million per year of the previous contract. The SWPL's deal is a fraction of this, but the growth trajectory is steep. [Deloitte Women's Sport Revenue Report 2026; Women's Super League broadcast announcement, October 2024]

The governance question: is the board investing proportionately in the women's operation? Is there a published strategy for women's football development? If Celtic's brand outperforms its revenue in the men's game, the same dynamic

applies, arguably more so, in the women's game, where the competitive field is less established and early movers can build dominant positions.

This paper proposes, for board and member consideration, that the board publish a women's football strategy as part of the multi-year strategic plan demanded in Point 1 of the accountability framework.

Chapter 11b: ESG and community

Celtic FC Foundation

Celtic maintains close ties with the Celtic FC Foundation, providing substantial in-kind support. The Foundation operates community programmes including disability football, education initiatives, and social inclusion projects. The Foundation's charitable work is widely recognised and has received European Football for Development Network recognition. [Celtic PLC Annual Report FY2025; Celtic FC Foundation]

Environmental sustainability

Celtic completed its Phase 3 Energy Savings Opportunity Scheme (ESOS) report in FY2025. The club participates in the European Club Association's sustainability working group alongside UEFA. A sustainability partnership with NWH (recycling) was announced in February 2024. [Celtic PLC Annual Report FY2025; Celtic FC]

Assessment

Celtic's community and sustainability work is a genuine strength. The Foundation's programmes create real social value. However, ESG reporting in the annual report is minimal by current corporate standards. There is no standalone sustainability report. No carbon emissions data. No ESG metrics or targets. For a public company with £143.6 million in revenue, 60,000 matchday attendees, and significant community impact, the absence of structured ESG reporting is a missed opportunity.

CSL does not view ESG as a governance priority ahead of strategic planning, board renewal, and shareholder engagement. But structured ESG reporting should form part of the enhanced disclosure framework demanded in the accountability framework.

Part IV: Strategic options and action plan

Chapter 12: Strategic options analysis

Exhibit 28: Strategic options matrix

Option	Revenue uplift	Governance	Feasibility	Risk	Timeline
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1. Status Quo	Nil	Nil	High	Med-High	n/a
2. Maximise Within	£50-125m (5-yr cumul.)	Minimal	Medium	Medium	3-5 yrs
3. Structural Transform	£100-300m+	High	Low	High	5-10 yrs
4. Fan-Led Reform (CSL)	Indirect	High	High	Low-Med	1-3 yrs

Option 1: status quo

The board continues as it has. No governance reform. No published strategy. Capital accumulates. Infrastructure investment deferred.

5-year projected revenue (FY2030): £130-150 million (flat to modest growth, CL-dependent).

The status quo is the highest-certainty, lowest-return option. Celtic generates healthy profits but the gap to peers widens. Within 5-10 years, Celtic risks falling behind Benfica, Club Brugge, and potentially Rangers if their new investors execute.

Option 2: maximise within constraints

The board commits to a strategic plan: South Stand modernisation (£100-120m, phased), digital platform (£10-15m), academy scaling (£5-10m). Total: £115-145m over 3-4 years, funded from cash reserves, operating cash flow, and modest borrowing.

5-year projected revenue (FY2030): £175-200 million.

Option 2 is the rational choice for a competent board. The investments are financeable, the returns are modellable. The obstacle is institutional will.

Option 3: structural transformation

Main Market listing, private equity involvement, or European competition restructuring. Highest return, lowest feasibility. Worth monitoring but cannot form the basis of near-term strategy.

Option 4: fan-led governance reform (the CSL path)

Organised shareholder action through CSL and aligned groups to drive governance reform from within the existing corporate framework.

Option 4 is not a revenue strategy. It is an enabling strategy. Better governance creates the conditions for Options 2 and 3.

Recommendation: Option 4 first, creating the governance conditions for Option 2. Monitor Option 3 as a long-range possibility.

Chapter 13: The CSL accountability framework

The 12-point governance demand

Tier 1: Immediate (achievable within 12 months, zero cost)

Publish a multi-year strategic plan with measurable KPIs, reviewed annually

Establish a formal fan advisory board with elected representatives and published minutes

Publish a relationship agreement between Celtic PLC and Desmond/Telsar

Reform AGM conduct. Minimum three-hour session. Pre-submitted questions answered. Independent moderator.

Publish interim management statements (half-yearly minimum)

Tier 2: Medium-term (12-24 months, modest cost)

Board renewal programme. 9-year NED maximum. Independent nominations committee. Open recruitment.

Annual board effectiveness review by external party

Capital allocation framework. Published policy covering cash targets, infrastructure criteria, player investment, dividend policy.

Digital and commercial strategy. Published plan for global fanbase monetisation.

Tier 3: Structural (24-36 months, sustained pressure)

Consider Main Market listing. Formal board assessment of costs and benefits.

Academy investment plan. Published five-year plan targeting Benfica-level throughput.

Stadium investment decision. Published position on South Stand: timeline, funding, revenue projections.

Engagement escalation ladder

Exhibit 32: Escalation approach

Stage	Action	Trigger
1. Private engagement	Letter to Chairman, meeting request	Initial approach
2. Public request	Open letter, media engagement	No response within 30 days
3. AGM action	Shareholder resolutions, bloc voting	No engagement within 90 days
4. Regulatory and legal	AIM regulation complaint, legal review of board duties	Material governance failures

5. Commercial pressure	Sponsor engagement, media campaign, institutional investor outreach	Sustained refusal to engage
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Risk register for option 4

Exhibit 32b: CSL path risk register

Risk	Likelihood	Impact	Mitigation
Board files legal challenge against proxy aggregation	Low	High	Pre-cleared with corporate lawyer; model is standard practice for shareholder groups
Desmond converts CCP to ordinary, increasing voting bloc	Medium	Medium	Conversion would trigger disclosure; CSL strategy is influence through voice, not control through votes
Board makes cosmetic concessions ("strategy update" with no substance)	High	Medium	Governance scorecard with measurable KPIs; annual audit against specific demands
CSL perceived as hostile takeover vehicle	Medium	High	Consistent messaging: governance reform, not regime change. Constructive tone in all communications.
Membership growth stalls below 5,000	Medium	High	Coalition with Celtic Trust and Celtic Fans Collective; this paper as recruitment tool; media profile
Fan fatigue or apathy	Medium	Medium	Keep demands specific and achievable; celebrate wins; regular member communication
Board weaponises AGM rules to block resolutions	Low-Med	Medium	Legal advice on shareholder resolution rights; Companies Act 2006, s.338 (right to propose resolutions at 5% of voting rights or 100 shareholders)

Membership-to-influence model

Exhibit 33: Membership milestones

Membership	Voting bloc (est.)	Influence lever
1,000	<1%	Credibility established
5,000	~2%	Formal recognition, media credibility
10,000	~5%	AGM resolutions carry weight
25,000	~12%	Bloc voting can influence board elections
50,000	~23%	Largest organised voice in Scottish football
100,000	~46%	Largest single shareholder bloc; decisive on most ordinary resolutions, short of an outright majority

Assumption: members hold an average of 500 voting shares each (mix of ordinary and CPO). Actual influence depends on share concentration and proxy participation rates.

The addressable population: 29,000 individual shareholders and 53,193 season ticket holders. The 25,000 target by Month 24 requires a conversion rate of approximately 30% of the combined addressable base. This is ambitious but achievable with sustained media presence, this paper as a recruitment tool, and coalition partnership.

Chapter 14: Implementation roadmap

Phase 1: Foundation (months 1-6)

Publish this strategic review

Launch public membership drive (target: 5,000 members within 12 months of release)

Write to incoming Chairman with 12-point governance demand (Tier 1)

Media engagement: position CSL as constructive, evidence-based, credible

Potential Coalition building.

Attend AGM with organised question plan and pre-submitted resolutions

Phase 2: pressure (months 6-18)

Publish first CSL Governance Report Card

Escalate per engagement ladder based on board response

Propose shareholder resolutions on strategic plan and fan advisory board

Engage institutional shareholders and proxy advisory firms

Target membership: 10,000-25,000

Quarterly "State of Celtic PLC" reports

Phase 3: reform (months 18-36)

Board renewal: support independent NED candidates

Push for relationship agreement and Main Market assessment

Annual Celtic PLC Strategic Audit (this paper updated)

Target membership: 25,000-50,000

Exhibit 35: Success metrics dashboard

Metric	Target	Timeline
CSL membership	25,000	24 months
Strategic plan published by Celtic PLC	Yes/No	12 months
Fan advisory board established	Yes/No	12 months
Relationship agreement published	Yes/No	18 months
Board NED tenure average	<9 years	36 months
Matchday revenue per seat	>£500	5 years
Celtic Deloitte Money League ranking	Top 25	5 years

Chapter 15: The rational-board hypothesis

15.1 statement

The rational-board hypothesis, formally H2 in Chapter 0.2, holds that Celtic PLC's observed commercial outcomes are fully explained by the Scottish Premiership broadcast-income ceiling, the club's revenue scale, and rational capital discipline under those constraints. Under this hypothesis, governance design does no independent work. Any reform that increases capital deployment outside the current cash-conservation strategy is value-destroying because the incremental return on capital in a capped market is below the cost of capital.

This is the strongest single counter-argument to the paper's inertia thesis. It must be engaged directly. It is engaged here.

15.2 evidence consistent with the rational-board hypothesis

Five pieces of evidence from Celtic PLC's own record support the rational-board hypothesis.

First, four consecutive profitable years in FY2022 to FY2025; FY2021 recorded a pre-tax loss, as set out in Exhibit 1. A club that was in governance-driven underperformance would not typically produce consistent profits over a four-year window without either cash-flow pathologies or accounting distortions. Neither has been identified.

Second, an improving wage-to-revenue ratio over the observation window. The Szymanski-Kuypers relationship predicts that sustained sporting success requires wage investment at or above a threshold relative to peer clubs. Celtic PLC has achieved sustained sporting dominance while reducing its wage-to-revenue ratio. On the standard framework, this is efficient capital allocation.

Third, 136% revenue growth over the five-year window. This rate of revenue growth substantially exceeds what could be achieved by passive governance. It implies active commercial decision-making at the board and executive level during the same period the paper argues governance has been inert.

Fourth, a fortified balance sheet. Cash balances at the end of FY2025 materially exceed the level that pure operating requirements would demand. A cautious interpretation is that the board is maintaining a liquidity buffer against uncertainty in broadcast income, European qualification, and player-trading volatility. This is rational capital preservation.

Fifth, the Scottish Premiership broadcast market is structurally capped. The total domestic SPFL broadcast pot, primarily Sky Sports and Premier Sports, is approximately £33 million per season for 12 clubs (Exhibit 15), giving Celtic a domestic broadcast share of approximately £3 to £4 million per year. UEFA solidarity payments add a few million in non-Champions League years; Champions League prize money in qualifying years adds £30 to £50 million

(Chapter 5). The Premier League equivalent is approximately £100 million per club for the bottom-placed club. The structural domestic broadcast differential, before any UEFA-driven swing, is an order of magnitude larger than any governance-addressable commercial uplift that plausibly exists.

15.3 where the rational-board hypothesis fits the evidence

The hypothesis fits the headline financial record. Celtic PLC is not a financially distressed club. It is not losing money. It is not carrying unserviceable debt. It is producing above-peer sporting performance within a structurally capped environment. On those terms, a rational board is doing a large part of what a rational board should do.

The hypothesis also fits the observed conservatism on major infrastructure decisions. A rational board in a capped-market club facing uncertainty about European qualification, UEFA coefficient trajectory, and broadcast-pool sustainability would exhibit a high internal hurdle rate for infrastructure capex and would under-invest relative to what the Szymanski-Kuypers framework would predict if Celtic were a big-five league club.

15.4 where the rational-board hypothesis does not fit the evidence

Five observations are harder to reconcile with the rational-board hypothesis.

First, the absence of a published multi-year strategic plan across the 38-year history of Celtic PLC as a listed company. The QCA Corporate Governance Code principle 1 asks firms to establish a strategy and business model that promotes long-term value. The absence of a published strategic plan is compatible with either (a) rational discretion over disclosure or (b) absence of a multi-year strategy. Institutional theory suggests (a) may be partly true at AIM-listed football clubs generally. That does not rule out (b) also being true at Celtic specifically. A rational board would typically have, and at least partially disclose, a multi-year framework for infrastructure, commercial and academy investment. Its absence is not conclusive evidence of inertia but is difficult to explain purely on rational-discretion grounds over a 38-year window.

Second, the 0 of 6 board meetings attended by the largest economic shareholder in FY2025. A rational board design does not require the largest economic shareholder to be a director. It is not unusual for large institutional or family-office investors to elect not to sit on boards of investee companies. Celtic PLC's design does include the largest economic shareholder as a director. Given that design choice, attending zero scheduled board meetings in the most recent year is not a pattern a rational board design would produce. Either the design should be changed (to a non-director role for the shareholder), or the attendance pattern should be.

Third, the alternate-director arrangement with the son of the largest shareholder, without disclosure of the son's formal employment, remuneration,

or fiduciary capacity at Celtic PLC. A rational board would disclose this, because the alternate-director role carries fiduciary obligations under Companies Act 2006 that depend on the individual's other connections to the firm. The disclosure gap is small in isolation but is a specific observable inconsistency with rational-board governance.

Fourth, the revenue-per-seat gap versus directly comparable Premier League clubs at roughly six times. Part of this gap is structural, because Premier League matchday pricing, hospitality, and brand premium are supported by the Premier League's broadcast-market dominance. Part of this gap is not structural. Tottenham Hotspur Stadium specifically was built on a thesis of non-matchday revenue maximisation through NFL hosting, concerts, and visitor attractions. Celtic Park has analogous infrastructure optionality that has not been developed to the same degree. The incremental capex required to close a portion of the gap has not been evaluated in public disclosure. A rational board would have evaluated it and disclosed the conclusion (positive or negative NPV).

Fifth, the Frimpong, van Dijk, and other academy-to-elite sell-on structures that have produced high realised returns relative to academy operating cost. A rational board would extend the academy's proven path by disclosing the investment rate and return on investment over the observation window. Public disclosure on academy economics is thin. This is consistent with AIM governance norms. It is not fully consistent with the rational-board hypothesis that disclosure would match the quality of the underlying strategy.

15.5 resolution

The paper concludes that the rational-board hypothesis has substantial explanatory power for the headline financial record but does not fully account for the five observations in 15.4. The hybrid hypothesis H4, which accepts rational capital conservation on the dominant structural margin while arguing for targeted governance reform on the specific identifiable margins where a peer-benchmarked gap exists independent of the broadcast cap, is the best-fitting explanation of the evidence.

Under H4, the policy implication is not wholesale governance overhaul. It is targeted reform on five identifiable margins: (a) published multi-year strategic plan, (b) disclosure-grade academy economics, (c) infrastructure optionality evaluation and disclosure, (d) rationalisation of the board composition to reflect the actual engagement of the largest shareholder, and (e) full disclosure of alternate-director arrangements and any related employment or remuneration.

15.6 falsification criteria for h4

If Celtic PLC publishes a multi-year strategic plan, rationalises its board composition, and narrows the revenue-per-seat gap by 25% or more over a five-year window without a material deterioration in margin, H4's prescriptions will have been validated. If it does these things and performance does not improve, H4 is weakened. If Celtic PLC does none of these things and performance

continues to improve on current trajectory, H4 is weakened and H2 (the rational-board hypothesis) is strengthened.

Chapter 16: Socio-model and member-governance counter-evidence

16.1 the question

A panel reviewing this paper will ask why CSL's proposed hybrid governance model should be expected to produce better outcomes when the empirical record of full socio and member-owned football clubs is mixed to negative. This chapter addresses that question directly.

16.2 Barcelona

FC Barcelona is a socio-owned club with approximately 144,000 voting members. Its financial record over the last decade is a cautionary case. By FY2021 reporting, the club carried gross debt in the range of €1.35 billion, of which a substantial portion was short-term and current. The club has executed a sequence of asset-sale "levers" including monetisation of future television revenue rights, partial sale of Barca Productions, and similar. Wage commitments over the 2016 to 2021 period exceeded 100% of revenue in some quarters. Presidential electoral cycles have been associated with inflationary wage decisions driven by political incentives.

16.2.1 Benfica as a scale comparator. Benfica operates a different legal structure (a sociedade anónima desportiva, SAD, with a controlling member association) but supports over 400,000 paying members, the largest paying membership of any football club in the world; Benfica passed the 400,000 mark in February 2025. The Benfica case demonstrates that organised, paying mass-participation membership at the 100,000-plus scale is achievable in European football outside the pure Spanish socio model, and that such a base can coexist with a listed investment vehicle and disciplined capital allocation. CSL's 12-month target of 5,000 members is approximately 1.25% of Benfica's membership base; the 36-month aspiration of 50,000 is approximately 12.5%. These ratios are not inflated relative to the comparator. [SL Benfica membership announcement, 26 February 2025]

16.2.2 FC Copenhagen as a listed-parent comparator. FC Copenhagen sits inside Parken Sport and Entertainment, listed on Nasdaq Copenhagen since 1997. The parent company reported group revenue of DKK 1,404.86 million in 2024 (around EUR 188 million), of which football is one segment alongside the Lalandia waterpark business, the Fitness World gym chain, and the venue operation at Parken stadium. Parken hosts more than 300 concerts since 1992 (Beyonce, Coldplay, Rolling Stones, AC/DC) and the Geranium Michelin three-star restaurant operates from the eighth floor of the stadium. FC Copenhagen plays in the 14-club Danish Superliga with an annual league broadcast pot of approximately EUR 43 million in total. The Copenhagen case is evidence that listed-parent governance combined with diversified revenue lines around the football operation produces both stronger non-matchday utilisation of the stadium asset and balance-sheet resilience to football-cycle variance. Celtic Park is a 60,411-seat stadium in a major city with no comparable non-matchday

programme and no listed-parent diversification structure. The implication for the CSL proposal is that the case for listed-grade disclosure discipline at Celtic plc is reinforced by the Copenhagen comparator: the Copenhagen model would not have been possible without the Nasdaq listing of the parent.

The Barcelona case is evidence that socio ownership, without an independent financial-discipline check, produces a specific set of pathologies: electoral short-termism, wage inflation, balance-sheet deterioration. These pathologies are not inevitable consequences of fan ownership but are observed consequences of the specific Barcelona design where presidential election by members combines with minimal independent supervisory oversight of financial decisions.

The CSL proposal in this paper does not replicate the Barcelona design. CSL's proposed model retains the listed minority float, retains the concentrated controlling shareholder in a reformed but continuing role, and introduces a protected fan-held tranche plus an independent supervisory body. The financial-discipline check that Barcelona lacks is preserved in the CSL model through the listed status and through the supervisory body's veto on capex and wage decisions above a defined threshold.

16.3 Schalke 04

Schalke 04 is a 50+1 club with member governance. It entered severe financial distress in the 2020 to 2021 period and was relegated from the Bundesliga at the end of the 2020-21 season. Post-relegation financial disclosures revealed multiple years of operational losses, unsustainable wage commitments, and a member-governance structure that had been susceptible to successive executive boards prioritising short-term sporting commitments over financial discipline. Cleland et al. (2018) characterised Schalke's governance pathology as "incumbent-management capture," where the member body's oversight was exercised through information channels controlled by the same executive team the oversight was meant to discipline.

The Schalke case is evidence that member governance without structural information-independence between supervisory and executive functions can fail. The CSL proposal addresses this directly by proposing a supervisory body that is structurally independent of the executive board, with its own secretariat, legal advice, and information-channel to members, and with a defined veto scope rather than a general oversight role. The distinction matters. Defined-veto supervision is empirically more robust against capture than general oversight.

16.4 Borussia Dortmund

Borussia Dortmund GmbH operates a dual structure: 50+1 fan control through the member association plus a listed minority float of approximately 74%. Dortmund's financial record over the last decade has been more favourable than Barcelona's or Schalke's. The club has operated profitably in most years, has produced a strong academy pipeline with significant transfer income, has maintained European qualification regularly, and has avoided financial distress. Its equity multiple trades at a lower level than the big five league clubs of

equivalent revenue scale, which has been interpreted by some analysts as a fan-ownership discount and by others as a reflection of the German tax and regulatory environment for listed sports entities.

Müller et al. (2012) concluded that Dortmund's combination of 50+1 and listed float produced lower financial volatility and lower distress probability than pure-listed peers, at the cost of a lower equity multiple. This is a recognisable risk-adjusted trade-off and is a favourable comparator case for the CSL hybrid proposal.

16.5 Manchester United

Manchester United's ownership by the Glazer family over the 2005 to present period is the most frequently cited case of what absentee private equity ownership can produce at a major football club. The Manchester United record is mixed. Commercial revenue has grown materially. Debt-servicing costs have consumed a substantial share of operating cash flow in most years. Competitive performance has deteriorated relative to the Ferguson-era baseline. Fan relations have been consistently adversarial.

The Manchester United case is not evidence that fan ownership would necessarily have done better. It is evidence that ownership design that combines (a) high leverage and (b) controlling-shareholder extraction of dividends and management fees can produce fan-financial-performance divergence. The CSL proposal does not address a Manchester United-type design because Celtic PLC does not have a Manchester United-type ownership structure. The relevant counter-factual for Celtic is not "what would fan ownership look like versus the Glazer ownership?" It is "what would a hybrid design look like versus concentrated AIM-listed ownership with a long-term financial owner?"

16.6 implications for Celtic PLC

The counter-evidence from Barcelona, Schalke and the Manchester United case does not support pure socio ownership for Celtic PLC. The evidence from Dortmund supports a hybrid model with specific structural features: independent supervisory oversight, defined veto scope rather than general oversight, retained listed-minority financial discipline, and a structurally independent information channel between the supervisory body and the fan constituency.

CSL's proposed model in Chapter 12 is designed around these features. It is closer to the Dortmund-plus-Michie-Oughton framework than to the Barcelona or Schalke designs. The counter-evidence is addressed by design, not by argument.

Chapter 17: Limitations

17.1 selection bias

The paper's peer selection is vulnerable to selection bias. Benfica, Ajax, and FC Porto are named as comparators on academy productivity. All three are clubs selected partly because their academy output is strong, which creates a risk that the comparison favours the paper's argument. The V5 revision introduces a second peer set selected on revenue scale and listing status rather than academy output (Juventus, Lazio, AFC Ajax NV listed, Borussia Dortmund GmbH, Olympique Lyonnais, AS Roma) to separate the governance effect from the selected-on-outcome effect. The revenue-scale peer set is a less favourable comparison for Celtic on most metrics. The paper's conclusions must hold against both peer sets to be defensible.

17.2 advocacy frame

The paper is written and published by Celtic Supporters Limited. Its directors have an interest in the matters discussed. This creates a risk of motivated reasoning. The paper mitigates this risk through three mechanisms: (a) pre-registered hypotheses in Chapter 0.2 before the evidence is presented, (b) explicit falsification criteria in Chapters 15.6 and elsewhere, and (c) direct engagement with the rational-board null hypothesis in Chapter 15 rather than a dismissive treatment. These are mitigations, not eliminations. A reader should weigh the paper's findings with the advocacy frame in mind.

17.3 counterfactual unverifiability

The £125 million cost-of-inaction figure and the £35 to £65 million equity uplift range in Chapter 11 are model outputs. The underlying assumptions are stated in Appendix B. No counterfactual can be verified against realised data because the counterfactual universe does not exist. The model's defensibility rests on the reasonableness of the assumptions and the robustness of the sensitivity analysis, not on empirical verification of the point estimates.

17.4 aim-main market confound

Many of the governance observations made in Chapter 9 could be interpreted as consistent with AIM listing norms rather than as Celtic-specific governance failings. The paper partially addresses this by comparing Celtic PLC against AIM-listed peers where possible, but the football-club subset of AIM-listed firms is small and the comparison cases are not always clean. Some of the governance prescriptions in Chapter 13 implicitly assume Main Market standards. Readers should weigh whether those prescriptions survive the translation to AIM.

17.5 data limitations

Some quantitative claims (adidas kit deal, Frimpong sell-on clause, Real Madrid and Arsenal matchday revenue) rely on practitioner reporting and estimates rather than primary disclosures. These are flagged in Appendix C. Where a figure could not be primary-sourced within the observation window, it is presented as a ranged estimate with the range declared.

17.6 external validity

The paper's findings and prescriptions are specific to Celtic PLC. The degree to which they generalise to other clubs depends on the club's position on the seven features used to justify Celtic's case selection in Chapter 0.4. Clubs lacking any of those features (for example, not AIM-listed, not broadcast-capped, not under concentrated ownership) will produce different trade-offs under the same frameworks. The paper does not claim a general theory of listed football governance. It claims a specific analysis of a specific club with specified boundary conditions.

17.7 temporal bounds

The observation window is FY2021 to FY2025. Material developments after April 2026 may change the relevant facts. The paper's falsification criteria in Chapters 15.6 and elsewhere provide the framework for reassessment as new data arrives.

Appendix A: Methodology

A.1 research design

The paper combines three methods: (a) quantitative analysis of Celtic PLC's public financial disclosures FY2021 to FY2025, (b) peer-group benchmarking against two separately constructed peer sets, and (c) scenario-based financial modelling with declared assumptions and sensitivity analysis. The design is explicitly a case-study analysis, not an econometric study. The sample size (n=1 for Celtic, supplemented by peer comparators) does not support regression-based inference. Causal claims are presented as hypotheses to be tested against the evidence, not as demonstrated facts. Where the paper asserts a causal relationship, it is identified as a hypothesis under test and paired with falsification criteria.

A.2 case selection

Celtic PLC was selected on seven features listed in Chapter 0.4: sporting dominance in a capped-market league, structurally capped broadcast environment, AIM rather than Main Market listing, concentrated ownership via nominee vehicles, public-record governance events (the 2005 Rule 9 whitewash), an organised shareholder base capable of collective action, and four consecutive years of profitability, FY2022 to FY2025. The combination of these seven features is unique within European listed football clubs as of April 2026. The selection is therefore purposive. The paper does not attempt to generalise from Celtic to a broader population; it analyses a specific case and tests specified hypotheses against that case.

A.3 peer-group construction

Two peer sets are constructed. Peer Set A is selected on governance variables (fan influence, ownership concentration, supervisory structure) and comprises FC Barcelona, Real Madrid, Athletic Bilbao, Borussia Dortmund GmbH, Schalke 04, and FC Porto. Peer Set B is selected on revenue scale and listing status, comprising Juventus FC SpA, SS Lazio SpA, AS Roma SpA, AFC Ajax NV, Olympique Lyonnais Groupe, and Borussia Dortmund GmbH. Peer Set B provides the control group for isolating the governance-design effect from the revenue-scale effect. Peer Set A provides the variance in governance design required to evaluate the governance-effect direction and sign.

Data for peer clubs is drawn from published annual reports, Deloitte Football Money League editions 2020 to 2025, UEFA European Club Finance and Investment Landscape Report, and where necessary Companies House equivalents (CMVM in Portugal, CNMV in Spain, Borsa Italiana filings in Italy, AFM in the Netherlands, BaFin in Germany).

A.4 data sources

Celtic PLC financial data: Annual Reports FY2021 through FY2025, RNS announcements over the observation window, Companies House filings for Celtic PLC (SC003487) and associated companies, broker register extracts for

the shareholder register, AIM Rule 26 disclosure page on the Celtic PLC investor relations website. Governance events: Takeover Panel public record for the 2005 Rule 9 whitewash, FCA Handbook provisions on AIM listing, QCA Corporate Governance Code 2024 edition, UK Corporate Governance Code 2024 edition. Peer data: as in A.3 above. Football industry benchmarks: Deloitte Football Money League 2020-2025, UEFA ECFIL Report, Brand Finance Football 50, UEFA Club Licensing Benchmarking Report.

A.5 counterfactual construction

The cost-of-inaction figure is constructed as the net present value, over a five-year forward horizon, of the incremental revenue Celtic could earn under a specified reform scenario versus the status quo, discounted at 10%. It is incremental revenue, not free cash flow, and not an equity valuation; the enabling capital investment is shown separately and not netted. The reform adds revenue through three levers, quantified in Appendix B.1. The counterfactual is not verifiable. Its defensibility rests on the plausibility of each lever assumption against the paper's own evidence and against peer benchmarks. The paper does not claim the figure is precise. It presents a base case of about £78m within a range of about £55m to £107m, and the full model is an auditable spreadsheet.

A.6 sensitivity and scenario structure

The model is run on three assumption sets, conservative, base and stretch, set out in Appendix B.1 and B.2. The conservative case produces a net present value of about £55m, the base case about £78m, and the stretch case about £107m. The equity-uplift range in Chapter 11 is derived separately, by applying a revenue multiple to the incremental year-five revenue; the derivation is in Appendix B.3. An earlier draft carried a cost-of-inaction figure of £125m, which could not be reproduced from its own stated assumptions and is superseded by the model described here.

A.7 falsification criteria

The paper's four hypotheses are stated in Chapter 0.2. Falsification criteria for each are:

H1 (inertia): falsified if Celtic PLC's commercial performance over a five-year forward window continues to track or outperform Peer Set B without any reform to the governance characteristics identified in Chapter 9. H2 (structural, null): falsified if Celtic PLC implements any subset of the Chapter 13 prescriptions and the revenue-per-seat gap, commercial revenue, academy output, or digital revenue improves materially relative to Peer Set B's trajectory over a five-year forward window. H3 (reverse-causation): falsified if competitive pressure increases materially (for example, Rangers wins three consecutive titles) and Celtic's governance design does not change. Falsified in the other direction if Celtic's governance design changes substantially in the absence of any increase in competitive pressure. H4 (hybrid): falsified if the targeted reforms in 15.5 are implemented and either (a) no material performance improvement results, or (b) material unintended financial deterioration results.

A.8 limitations declared

See Chapter 17.

Appendix B: Quantitative models

B.1 cost-of-inaction model

Inputs, FY2025 actuals from the audited accounts:

- FY2025 revenue £143.6m; reported segments football and stadium operations £61.2m, merchandising £30.1m, multimedia and other commercial £52.3m.
- Estimated matchday revenue approximately £20m; Celtic does not disclose matchday revenue separately, so this is estimated as set out in Chapter 3.
- Controllable commercial and sponsorship revenue approximately £30m, the portion the reform can grow, excluding broadcast and UEFA income.
- Player-trading gains, five-year average £18.2m a year (£90.9m over FY2021 to FY2025).
- Reform horizon five years, FY2026 to FY2030; discount rate 10% nominal; phasing on a straight line.

Revenue levers, year-five incremental run-rate, base case:

- Stadium and matchday monetisation: plus £21m by year five, anchored to the revenue-lever analysis in Chapter 3, which estimates £16m to £26m of incremental stadium revenue from premium hospitality, non-matchday events, catering and naming rights.
- Commercial, sponsorship and digital: plus £12m by year five, about 40% of the controllable commercial base.
- Player trading and academy: plus £3.6m a year by year five, about 20% of the five-year average of player-trading gains.
- Total incremental revenue of about £37m a year by year five.

Discount rate 10% nominal. Horizon five years. The enabling capital investment of about £50m (South Stand Phase 1 around £40m, digital platform around £5m, academy scaling around £5m) is shown separately and not netted.

Resulting base-case net present value of incremental revenue: approximately £78m. The conservative case is about £55m and the stretch case about £107m (Appendix B.2). Undiscounted cumulative incremental revenue over the five years is about £110m in the base case.

B.2 sensitivity Table for b.1

Scenario	Year-5 uplift (£m)	NPV at 10% (£m)	Cumulative (£m)
Conservative	26	55	78
Base	37	78	110
Stretch	50	107	150
Discount rate / horizon	10% / 5 years		
Enabling capital investment	50 (memo, not netted)		

The model is run on three assumption sets. The conservative set lowers each lever; the stretch set raises each. Conservative: year-five uplift about £26m, net

present value about £55m, cumulative undiscounted about £78m. Base: about £37m, £78m and £110m. Stretch: about £50m, £107m and £150m. The discount rate and the straight-line phasing are held constant across the three.

B.3 equity uplift model

The equity-uplift range of £35m to £65m is derived as follows. The reform adds incremental revenue of about £26m (conservative) to £50m (stretch) a year by year five. Celtic PLC currently trades at about 1.26x revenue (market capitalisation of about £181m against FY2025 revenue of £143.6m). Applying a revenue multiple in the range 1.1x to 1.3x to the incremental year-five revenue gives an equity-value translation of about £29m to £65m. The paper adopts the range £35m to £65m. An earlier draft applied a 0.4x multiple, which was inconsistent with the 1.26x stated elsewhere in this paper; that derivation is superseded.

B.4 falsification criterion for b.1 and b.3

If the reform scenario's four components are implemented in any subset and at least three of them produce the base-case uplift or better, the model is partially validated. If none of them produces the base-case uplift when implemented, the model is refuted.

B.5 revenue-per-seat gap decomposition

The paper asserts a revenue-per-seat gap between Celtic Park and Tottenham Hotspur Stadium of approximately 6x. This is decomposed as follows.

Structural component (explained by broadcast-market asymmetry supporting matchday pricing): approximately 2.5x. Hospitality mix component (explained by Tottenham's higher hospitality inventory ratio): approximately 1.5x. Non-matchday utilisation component (explained by Tottenham's NFL hosting, concert income, and visitor attraction revenue): approximately 1.3x. Residual attributed to governance-addressable factors (pricing strategy, customer segmentation, digital ticketing, loyalty programme design): approximately 1.25x.

The residual is the portion the paper argues is governance-addressable. The decomposition is a rough allocation and is sensitive to the precise definitions used. Full methodology in Appendix B data pack (separate spreadsheet).

Appendix C: Source reconciliation

Each quantitative claim in the paper is classified as:

- S1: primary-sourced from public disclosure (Annual Report, RNS, Companies House)
- S2: derived from S1 disclosures using explicit methodology stated in-text or in appendix
- S3: practitioner-sourced (Deloitte, Swiss Ramble, Brand Finance, sector press)
- S4: estimate with declared range and methodology
- S5: withdrawn pending primary-source confirmation

C.1 claims reviewed in v5

Claim	V4 classification	V5 classification	Action
Celtic FY2025 revenue £143.6m	S1	S1	No change
Revenue growth 136% over 5 years	S2	S2	Methodology in Ch 2
Wage-to-revenue ratio FY2021-FY2025	S2	S2	Methodology in Ch 2
£340 matchday per seat Celtic	S2	S2	Methodology: annual matchday revenue divided by average home attendance, stated in Ch 3
£2,074 matchday per seat Tottenham	S2	S2	Same methodology applied to Tottenham disclosures
6x revenue-per-seat gap	S2	S2	Derivation in B.5
adidas kit deal £5-8m p.a.	S3	S4	Converted to ranged estimate with SportBusiness source
Real Madrid matchday ~£200m	S3	S3	Deloitte Football Money League 2024
Arsenal matchday ~£120m	S3	S3	Deloitte Football Money League 2024
Academy spend £3-5m	unsourced	S4	Converted to declared estimate with methodology
Digital revenue £3-5m	unsourced	S4	Converted to declared estimate with methodology
Frimpong sell-on clause £9m	S3	S3	Public reporting, with source note
Cost of inaction, base case ~£78m (range £55-107m)	unsourced	S4	Rebuilt model, Appendix B.1-B.2; supersedes the v8.3

			£125m figure
£30-80m equity uplift (V4)	unsourced	S4 (narrowed to £35-65m)	Model in Appendix B.3, re-derived on the corrected 1.26x revenue multiple
Aggregate "approximately 35%" Desmond	S2 with reconciliation issue	S5	Withdrawn pending primary-source confirmation
Desmond director since 1995	S1	S1	Annual Report and Companies House
Desmond "1994 (economic)" reference in Table 18	Annual Report	reconciled	Footnoted: economic interest dates from 1994 via Rapid Enterprises; formal directorship dates from 1995
Desmond 0 of 6 board meetings FY2025	S1	S1	Annual Report
Ross Desmond as alternate director	S1	S1	Annual Report
Formal employment and remuneration of Ross Desmond	unavailable	unavailable	Disclosure gap noted in Ch 9
2005 Rule 9 whitewash	S1	S1	Takeover Panel public record
NED average tenure 22.5 years	S2	S2	Recalculated from the Exhibit 21 board table; corrected from 17 years in v8.4
Benfica €743m transfer profit over 10 years	S3	S3	Transfermarkt and CMVM filings, aggregated
Benfica academy scale	S3	S3	Club disclosures and academic literature

C.2 withdrawn or deferred claims

Aggregate Desmond economic interest "approximately 35%": withdrawn. No replacement figure until primary-source reconciliation is completed. Individual holdings by nominee vehicle are presented in Chapter 9. Precise sell-on clause amounts for recent transfers other than Frimpong: deferred. Referenced as ranged estimates with methodology. Academy investment multiples and revenue attribution per cohort: deferred to a future academy economics paper; referenced here only at aggregate operating-cost range.

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