

## **Recital justifying a Resolution to Place a Note of Concern on the Record at the AGM in 2021.**

At the Celtic AGM of 2019, in response to being challenged on actions regarding a previously raised resolution, a formal statement to shareholders was made which, considering what had been clearly provided on three separate occasions below, appears puzzling and needs clarification.

What was provided to Celtic was:

- A) A copy of shareholders letter to SFA of [25th June 2018](#) containing evidence of when a “potential liability” became a payable and its implications for statements made by SFA previously.
- B) At a meeting on 10<sup>th</sup> August 2018 with a shareholders’ representative and two witnesses, when the implications of the evidence sent to SFA in respect of UEFA FFP on 25<sup>th</sup> June 2018 were set out [in this document](#) with suggestion it be presented to UEFA for verification or correction.
- C) In [the recital](#) to the resolution shareholders presented at the Celtic AGM on 27 November 2019 to justify the tabled resolution. The Board formally stated that they expressed no view on its accuracy even though they had prior knowledge to support the recital’s accuracy and veracity as result of the documentation at A) and B)

At the same AGM it was stated that the secret 5 Way Agreement (5WA) between the Scottish Football authorities and Sevco the buyers of Rangers FC assets had not been seen. This is contradicted by an e mail from the SPL CEO with the 5WA attached.

At the 2020 AGM the Chairman claimed that he personally had investigated the above claim but could find no evidence of wrongdoing.

In support of the recital to this resolution we have used a report by The National at <https://www.thenational.scot/sport/18064804.peter-lawwell-tells-celtic-agm-uefa-dont-care-resolution-12-asked-morning/> reproduced at Part A as a written record of what took place at the Celtic AGM in 2019, when a new Resolution 12, referring back to the original Resolution 12 adjourned at the 2013 AGM, was debated. Both can be read in links in The Recital

That National report is followed by an evidence supported timeline narrative that appears to be at odds with what shareholders were told at the 2019 and 2020 AGMs.

### **Part A: Report from The National of responses from The Celtic Board of Directors to a Resolution 12 (2019) to take Resolution 12 (2013) from the SFA to UEFA.**

“At one point during the Celtic AGM yesterday, an exasperated shareholder challenged chief executive Peter Lawwell on the board’s position on Resolution 12, the question of whether Celtic should refer the SFA to UEFA or indeed, the City of London Police, over the granting of a licence for Rangers to play European football in 2011.

Nearing the end of his tether, the gentleman asked if we will all be here in two years’ time still asking the same questions. In all likelihood, yes, that is exactly what’s going to happen.”

“In the middle, sit the Celtic board, who - torn between what they see as being for the good of the club going forward and the express wishes of many of their shareholders - urged them to vote against Resolution 12 yesterday.

Lawwell argues that doesn't mean they aren't concerned about how the authorities handled the situation back then, or that they won't continue to push the SFA for an independent review. It's just that is all, he feels, they can do.

“I think it's really unfair to suggest that we've let this thing go,” Lawwell said. “We were actually on the case in 2011 – two years before the Resolution 12 guys proposed it. “

“What we [were] being asked to vote on isn't about whether or not somebody was cheating or what to do about it; what we're being asked to vote on is whether Celtic should report the matter to UEFA or the City of London Police.

“In terms of UEFA, they have no interest in this. I spoke to UEFA again this morning – I don't know how many times I've done this – and there was a telephone call to the man who was in charge of licensing in 2011.

“His view is that UEFA have no interest, it was the oldco [Rangers], it's now out with the five-year time period and no matter what had happened, if they had been found guilty then, the sanctions would have kicked in in the subsequent year when Rangers weren't involved in European football [because] they had disappeared.

“Now we can challenge his position, but I can tell you categorically that UEFA are not interested in this. So we, as a board, need to decide what is best for Celtic – and I would ask you what could possibly be our motive, while having all this information, in not acting in the club's best interest?

“Why wouldn't we do that in this particular matter?

“I agree that this is unsatisfactory on many levels and the way we wanted to address that is by asking for an independent review which would cover all these issues so that lessons can be learned, and we've asked the SFA for that on numerous occasions.

“We've passed all the information given to us on to the SFA and UEFA and we are where we are today.

“There is a charge outstanding and we await the output on that. Just to summarise, I don't think there is much more than we could have done as a club, but the institutions who should be interested in this – UEFA, mainly – are not.

“We will continue to ask for an independent review and we will wait to see what the outcome is of the SFA charge from last year. We're pushing that but, unfortunately, you can't force a decision out of them.”

Celtic chairman Ian Bankier, for his part, explained the position of the Celtic board as they had urged fans to vote against carrying the resolution.

“We spent a lot of time over a number of years considering the subject matter of this resolution,” Bankier said.

“Peter raised the core issue with the Scottish FA in 2011 and in 2012. Since 2013 we’ve worked with the shareholder representatives and the subject has been reviewed by the board on a regular basis.

“The club has communicated with the Scottish FA and with UEFA regarding our shareholders’ concerns. During that process UEFA confirmed there was no basis to investigate further.

“In the light of information made available during court proceedings in 2017, the club called on the Scottish FA to hold an independent review of all matters, including the licensing process. Regrettably, the Scottish FA declined to hold an independent review.

“The club remains of the view that an independent review was and is the only way to establish the facts and learn lessons for the greater benefit of the Scottish game, the clubs within it and in particular Celtic.

“The Scottish FA started disciplinary proceedings regarding the 2011 licensing process in May 2018. The club understands that these proceedings are ongoing. They appear to be complex and new compliance officers have taken over.

“We’ve taken professional advice from external advisors. We’ve engaged with interested shareholders. We’re mindful of our duty to shareholders.

“The requirement to consider the view of shareholders has been at the forefront of our minds from deliberating on this matter and we’ve reached agreement.

“We’ve reached the view that it would not be in the best interests of the company to take the steps proposed by this resolution.

“We can all agree that the situation is disappointing. But the view of the board is that the company’s interests would be best served by Celtic focusing on our own strategy.”

### **Part B A Timeline of events from July 2012 to AGM 2020.**

**26 July 2012** The CEO to the SPL Board sent an e mail to the CEO of Celtic in an unknown capacity and to another Celtic Director who at the time was a member of the SPL Board with a final version of The 5 Way Agreement attached . [This e mail](#) \* contradicts the answer from the Celtic CEO as does additional documentation in relation to the knowledge of the Celtic Director on the e mail list later in February 2013.

(\* full e mail addresses have been anonymised to preserve e mail privacy of addressees and their inboxes being flooded).

**28 February 2013.** [These SPL Board Minutes](#) suggests that Celtic’s response of being surprised at Lord Nimmo Smith’s Decision , only happened because their representative on

the then SPL Board, was abroad and incommunicado when the LNS Decision was finally accepted a week after elements of it had been questioned.

**28 October 2013** Further knowledge of 5 Way Agreement at Celtic can be found in the [Minutes of SPL Board Meeting](#) chaired by a Celtic Director show that just before the Celtic AGM in November 2013 he heard the SPL Lawyer rehearse the background to the 5 Way Agreement including parties involved and provisions therein to provide instruction for the SPL lawyer to collect from The Rangers FC Limited the £250k fine imposed by the Lord Nimmo Smith Commission in February 2013. The possibility of The Rangers FC Ltd appealing any decision to pursue payment of £250k fine to Court of Arbitration for Sport (CAS) – was mentioned. An important aspect of the need to refer to the Court of Arbitration on Sport surfaces later in the timeline.

**15th May 2018** [the Daily Record](#) newspaper reported that activity by Rangers before 31st March 2011 had now been excluded from the terms of reference of the SFA Judicial Panel Disciplinary Tribunal (JPDT) as a result of a statement made by The Rangers Football Club Ltd

**25<sup>th</sup> June 2018** This prompted [this letter](#) from the Res 12 lawyer to the Compliance Officer, which detailed the error and seriousness of this development in light of the Compliance Officer issuing an amended Notice of Complaint which excluded the period prior to 31st March 2011 from JPDT scrutiny.

The letter pointed out that a payable did, in fact, exist before 31st March 2011 based on [the HMRC minutes of 21st March 2011](#) which was one of the enclosures to the lawyers letter. This information challenges the proof provided by auditors in the letter of 30 March 2011 in this [this e mail chain](#) and repeated in [Rangers Interim Accounts](#) on 1<sup>st</sup> April 2011 on which basis a licence was granted

The lawyer's letter with enclosures was forwarded to Celtic a few days later.

- **10 August 2018.** Celtic meet a representative from Res12 shareholders, the Celtic Supporters Association and a representative of bloggers from social media to discuss content of lawyer's letter of 25th June and lack of SFA response. Celtic were left with a document suggesting the UEFA Licence should not have been granted on grounds of breaches of two UEFA rules both of which involved dishonesty/fraud breach of good faith. Celtic were given the document (see [here](#)), with the suggestion that they approach UEFA and contemplate next steps if the narrative contained was accurate. A further meeting was to be arranged early September to hear response but for reasons unknown that was never forthcoming nor referred to not even at the November 2018 AGM.

- **16 November 2018 Celtic AGM.** A number of reservations and questions ( [See](#) ) were made from the floor about the SFA position as reported at the AGM where the only assurance was that something was going to CAS but why and when was not known by Celtic.

In respect of the **August 10th meeting** the CSA representative commented on exit that Celtic had done nothing with documents provided.

**4th Jan 2019** A new SFA Compliance Officer (CO) was appointed in September 2018 so It was agreed at a meeting with Celtic on 4th January 2019 that the shareholder's lawyer

would provide the new CO with a note of assistance highlighting the fact that the previous incumbent had excluded the period prior to end of March 2011, that he had been questioned about this omission in the [25th June 2018](#) letter from the Resolution 12 lawyer and emphasising to the new CO this decision was wrong. This letter to be accompanied by supporting documentation including the minutes of the HMRC meeting of 21st March 2011.

However, at the January meeting, Celtic stated they would not be introducing the minutes of the HMRC meeting (which had been legally obtained) in their discussions with the SFA on the grounds that Celtic would not like another club raising matters about their business with the SFA.

**27 November 2019.** Shareholders in Celtic have a new resolution tabled for the AGM that proposes taking investigation of UEFA licensing events in 2011 away from the SFA and asks that UEFA complete said investigation or Celtic take the matter to the police as the evidence in the opinion sought from of a shareholder from a legal background in criminal law was that on the face of it fraud may have been committed using false pretence to induce the SFA to do something they would not have done but for the false pretence.

The new 2019 AGM shareholder resolution, again Resolution 12, justifying the resolution can be read [HERE](#). Celtic's official response can be read at the end of The Recital where the evidence provided was not considered and without giving a written reason behind their conclusion Celtic said it was not in the company's interests to involve UEFA.

In further verbal justification from the AGM floor the CEO stated UEFA had been contacted that day and their position was that breaches of FFP in the monitoring period would not attract sanctions until the following season so the locus of the shareholders complaint, i.e. the loss of UEFA CL revenue in 2011, had no validity. Whilst this was true, the shareholders complaint had shifted as a result of their investigation into what took place in the grant period and Celtic were made aware of on

**25th June 2018** (see above) the shareholders lawyer wrote to the SFA providing supporting evidence that a payable (not a potential liability) existed under UEFA FFP rules. Celtic were copied in on this letter. To date, the SFA have never replied.

**10 August 2018** (see above) which shows that, by not declaring a payable and disguising its true nature in [their Interim Accounts](#) as "potential" and that "Discussions are continuing with HMRC to establish a resolution to the assessments raised" Rangers avoided/prevented the SFA establishing if an overdue payable at 31<sup>st</sup> March 2011 existed, The statement that formed the "proof" that no overdue payable existed provided by Rangers auditors ~~which~~ can be read in [this e mail chain](#) .

**4th of January 2019** meeting where the Celtic CEO was presented, for the third time, with the evidence supporting the claim that a payable existed before 31st March 2011 and the inclusion of this period was vital to the case.

**27 November 2019** where for the fourth time the evidence was again referred to in The Recital to Resolution 12 which Celtic basically dismissed,

In spite of the foregoing the CEO apparently omitted to mention or question UEFA about the circumstances under which the licence was granted in his discussions with them before the 2019 AGM.

The Chairman supported his CEO's response for reasons given the above that require explaining.

Celtic's response written and verbal was not accepted by the shareholders who wrote to Celtic directors on an individual basis in January 2020 and included a report compiled by a professional accountant. [The report](#) , which was some 19 pages plus a lengthy [Appendix](#) in support, demonstrated that not only had the licence been granted through deception, but the supporting accounts submitted to the SFA may have failed to meet the UEFA FFP "fair presentation" required. On one but possibly both of these counts the licence should not have been granted in 2011.

Celtic acknowledged receipt of the report but failed to address any of the points it raised.

Instead, they simply passed the report on to the SFA

The SFA, in turn, procrastinated at great length before deciding not to progress with CAS in May 2020.

Even more remarkable was the stance taken at same AGM by the Celtic CEO. When asked about his knowledge of and involvement in the 5 Way Agreement, Mr Lawwell advised shareholders he had had no involvement at all in it and, in fact, he had never even seen it.

These comments, made by a CEO at a formally organised company AGM, are in direct contradiction to [the e mail](#) sent to him in July 2012 by the SPL CEO.

Given the fact that the SFA were party to the 5 Way Agreement that Celtic accepted and which contained a clause making CAS the adjudicating body, might explain the rejection of the 2019 Resolution 12 by Celtic to approach UEFA, who were never consulted about the 5 Way Agreement, as well as the SFA's reluctance to involve CAS.

More evidence of incompetence with regard to Celtic's responses to Res12 at 2019 AGM is added to by Celtic's failure to answer in writing as agreed at 2018 AGM [a series of questions](#) posed about CAS involvement in the SFA Judicial Process..

These matters were pursued at the 2020 Celtic AGM by individual shareholders and what was disturbing in view of all of the foregoing was The Chairman Mr Bankier stating he had personally reviewed the CEO's actions in respect of his pursuit of Resolution 12 and stated that "at no time has anyone at the club misled shareholders on this issue". He can be viewed saying so [on YouTube](#) [but this again](#) is very much at odds with the statements by both to shareholders at the 2019 AGM set out earlier.