

# LINCOLN CITY FOOTBALL CLUB

Annual Accounts December 2022



LINCOLN CITY FC



### SEASON REVIEW

After just missing out on promotion to the Championship at the end of May 2021, our third successive season at this level turned out to be a very disappointing one on the field. Playing 61 games in the congested Covid-19 impacted 2020/21 season with a small squad and the late end to the season took its toll on some players heading into the current season. Pre-season preparations were further impacted by Michael Appleton's absence following surgery for testicular cancer. Recruitment was also more difficult with an increase in player remuneration following the demise of the salary cap and much higher spending from a number of bigger and well-backed clubs in Sky Bet League One.

Our disappointing home form from the previous season continued into the current season and by the end of December we had won just two and lost six of the opening 11 home games leaving us 20<sup>th</sup> in the table heading into the transfer window. Despite a lengthy period without a league win and early exits from all three cup competitions the management team was heavily backed in January with the permanent signing of John Marquis on a six month deal and the loan signings of Morgan Whittaker, Liam Cullen and Brooke Norton-Cuffy. We continued to look to the future as well with the signing of young strikers Ben House and Charley Kendall from non-league football.

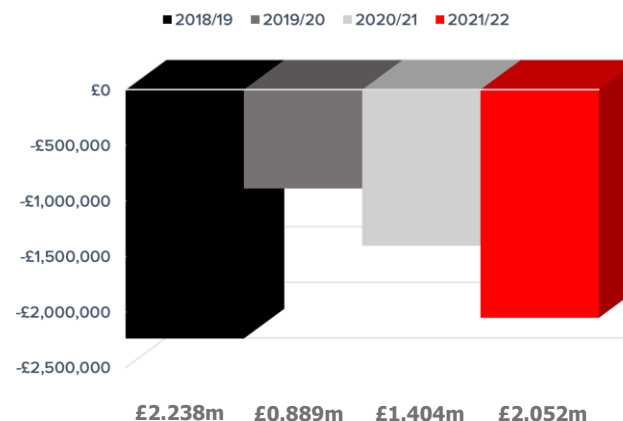
Goals from some of our winter signings together with impressive wins against three of the promotion challengers ensured we finished safely in 17<sup>th</sup> position, twelve points ahead of the final relegation spot. Following the conclusion of the season Michael Appleton departed after 31 months in the role with both parties agreeing that separation was in our best interests.

Following an extensive and detailed recruitment process, Mark Kennedy was appointed as the new Head Coach on 12 May on a 4-year contract.

**Clive Nates, Chairman**



### NET PERFORMANCE



The Company incurred an increased loss, of £2m for the year. Although still affected by the aftermath of the pandemic, the clubs losses amounted to £186k less than the 2018/19 League Two promotion season.

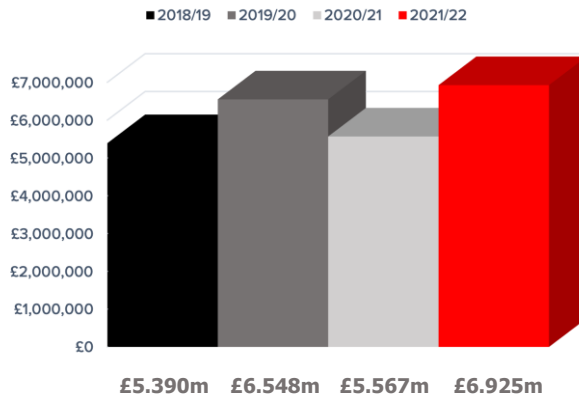
**Data Considerations** The following charts related to a 4-Year trend includes; 2019/20 – Curtailed season due to the pandemic, 2020/21 – All league fixtures played behind closed doors.

During the year an exercise was undertaken to re-map the financial statements to management accounts to ensure better transparency between both, and this has resulted in some amendments to the classification of items in the prior year figures which are reflected in this summary.



## TURNOVER

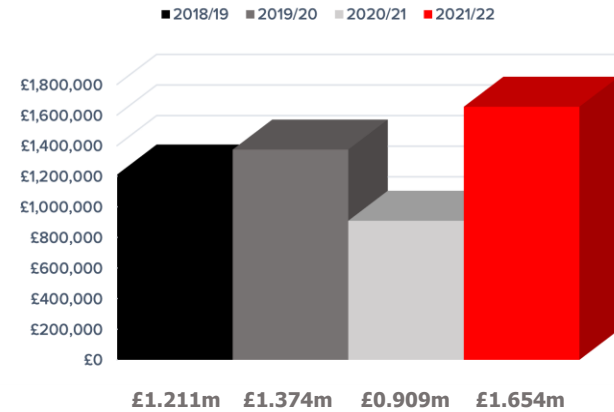
Overall turnover in 21/22 was at its peak over the last four years. Although 21/22 was the first full season in League One with fans in attendance, this is £300k above the 19/20 season where the comparative figures are boosted by £1m receipts from manager compensation.



## COMMERCIAL REVENUE

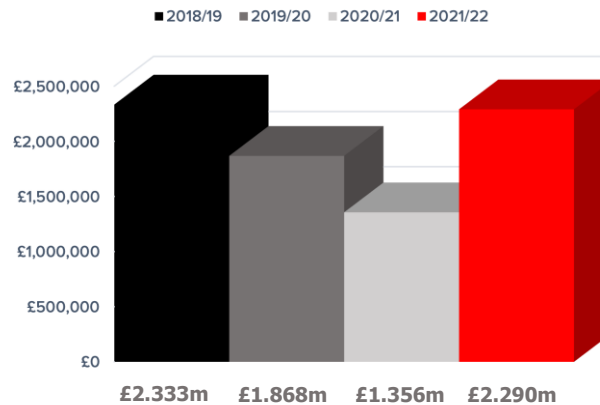
Excluding the 20/21 season anomaly, from the impact of the pandemic, commercial and hospitality revenue continues to grow, due in most part to the growing and supportive relationships between LCFC and our partners.

When comparing the 18/19 (League Two promotion season), and the 21/22 (League One), this equates to a 36.5% uplift in commercial revenue.



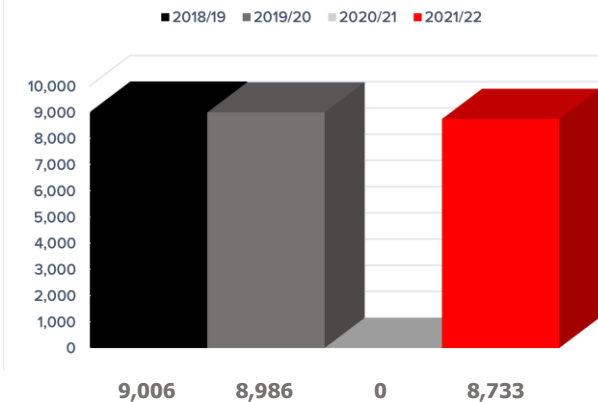
## MATCHDAY REVENUE

The 21/22 season could be viewed as the first step in the revival stage of surviving through the pandemic and recovering. Through LCFC's strong support base, the fan engagement and attendance exceeded all expectations. To put into perspective, 21/22's £2.290m revenue was only £43k below the 18/19 League Two promotion-winning season.



## ATTENDANCES

After the 20/21 season being played behind closed doors, the 21/22 season showed that even with the post-pandemic safety protocols and the UK's economy being hit massively, the attendance numbers were still strong.

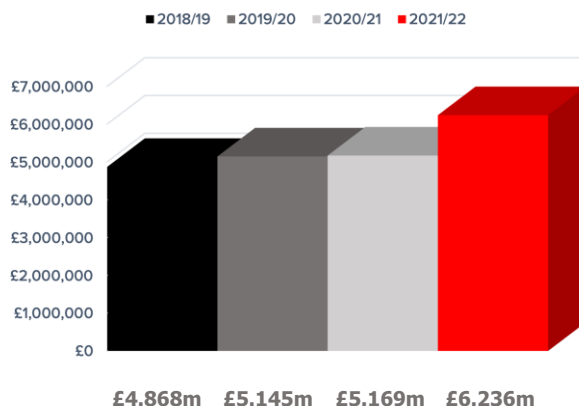




## STAFF COSTS

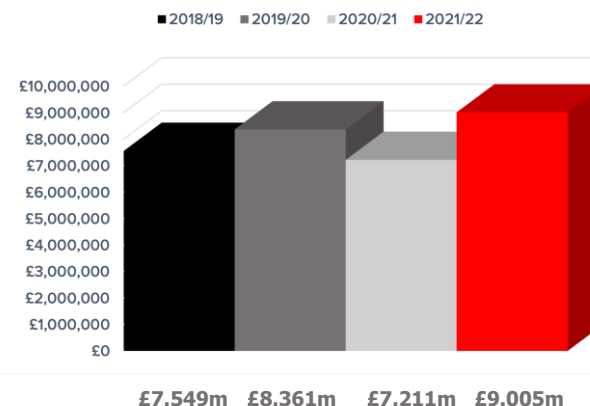
Staff cost figures represent the total payroll cost (including employer pension and NI costs) for both playing staff and all other club staff.

Staff costs rose significantly due to the increased Pro Budget while also improving the off-the-field staffing infrastructure for future growth in all areas, including back room and day-to-day operational staff.



## ADMINISTRATIVE EXPENSES

All expenditure significantly increased, mainly due to the increase in staff costs. As well as, match day costs and the stadium running costs on a day-to-day basis, being at full capacity usage.



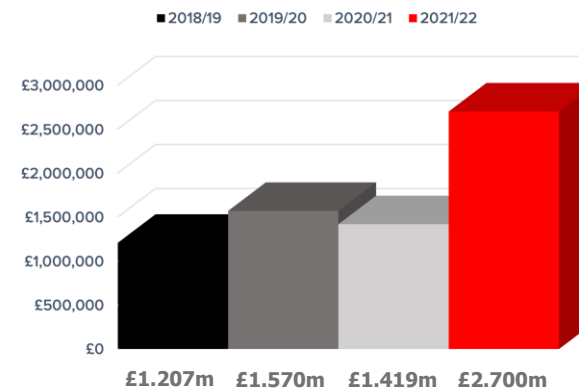
## COMPETITION PERFORMANCE

Competition	2018/19	2019/20	2020/21	2021/22
League	League Two	League One	League One	League One
League Position	1 <sup>st</sup>	16 <sup>th</sup>	5 <sup>th</sup>	17 <sup>th</sup>
FA Cup	3 <sup>rd</sup> Round	1 <sup>st</sup> Round	2 <sup>nd</sup> Round	2 <sup>nd</sup> Round
EFL Cup	2 <sup>nd</sup> Round	2 <sup>nd</sup> Round	3 <sup>rd</sup> Round	1 <sup>st</sup> Round
EFL Trophy	2 <sup>nd</sup> Round	1 <sup>st</sup> Round	Semi Final	2 <sup>nd</sup> Round



## INVESTMENTS

In order to fund the operating losses and capital expenditure, the company issued shares for cash amounting to £2.7million. Tangible assets increased by £0.8million with significant expenditure on a new fibre sand pitch at the LNER Stadium. Further work at the stadium ahead of the season included improvements to infrastructure and facilities, including seating, concourse toilets and drainage, refurbishment of changing rooms including for shared community use and the installation of LED perimeter advertising.



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