

REGISTERED NUMBER: 00045611 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 30 June 2022

for

Lincoln City Football Club
Company Limited

Lincoln City Football Club
Company Limited (Registered number: 00045611)

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for the Year Ended 30 June 2022

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Lincoln City Football Club
Company Limited

Company Information
for the Year Ended 30 June 2022

DIRECTORS: R G Bates
Lincoln City Supporters' Society Ltd
S L Tointon
C H Nates
J S Wright
G D Levine
H F F Kok
D Lowes
S A Melnick
A J Slater
C J Travers
S Hindocha

SECRETARY: R J Parnell

REGISTERED OFFICE: LNER Stadium
Sincil Bank
LINCOLN
Lincolnshire
LN5 8LD

REGISTERED NUMBER: 00045611 (England and Wales)

AUDITORS: Nicholsons Audit (Statutory Auditor)
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

BANKERS: National Westminster Bank
Market Place
LOUTH
Lincolnshire
LN11 9NX

Lincoln City Football Club
Company Limited

Strategic Report
for the Year Ended 30 June 2022

BUSINESS REVIEW

The key financial and performance indicators for the current and three previous financial years are shown below:

	2022 £000	2021 £000	2020 £000	2019 £000
Turnover	6,925	5,567	6,548	5,390
Staff Costs	6,236	5,169	5,145	4,868
Profit/(loss)	(2,052)	(1,404)	(889)	(2,238)
Net assets	2,439	1,791	1,733	1,052
Final Position	17th (League 1)	5th (League 1)	16th (League 1)	1st (League 2)
Average League Attendance	8,773	N/A	8,986	9,006

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. but thankfully and most importantly Michael was given the all-clear later on in the year. 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 League 1.

Our disappointing home form from the previous season continued into the current season and by the end of December we had won just 2 and lost 6 of the opening 11 home games leaving us 20th 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 17th 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.

Turnover

Turnover is analysed into its main components as follows:

	2022 £000	2021 £000
Matchday	2,290	1,356
Central distributions and grants	2,127	2,421
Commercial and hospitality	1,654	909
Academy grants and fundraising	695	602
Football fortune and miscellaneous income	159	279
	6,925	5,567

Strategic Report
for the Year Ended 30 June 2022

With crowds returning to stadiums turnover increased from £5.6million to £6.9million on the back of significant increases in matchday and commercial/hospitality revenues. Digital sales which made up most of the matchday income last season accordingly fell from above £900k to £223k.

Lower revenue was generated from early exits in cup competitions this season and that accounts for the drop in football fortune income.

The major portion of player trading income, which amounted to £350k, was the net amount received from the sale of Tayo Edun to Blackburn Rovers in August 2021. This was achieved despite subdued transfer spending from Championship clubs. A significant amount of the gross transfer fee however was due to Fulham in terms of the agreement bringing Tayo to the club on an initial free transfer. The remaining player trading income resulted from the sale of an Academy player.

Operating loss

The operating loss for the year increased from £1.4million to £2million. Although gross profit was up £1.4million administrative expenses increased by a greater £1.8million. In addition other operating income dropped by £0.5million with minimal government grants and lower R&D tax relief this financial year.

Staff costs increased by £1.1million over the previous year with the largest contributing factor being the increase in the Pro Budget by £0.8million. With the salary cap falling away and some significant investment flowing into League 1 clubs, player wages moved sharply higher. As detailed earlier in this report we were aggressive in the winter transfer window with more than £300k spent to boost the playing squad.

Also included in staff costs were payments negotiated to facilitate the early termination of Michael Appleton's contract.

Matchday operating costs increased by more than £200k with the return of fans and there was a concomitant rise in stadium and general business operating costs.

Balance sheet

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.

Cash at the year-end amounted to £0.9million and net assets were higher by £0.6million at £2.4million.

Long term creditors of just over £1million comprised essentially of bonds issued to fans to finance specific capital projects, and the deferment of capital grants.

FUTURE DEVELOPMENTS

The board announced in November that it would proceed with a revised proposal to redevelop the Stacey West Stand. With a further weakening in the economic climate the board concluded that the original proposal would present an unacceptable risk. In order to maximise the £1.8million already secured from various grant funds and investment from supporters and investors, the project will now proceed with a two-tier development which will see the club increasing its social impact in the community through the work delivered by the Lincoln City Foundation.

Lincoln City Football Club
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Strategic Report
for the Year Ended 30 June 2022

As part of the Stacey West project, the club will invest in a new mains water supply, a new recycling irrigation system and an improved power supply to the LNER Stadium. The club have also submitted an application to trial 'safe-standing' in a small section of the Stacey West Stand with the intention of installing rail seats throughout the entire stand. In addition, the club will install barriers in Upper 7 of the GBM Stand to facilitate safe-standing of fans in that area. If the trial proves successful, capacity at the LNER Stadium has the potential to increase to around 11,500.

Directors and key investors continue to support the club with ongoing investment and shares amounting to £1.1million have been issued since the year-end. All funding from directors and investors continue to be via equity. We are involved in ongoing talks with new key investors and are hopeful these will reach a positive conclusion early in 2023.

We are encouraged by the latest reports that Government will finally deliver on its promise to implement legislation establishing an independent football regulator. We hope this will be the catalyst for a fairer redistribution of revenue together with improved controls and governance so vital to create a sustainable model for all clubs across the English football pyramid.

ON BEHALF OF THE BOARD:



.....
C H Nates - Director

Date:

19/12/22

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Report of the Directors
for the Year Ended 30 June 2022

The directors present their report with the financial statements of the company for the year ended 30 June 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of running a professional football club together with related and ancillary operations.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2022.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 July 2021 to the date of this report unless otherwise stated.

The beneficial interests of the directors holding office during the year to 30 June 2022 in the shares of the company, according to the register of directors interests were as follows:

	30/06/2022	30/06/2021
R G Bates	200	200
The Red Imps Community Trust	330,494	320,724
S L Tointon	6,500	6,350
C H Nates	20,000	200
I Reeve - resigned 24th June 2021	5,200	5,200
R I Clarke - resigned 24th February 2022	600	600
J S Wright	200	200
G D Levine	200	200
H F F Kok	200	200
D Lowes	200	200
S A Melnick	200	200
A J Slater	2,332	2,332
C Travers	243,601	221,615

These directors did not hold any non-beneficial interests in the shares of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Report of the Directors
for the Year Ended 30 June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Nicholsons Audit (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
C H Nates - Director

Date: 19/12/22

Report of the Independent Auditors to the Members of
Lincoln City Football Club
Company Limited

Opinion

We have audited the financial statements of Lincoln City Football Club Company Limited (the 'company') for the year ended 30 June 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of
Lincoln City Football Club
Company Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages five and six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Lincoln City Football Club
Company Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities - ability to detect

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant of those that relate to the reporting framework FRS102, the Companies Act 2006 along with those around the COVID 19 support schemes including determination of amounts and disclosures.

We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance, and we corroborated our enquiries by reviewing third party correspondence, including with HMRC and Companies House.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where they considered there was susceptibility to fraud. We considered the controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud.

Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included assessing the appropriateness of presentation of separately disclosed items and testing manual journals. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraphs above. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business.

We also considered the risk associated with transacting in player trading, and the valuation of players at the balance sheet date year as this could have a material impact on the financial statements and therefore work was targeted on these transactions.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The audit was planned to ensure that the more complex areas were audited by more experienced members of the audit team and there were no areas of the audit which were considered to require external experts to be appointed by the audit team.

Report of the Independent Auditors to the Members of
Lincoln City Football Club
Company Limited

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholsons Audit

JOANNE BROWN (Senior Statutory Auditor)
for and on behalf of Nicholsons Audit (Statutory Auditor)
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

Date: 16/1/23

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Income Statement
for the Year Ended 30 June 2022

	Notes	30/6/22 £	30/6/21 £
TURNOVER		6,924,657	5,566,908
Cost of sales		403,317	397,933
GROSS PROFIT		6,521,340	5,168,975
Administrative expenses		9,005,531	7,211,596
		(2,484,191)	(2,042,621)
Other operating income		110,595	648,595
Player trading		350,000	22,000
OPERATING LOSS	4	(2,023,596)	(1,372,026)
Interest payable and similar expenses	5	28,166	31,759
LOSS BEFORE TAXATION		(2,051,762)	(1,403,785)
Tax on loss	6	-	-
LOSS FOR THE FINANCIAL YEAR		(2,051,762)	(1,403,785)

The notes form part of these financial statements

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Other Comprehensive Income
for the Year Ended 30 June 2022

Notes	30/6/22 £	30/6/21 £
LOSS FOR THE YEAR	(2,051,762)	(1,403,785)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(2,051,762)</u>	<u>(1,403,785)</u>

The notes form part of these financial statements

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Balance Sheet
30 June 2022

	Notes	30/6/22		30/6/21	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		320,717		277,910
Tangible assets	8		4,472,550		3,733,656
Investments	9		3		4
			<u>4,793,270</u>		<u>4,011,570</u>
CURRENT ASSETS					
Stocks	10	2,250		20,525	
Debtors	11	961,446		1,001,514	
Cash at bank and in hand		930,178		1,239,939	
			<u>1,893,874</u>		<u>2,261,978</u>
CREDITORS					
Amounts falling due within one year	12	3,240,130		3,540,407	
			<u>(1,346,256)</u>		<u>(1,278,429)</u>
NET CURRENT LIABILITIES					
			<u>(1,346,256)</u>		<u>(1,278,429)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			3,447,014		2,733,141
CREDITORS					
Amounts falling due after more than one year	13		1,007,681		942,461
			<u>2,439,333</u>		<u>1,790,680</u>
NET ASSETS					
			<u>2,439,333</u>		<u>1,790,680</u>
CAPITAL AND RESERVES					
Called up share capital	17		11,222,637		8,522,222
Revaluation reserve	18		830,200		830,200
Interest reserve	18		15,131		42,933
Retained earnings	18		(9,628,635)		(7,604,675)
			<u>2,439,333</u>		<u>1,790,680</u>
SHAREHOLDERS' FUNDS					
			<u>2,439,333</u>		<u>1,790,680</u>

The notes form part of these financial statements

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Balance Sheet - continued
30 June 2022

The financial statements were approved by the Board of Directors and authorised for issue on
.....^{11/2/22}..... and were signed on its behalf by:



.....
C H Nates - Director

The notes form part of these financial statements

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Statement of Changes in Equity
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Revaluation reserve £	Interest reserve £	Total equity £
Balance at 1 July 2020	7,103,222	(6,200,890)	830,200	-	1,732,532
Changes in equity					
Issue of share capital	1,419,000	-	-	-	1,419,000
Total comprehensive income	-	(1,403,785)	-	42,933	(1,360,852)
Balance at 30 June 2021	<u>8,522,222</u>	<u>(7,604,675)</u>	<u>830,200</u>	<u>42,933</u>	<u>1,790,680</u>
Changes in equity					
Issue of share capital	2,700,415	-	-	-	2,700,415
Total comprehensive income	-	(2,023,960)	-	(27,802)	(2,051,762)
Balance at 30 June 2022	<u><u>11,222,637</u></u>	<u><u>(9,628,635)</u></u>	<u><u>830,200</u></u>	<u><u>15,131</u></u>	<u><u>2,439,333</u></u>

The notes form part of these financial statements

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Cash Flow Statement
for the Year Ended 30 June 2022

	Notes	30/6/22 £	30/6/21 £
Cash flows from operating activities			
Cash generated from operations	1	(2,048,932)	253,514
Finance costs paid		(28,166)	(31,759)
Net cash from operating activities		<u>(2,077,098)</u>	<u>221,755</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(297,000)	(301,875)
Purchase of tangible fixed assets		(914,959)	(746,230)
Profit on sale of players		350,000	22,000
Net cash from investing activities		<u>(861,959)</u>	<u>(1,026,105)</u>
Cash flows from financing activities			
EFL discounted loan interest		15,825	11,978
Capital repayments in year		(86,944)	(9,565)
Share issue		2,700,415	1,418,950
Net cash from financing activities		<u>2,629,296</u>	<u>1,421,363</u>
(Decrease)/increase in cash and cash equivalents		<u>(309,761)</u>	<u>617,013</u>
Cash and cash equivalents at beginning of year	2	1,239,939	622,926
Cash and cash equivalents at end of year	2	<u>930,178</u>	<u>1,239,939</u>

The notes form part of these financial statements

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Notes to the Cash Flow Statement
for the Year Ended 30 June 2022

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30/6/22	30/6/21
	£	£
Loss before taxation	(2,051,762)	(1,403,785)
Depreciation charges	176,065	186,792
Loss on disposal of fixed assets	27,100	79,573
Amortisation	227,094	233,447
Player Trading	(350,000)	(22,000)
Finance costs	28,166	31,759
	(1,943,337)	(894,214)
Decrease/(increase) in stocks	18,275	(6,313)
Decrease in trade and other debtors	40,067	85,229
(Decrease)/increase in trade and other creditors	(163,937)	1,068,812
Cash generated from operations	(2,048,932)	253,514

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	930,178	1,239,939
	930,178	1,239,939

Year ended 30 June 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	1,239,939	622,926
	1,239,939	622,926

The notes form part of these financial statements

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Notes to the Cash Flow Statement
for the Year Ended 30 June 2022

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.21 £	Cash flow £	At 30.6.22 £
Net cash			
Cash at bank and in hand	1,239,939	(309,761)	930,178
	<u>1,239,939</u>	<u>(309,761)</u>	<u>930,178</u>
Debt			
Finance leases	(26,145)	26,145	-
Debts falling due within 1 year	(44,975)	(5,355)	(50,330)
Debts falling due after 1 year	(106,869)	50,330	(56,539)
	<u>(177,989)</u>	<u>71,120</u>	<u>(106,869)</u>
Total	<u>1,061,950</u>	<u>(238,641)</u>	<u>823,309</u>

The notes form part of these financial statements

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Notes to the Financial Statements
for the Year Ended 30 June 2022

1. **STATUTORY INFORMATION**

Lincoln City Football Club Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Critical accounting judgements and key sources of estimation uncertainty

The financial statements are prepared to generally accepted accounting principles which requires management to make estimates and assumptions that affect assets and liabilities. Actual results could be different due to these estimates. The effect of any differences are reported at the time the information becomes available.

Turnover

Turnover represents gate monies, league levy and cup pool, advertising and sponsorship income, bar and catering, retail shop and all weather pitch income, excluding Value Added Tax.

Income from commercial contracts and season ticket sales received prior the year end but for the following season is classed as deferred income.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property	- Various rates
Equipment	- Various rates
Motor vehicles	- Various rates

Due to the repairs and maintenance carried out in the year certain property assets have not been depreciated. In these circumstances the directors undertake an annual impairment review of these assets.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

Only basic financial instruments as defined in FRS 102 are held. Financial assets and financial liabilities are recognised in the accounts only when the entity becomes party to the contractual provisions of the instrument and their measurement basis is as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at transaction price.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Basic financial liabilities

Basic financial liabilities, including creditors, loans and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred that does not meet the criteria for capitalisation.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Pensions are paid to some employees' personal pension plans. These costs are charged to the profit and loss account as they occur.

Government grants

Government grants received are treated as deferred creditors and credited to the profit and loss account over the estimated useful life of the relevant fixed assets.

Coronavirus Job Retention Scheme grants are charged to the profit and loss account in the period they relate.

Deferred income

Deferred income comprises amounts received from sponsorship, season tickets and other income which is released to the profit and loss on a straight line basis over the period to which it relates.

Intangible assets - player and management registrations

Transfer fees and other costs associated with the acquisition of players, management and professional department support team' registrations are capitalised as intangible fixed assets. These costs are amortised over the period of the players, management and professional department support team contracts adjusted for any agreed extensions. These costs are adjusted when the amortised value exceeds the amount recoverable through use or sale. Future costs which may become due are recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these costs will be incurred.

Where proceeds are received from the disposal of players, management and professional department support team these future receipts are not recognised as part of the proceeds of disposal until such time as the events upon which these receipts are dependent, are known to have occurred. No value is recognised in the financial statements for players, management and professional department support team developed within the company.

Going Concern

The Parent Company and underlying investors have indicated their intention to support the company by providing funding until the end of the current season and beyond if that is necessary. The Directors continue to take a proactive and broad approach to seeking further investment. The Directors have undertaken a review of the business plan and likely cash flow requirements covering a period of at least twelve months from the date of approval of these accounts and have concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Rental

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Disclosure Adjustment to Comparative Figures

During the year an exercise was undertaken to re-map certain income and expenditure types in the financial statements so that they better represented the current commercial arrangements improving financial transparency. This exercise was also completed to re-state the 30 June 2021 figures. There has been no adjustment to the reported profit but some transactions have moved between sales and cost of sales.

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

3. EMPLOYEES AND DIRECTORS

	30/6/22	30/6/21
	£	£
Wages and salaries	5,507,418	4,608,357
Social security costs	589,438	454,365
Other pension costs	139,110	106,429
	6,235,966	5,169,151

The average number of employees during the year was as follows:

	30/6/22	30/6/21
Pro team and management	28	29
Academy	23	23
Matchday	87	33
Commercial	7	8
Operations	25	23
	170	116

During the year directors were paid a total of £0 (2021: £0).

4. OPERATING LOSS

The operating loss is stated after charging:

	30/6/22	30/6/21
	£	£
Depreciation - owned assets	176,065	186,793
Loss on disposal of fixed assets	27,100	79,573
Player and management registrations amortisation	227,094	233,447
	227,094	233,447

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	30/6/22	30/6/21
	£	£
Bond interest	6,703	13,811
Other interest	-	5,971
Loan interest	21,463	11,977
	28,166	31,759

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30/6/22 £	30/6/21 £
Loss before tax	(2,051,762)	(1,403,785)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(389,835)	(266,719)
Effects of:		
Depreciation in excess of capital allowances	25,707	48,874
Loss brought forward	(1,606,790)	(1,388,945)
Loss carried forward	1,970,918	1,606,790
Total tax charge	-	-

Factors that may affect future tax charges

Losses carried forward amounted to £10,373,233 (2021: £8,456,791). No provision has been made for a deferred taxation asset as the recoverability of these losses against future profits is uncertain.

7. **INTANGIBLE FIXED ASSETS**

	Player and management registrations £	Computer software £	Totals £
COST			
At 1 July 2021	405,625	3,900	409,525
Additions	297,000	-	297,000
Disposals	(113,250)	-	(113,250)
At 30 June 2022	589,375	3,900	593,275
AMORTISATION			
At 1 July 2021	127,715	3,900	131,615
Amortisation for year	227,094	-	227,094
Eliminated on disposal	(86,151)	-	(86,151)
At 30 June 2022	268,658	3,900	272,558
NET BOOK VALUE			
At 30 June 2022	320,717	-	320,717
At 30 June 2021	277,910	-	277,910

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

8. TANGIBLE FIXED ASSETS

	Property £	Equipment £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 July 2021	4,969,204	708,518	23,700	5,701,422
Additions	868,531	46,428	-	914,959
At 30 June 2022	<u>5,837,735</u>	<u>754,946</u>	<u>23,700</u>	<u>6,616,381</u>
DEPRECIATION				
At 1 July 2021	1,413,015	531,051	23,700	1,967,766
Charge for year	62,925	113,140	-	176,065
At 30 June 2022	<u>1,475,940</u>	<u>644,191</u>	<u>23,700</u>	<u>2,143,831</u>
NET BOOK VALUE				
At 30 June 2022	<u>4,361,795</u>	<u>110,755</u>	<u>-</u>	<u>4,472,550</u>
At 30 June 2021	<u>3,556,189</u>	<u>177,467</u>	<u>-</u>	<u>3,733,656</u>

Included in property are:

	Freehold property £	EPC £	All weather pitch £	Totals £
COST OR VALUATION				
At 1 July 2021	3,036,642	1,513,498	419,064	4,969,204
Additions	828,400	25,298	14,833	868,531
Disposals	-	-	-	-
At 30 June 2022	<u>3,865,042</u>	<u>1,538,796</u>	<u>433,897</u>	<u>5,837,735</u>
DEPRECIATION				
At 1 July 2021	1,313,085	82,228	17,702	1,413,015
Charge for the year	-	45,625	17,300	62,925
Disposals	-	-	-	-
At 30 June 2022	<u>1,313,085</u>	<u>127,853</u>	<u>35,002</u>	<u>1,475,940</u>
NET BOOK VALUE				
At 30 June 2022	<u>2,551,957</u>	<u>1,410,943</u>	<u>398,895</u>	<u>4,361,795</u>
At 30 June 2021	<u>1,723,557</u>	<u>1,431,270</u>	<u>401,362</u>	<u>3,556,189</u>

The property is stated at deemed cost, that being the market value at the date of transition (1 June 2017) to new accounting standards FRS102.

Lincoln City Football Club
Company Limited (Registered number: 00045611)

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

9. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 July 2021	4
Disposals	(1)
	3
At 30 June 2022	3
NET BOOK VALUE	
At 30 June 2022	3
At 30 June 2021	4

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Impfinity Ltd

Registered office: LNER Stadium, Sincil Bank, Lincoln, Lincolnshire, LN5 8LD

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

10. **STOCKS**

	30/6/22	30/6/21
	£	£
Stocks	2,250	20,525
	2,250	20,525

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30/6/22	30/6/21
	£	£
Trade debtors	410,786	193,650
Amounts owed by group undertakings	47	46
Other debtors	66,662	117,855
Prepayments and accrued income	483,951	689,963
	961,446	1,001,514
	961,446	1,001,514

Lincoln City Football Club
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Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30/6/22	30/6/21
	£	£
Other loans (see note 14)	50,330	44,975
Hire purchase contracts (see note 15)	-	9,565
Trade creditors	355,981	707,383
Social security and other taxes	455,065	637,573
Other creditors	345,130	373,590
Deferred capital grant	18,000	33,717
Bonds	343,331	46,000
Accruals and deferred income	1,672,293	1,687,604
	3,240,130	3,540,407

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30/6/22	30/6/21
	£	£
Other loans (see note 14)	56,539	106,869
Hire purchase contracts (see note 15)	-	16,580
Bonds	553,285	512,090
Deferred capital grant	397,857	306,922
	1,007,681	942,461

14. **LOANS**

An analysis of the maturity of loans is given below:

	30/6/22	30/6/21
	£	£
Amounts falling due within one year or on demand:		
Other loans	50,330	44,975
Amounts falling due between one and two years:		
Other loans - 1-2 years	56,539	106,869

Lincoln City Football Club
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Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

18. **RESERVES**

	Retained earnings £	Revaluation reserve £	Interest reserve £	Totals £
At 1 July 2021	(7,604,675)	830,200	42,933	(6,731,542)
Deficit for the year	(2,051,762)			(2,051,762)
Interest	27,802	-	-	27,802
Interest	-	-	(27,802)	(27,802)
	<u>(9,628,635)</u>	<u>830,200</u>	<u>15,131</u>	<u>(8,783,304)</u>
At 30 June 2022	<u>(9,628,635)</u>	<u>830,200</u>	<u>15,131</u>	<u>(8,783,304)</u>

19. **CONTINGENT LIABILITIES**

There are potential liabilities and assets in respect of transactions involving players registrations. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability or asset.

20. **CAPITAL COMMITMENTS & POST BALANCE SHEET EVENTS**

At the year end the company was committed to expenditure on a new pitch at the LNER Stadium totalling £nil (2021: £470,365).

21. **RELATED PARTY DISCLOSURES**

TRADING RELATIONSHIPS

During the period the company has traded with other businesses in which individual directors have an interest.

All of these transactions were carried out under normal commercial terms.

DIRECTORS

There were no amounts owing by or to directors at 30 June 2021 or 30 June 2022.