

# **Lincoln City Football Club Company Limited**

## **Financial Statements**

**For the year ended 30 June 2001**



# Lincoln City Football Club Company Limited

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# Lincoln City Football Club Company Limited

## Company details:

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### DIRECTORS:

R Bradley (Chairman)  
K Cooke (appointed 22 February 2001)  
J Hicks  
K Roe (appointed 22 February 2001)  
S Wright (appointed 22 February 2001)

### SECRETARY:

J Hicks

### REGISTERED OFFICE:

Sincil Bank  
Lincoln  
LN5 8LV

### COMPANY NUMBER:

00045611

### AUDITOR:

Mumby Heppenstall  
Chartered Accountants and Registered Auditor  
Wellingore Hall  
Lincoln  
LN5 0HX

### BANKERS:

The Co-Operative Bank  
Saltergate  
Lincoln  
LN2 1DG

# Lincoln City Football Club Company Limited

## Directors' Report

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The directors present their report and financial statements for the year ended 30 June 2001.

### Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### Results

The results of the company for the year ended 30 June 2001 are set out in the attached financial statements. The directors do not recommend the payment of any dividend.

### Principal Activity and Review of Business

The principal activity of the company continued to be the running of a professional football club and ancillary bar and catering operations.

The operating losses of the Club have worsened since the previous year. This has been a year of immense change at the Club with the former chairman of the Club resigning and transferring his shares to the newly created Lincoln City Supporters Trust.

New investment of £400,000 has enabled the Club to stay afloat and tight budgetary controls have been introduced in order to reduce the magnitude of the losses experienced in the previous two years.

Systems of control have been introduced and work is being undertaken to attract new investment via the Supporters Trust, the business community and the community at large.

### Significant movement in fixed assets

On 31 August 2000 the company purchased the freehold of the land of Sincil Bank Stadium formerly held on a long lease.

Continued/

# Lincoln City Football Club Company Limited

## Directors' Report (continued)

/continued

### Directors

The directors who held office during the period up until the date of this report and their interests in the share capital of the company at 30 June 2001, according to the register of directors' interests, were as shown below:

	Ordinary Shares of 50p each	
	<u>2001</u>	<u>2000</u>
K J Reames (resigned 16 November 2000)	815,821	815,821
R Bradley	2,000	-
K Cooke (appointed 22 February 2001)	100	-
J Hicks	103,032	103,032
P Jackson (resigned 11 July 2000)	25,000	50,000
P Kenton (resigned 11 December 2000)	-	-
K Roe (appointed 22 February 2001)	100,010	-
S Tindall (resigned 11 December 2000)	-	-
N Woolsey (resigned 11 July 2000)	50,000	50,000
S Wright (appointed 22 February 2001)	10	-

Mr K J Reames' shareholding of 815,821 was transferred to the Lincoln City Supporters Trust on 1 August 2001.

The director retiring by rotation is Mr J Hicks, who being eligible and willing to continue in office, will offer himself for reappointment at the Annual General Meeting. Messrs Cooke, Roe and Wright, having been appointed since the last Annual General Meeting, are required to retire and, being willing to continue in office, will offer themselves for reappointment at the Annual General Meeting.

### Post Balance Sheet Events

The Chief Executive of the company, Mr J Lonsdale, resigned on 4 August 2001. No provision has been made in these accounts for any compensation which may be payable under his contract. On 8 August 2001, Mr R Chester was appointed acting Chief Executive.

### Auditor

Mumby Heppenstall, Chartered Accountants, were appointed as auditor during the year and have expressed their willingness to continue in office. A resolution to reappoint them will be put before the annual general meeting.

Approved on 25/10/01 2001 and signed by:

J Hicks  
Secretary



## Auditor's Report to the Members of Lincoln City Football Club Company Limited

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We have audited the financial statements on pages 4 to 12 which have been prepared following the accounting policies set out on page 7.

### Respective responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited as we were not appointed auditor until 28 June 2001, and in consequence it was not possible to carry out audit procedures necessary to obtain sufficient audit evidence regarding the opening balances brought forward in the financial statements. In addition, the evidence available to us in respect of creditors was limited.

In forming our opinion we also evaluated the overall adequacy of presentation of the information in the financial statements.

### Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 20 to the financial statements concerning the preparation of the financial statements on a going concern basis. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

### Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning trade creditors and opening balances, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2001 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

In respect alone of the limitation on our work relating to creditors and opening balances:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit:  
and
- we were unable to determine whether proper accounting records had been maintained.



Mumby Heppenstall  
Chartered Accountants and Registered Auditor  
Wellingore Hall  
Lincoln

27 October 2001

# Lincoln City Football Club Company Limited

## Profit and Loss Account for the year ended 30 June 2001

	Notes	2001 £	2000 £
<b>TURNOVER</b>	2	1,242,412	1,373,252
Other operating income	4	565,603	539,951
		<hr/>	<hr/>
		1,808,015	1,913,203
Staff costs	6	(1,865,690)	(1,677,271)
		<hr/>	<hr/>
		(57,675)	235,932
Depreciation of fixed assets and amortisation of players		(131,920)	(150,524)
Release of grant		39,093	7,477
Other operating charges		(635,638)	(534,677)
		<hr/>	<hr/>
<b>OPERATING LOSS</b>		(786,140)	(441,792)
Interest payable and similar charges	5	(38,833)	(54,843)
Net transfer fees		274,921	-
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	(550,052)	(496,635)
Taxation	4	-	-
		<hr/>	<hr/>
<b>RETAINED LOSS FOR THE YEAR</b>		(550,052)	(496,635)
		<hr/>	<hr/>

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the period.

# Lincoln City Football Club Company Limited

## Note of Historical Cost Profit and Losses For the year ended 30 June 2001

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	2001 £	2000 £
<b>REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(550,052)	(496,635)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amounts	32,708	32,708
<b>HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>(517,344)</u>	<u>(463,927)</u>
<b>HISTORICAL COST LOSS FOR THE YEAR</b>	<u>(517,344)</u>	<u>(463,927)</u>

# Lincoln City Football Club Company Limited

## Balance Sheet at 30 June 2001

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Intangible Fixed Assets	8	8,333	30,000
Tangible Fixed Assets	9	2,489,897	2,342,807
		<u>2,498,230</u>	<u>2,372,807</u>
<b>CURRENT ASSETS</b>			
Stocks	10	25,030	25,461
Debtors	11	155,195	173,165
Cash at bank and in hand		12,008	4,057
		<u>192,233</u>	<u>202,683</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(1,851,002)</u>	<u>(1,301,204)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,658,769)</u>	<u>(1,098,521)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		839,461	1,274,286
<b>CREDITORS: Amounts falling due after one year</b>	13	<u>(646,002)</u>	<u>(751,287)</u>
		<u>193,459</u>	<u>522,999</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1,119,332	898,820
Revaluation reserve	17	1,348,212	1,380,920
Profit and loss account	17	(2,274,085)	(1,756,741)
	18	<u>193,459</u>	<u>522,999</u>

Approved by the board on 25<sup>th</sup> October 2001 and signed on its behalf by



**K Cooke**  
Director

# Lincoln City Football Club Company Limited

## Cash Flow Statement

For the year ended 30 June 2001

	2001 £	2000 £
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating loss	(786,140)	(441,792)
Depreciation and amortisation charges	131,970	150,524
Profit on disposal of fixed assets	(50)	-
(Increase)/Decrease in stocks	431	13,212
(Increase)/Decrease in debtors	17,970	(75,345)
Increase/(Decrease) in creditors	204,899	215,253
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(430,920)</b>	<b>(138,148)</b>
<b>CASH FLOW STATEMENT</b>		
Net cash outflow from operating activities	(430,920)	(138,148)
Returns on investments and servicing of finance (Note 22a)	(38,833)	(54,843)
Capital Expenditure (Note 22b)	17,578	97
	(452,175)	(192,894)
Financing (Note 22c)	362,689	52,967
<b>DECREASE IN CASH</b>	<b>(89,486)</b>	<b>(139,927)</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (see Note 22c)</b>		
Decrease in cash in year	(89,486)	(139,927)
Cash (outflow)/inflow from increase in debt and lease financing	(142,177)	18,849
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(231,663)</b>	<b>(121,078)</b>
New finance leases	-	-
<b>NET DEBT AT 1 JULY 2000</b>	<b>(852,484)</b>	<b>(731,406)</b>
<b>NET DEBT AT 30 JUNE 2001</b>	<b>(1,084,147)</b>	<b>(852,484)</b>

# Lincoln City Football Club Company Limited

## Notes to the financial statements for the year ended 30 June 2001

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### 1. ACCOUNTING POLICIES

#### a) Basis of Accounting

The financial statements have been prepared on the going concern basis in accordance with applicable accounting standards, under the historical cost convention., modified by the revaluation of certain fixed assets.

The company acquired the freehold title to the land on which the stand and buildings are situated on 31 August 2000. In view of the relatively short period between this acquisition and the balance sheet date, no revaluation of the land and buildings has been obtained. The directors believe that the freehold, stands and buildings (note 9) are stated at a fair valuation of the site and do not consider it necessary to have a third party valuation in accordance with FRS 15.

#### b) Turnover

Turnover represents gate monies, football league levy and cup pool, advertising and sponsorship deals, excluding value added tax.

#### c) Other operating income

Other operating income represents receipts from fundraising, donations, bars and catering

#### d) Depreciation

Depreciation has been calculated to write off the cost or revalued amount less estimated residual value of fixed assets over their estimated useful lives at the following rates:

Freehold stands and buildings	- 2% p.a. straight line
All weather pitch	- 2% p.a. straight line
Fixtures, fittings and equipment	- 10% p.a. straight line
Motor Vehicle	- 20% p.a. reducing balance

#### e) Stocks

Stocks are valued at the lower of cost or net realisable value.

#### f) 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 asset.

#### g) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences, only to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

#### h) Leases

Assets held under finance leases and hire purchase contracts and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a reducing balance basis over the shorter of the lease term and the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable, so that the charge for each accounting period is a constant percentage of the original capital sum.

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

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i) **Players**

Transfer fees paid for players are capitalised in the year of purchase at the transfer price. This amount is amortised to the profit and loss account over the period of the player's contract.

j) **Pension cost**

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

### 2. **SEGMENTAL INFORMATION**

The turnover, loss before taxation and net assets are attributable to the principle activity of running a professional football club and ancillary bar and catering operations. The company operates in the United Kingdom and the whole of the turnover is to the UK market.

### 3. **LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2001 £	2000 £
The loss on ordinary activities is stated after charging:		
Directors remuneration and benefits	-	-
Staff costs (note 6)	1,865,690	1,667,271
Depreciation of owned tangible fixed assets	97,197	93,306
Depreciation of assets held under hire purchase contracts	3,106	3,882
Amortisation of players	31,667	53,336
Hire of plant and machinery -operating leases	28,146	12,353
Auditors remuneration	4,000	4,100
	<u>          </u>	<u>          </u>

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

### 4. OTHER OPERATING INCOME

	2001 £	2000 £
Bar and catering receipts	193,145	211,465
Fundraising and donations	208,196	143,395
Sundry receipts	2,982	8,385
Other income	17,641	13,735
School of excellence	119,750	138,000
All weather pitch	23,889	24,971
	<u>565,603</u>	<u>539,951</u>

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank loans and overdrafts	31,716	28,248
Other loans	8,024	19,953
Finance charges – hire purchase charges	1,093	1,093
Other interest	(2,000)	5,549
	<u>38,833</u>	<u>54,843</u>

### 6. STAFF COSTS

	2001 £	2000 £
Wages and salaries	1,699,028	1,519,840
Social security costs	140,752	147,293
Pension contributions	25,910	10,138
	<u>1,865,690</u>	<u>1,677,271</u>

The average number of employees (including directors) during the year was (including directors) as follows: -

	2001 number	2000 number
Social and catering	22	20
Players	23	26
Official and ground staff	13	11
Team management and coaching	24	24
	<u>82</u>	<u>81</u>

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

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### 7. TAXATION

There is no corporation tax liability in either of the current or comparative years.

Losses carried forward amounted to £3,711,071.

### 8. INTANGIBLE FIXED ASSETS

	Total £
<b>Cost</b>	
At 1 July 2000	255,500
Additions	10,000
Disposals	(30,000)
	<hr/>
At 30 June 2001	235,500
	<hr/>
<b>Amortisation</b>	
At 1 July 2000	225,500
Eliminated on disposal	(30,000)
Charge for the year	31,667
	<hr/>
At 30 June 2001	227,167
	<hr/>
<b>Net Book Value</b>	
At 30 June 2001	8,333
	<hr/>
At 30 June 2000	30,000
	<hr/>

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

### 9. TANGIBLE FIXED ASSETS

	Freehold stands & buildings £	All weather pitch £	Fixtures fittings & equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 July 2000	2,285,501	293,793	406,346	45,725	3,031,365
Additions	234,845	7,216	5,332	-	247,393
	<u>2,520,346</u>	<u>301,009</u>	<u>411,678</u>	<u>45,725</u>	<u>3,278,758</u>
<b>At 30 June 2001</b>					
<b>Accumulated Depreciation</b>					
At 1 June 2000	343,259	17,515	301,934	25,850	688,558
Charge for the year	49,772	5,912	40,644	3,975	100,303
	<u>393,031</u>	<u>23,427</u>	<u>342,578</u>	<u>29,825</u>	<u>788,861</u>
<b>At 30 June 2001</b>					
<b>Net Book Value</b>					
At 30 June 2001	2,127,315	277,582	69,100	15,900	2,489,897
	<u>2,127,315</u>	<u>277,582</u>	<u>69,100</u>	<u>15,900</u>	<u>2,489,897</u>
At 30 June 2000	1,942,242	276,278	104,412	19,875	2,342,807
	<u>1,942,242</u>	<u>276,278</u>	<u>104,412</u>	<u>19,875</u>	<u>2,342,807</u>

The net book value of assets subject to hire purchase agreements included in motor vehicles was £12,424 (2000: £15,530).

The asset shown as freehold, stands and buildings was previously shown as leasehold stands and buildings, and includes stands and buildings owned by the Club at 30 June 2000, and the freehold of Sincil Bank Stadium which was purchased on 31 August 2000, having previously been held on a long lease. See note 14 for details of revaluation.

### 10. STOCKS

	2001 £	2000 £
Goods for resale	25,030	25,461
	<u>25,030</u>	<u>25,461</u>

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

### 11. DEBTORS

	2001 £	2000 £
Trade debtors	131,256	117,680
Other debtors	17,500	33,472
Prepayments and accrued income	6,439	22,013
	<hr/>	<hr/>
	155,195	173,165
	<hr/>	<hr/>

### 12. CREDITORS:

#### Amounts falling due within one year

	2001 £	2000 £
Bank overdraft	486,859	389,422
Bank loan	150,000	-
Obligations under hire purchase agreements	5,464	5,464
Trade creditors	195,551	279,568
Other loans	244,318	49,836
Loans from directors	97,000	-
Brewery loan	8,880	8,880
Other taxes and social security	259,469	386,339
Other creditors	7,562	-
Accruals and deferred income	395,899	181,695
	<hr/>	<hr/>
	1,851,002	1,301,204
	<hr/>	<hr/>

The bank overdraft and loan are secured by a debenture dated 9 April 2001. The bank also holds a legal mortgage over the registered freehold football ground and car park known as Sincil Bank Stadium, Lincoln.

The Brewery loan has an interest charge of 2% above the bank base rate and is secured by a debenture and legal mortgage over the freehold football ground and assets of the company. These are subordinated by a deed of priority between the bank and the brewery.

The hire purchase agreements are secured on the assets concerned.

Other loans include an interest bearing loan of £21,846 carrying interest at 7% p.a. and repayable on 12 months notice, and £62,500 originally repayable on or before 15 August 2001, now renegotiated and bearing interest at 4% above the bank base rate. All the other loans are interest free, with no fixed terms for repayment.

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

### 13. CREDITORS:

#### Amounts falling due after more than one year

	2001 £	2000 £
Obligations under hire purchase agreements	1,367	6,831
Other loans	5,846	92,085
Loans from directors	-	198,334
Brewery loan	96,422	105,689
Accruals and deferred income	542,367	348,348
	<u>646,002</u>	<u>751,287</u>

Included above are the following:

	2001 £	2000 £
<b>Amounts repayable by instalments</b>		
<u>Not wholly repayable within five years:</u>		
<u>Brewery loan</u>		
Repayable within five years	44,400	44,400
Repayable after five years	52,022	61,289
	<u>96,422</u>	<u>105,689</u>
<u>Wholly repayable within five years:</u>		
Obligations under hire purchase agreements	1,367	6,831
	<u>97,789</u>	<u>112,520</u>

The Brewery loan is secured as set out in note 12 above.

The hire purchase agreements are secured on the assets concerned.

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

### 14. CREDITORS – ANALYSIS OF DEBT MATURITY

#### 2001

	Bank loans and overdrafts £	Other loans £	Total £
Amounts payable:			
In one year or less on demand	486,859	500,198	987,057
Between one and two years	-	14,725	14,725
Between two and five years	-	35,520	35,520
In five years or more	-	52,022	52,022
	<u>486,859</u>	<u>602,465</u>	<u>1,089,324</u>

#### 2000

	Bank loans and overdrafts £	Other loans £	Total £
Amounts payable:			
In one year or less on demand	389,422	58,716	448,138
Between one and two years	-	299,299	299,299
Between two and five years	-	35,520	35,520
In five years or more	-	61,289	61,289
	<u>389,422</u>	<u>454,824</u>	<u>844,246</u>

#### Obligations under finance leases and hire purchase agreements:

	2001 £	2000 £
Amounts payable:		
In one year or less	5,464	4,097
Between one and two years	1,367	8,198
Between two and five years	-	-
	<u>6,831</u>	<u>12,295</u>

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

### 15. CAPITAL COMMITMENTS AND REVALUATION

The St Andrews Stand and Stacey West Stand were revalued by the directors in the year 1990/91 and the South Park Stand revalued in 1992/93. In 1993/94 the Stacey West Stand was revalued by a further £300,000 and other ground improvements by £91,022. In 1994/95 the Sincil Bank stand was completed and revalued by £719,821. In all cases the revaluations are at a value less than the actual construction costs incurred. The difference between cost less grants, and the revaluation, has been transferred to a Revaluation Reserve.

All depreciation relating to the revaluation written off these assets has been transferred to the Profit and Loss Account from Revaluation Reserve as shown in Note 17. Had the revaluations not been carried out, the original cost less grants of the stands and buildings would have been £668,003 and the net book value £562,753.

No provision has been made for any potential taxation liability that might arise if the assets were realised at the revalued amount.

### 16. SHARE CAPITAL

	2001 £	2000 £
<b>Authorised</b>		
Ordinary shares of 50p each	1,500,000	900,000
<b>Allotted, issued and fully paid</b>		
Ordinary shares of 50p each	1,119,332	898,820

During the year 220,512 Ordinary shares were issued at par

### 17. RESERVES

	Revaluation Reserve £	Profit & Loss Account £	Total £
Balance at 1 July 2000	1,380,920	(1,756,741)	(375,821)
Retained loss for the year	-	(550,052)	(550,052)
Transfer of amount equivalent to additional depreciation on revalued assets	(32,708)	32,708	-
Balance at 30 June 2001	1,348,212	(2,274,085)	(925,873)

The revaluation reserve is not available for distribution.

# Lincoln City Football Club Company Limited

## Notes to the financial statements (continued) for the year ended 30 June 2001

### 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Reserves £	Total Shareholders Funds £
Balance at 1 July 2000	898,820	(375,821)	522,999
Retained loss for the year	-	(550,052)	(550,052)
Share capital issued	220,512	-	220,512
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2001	1,119,332	(925,873)	193,459
	<hr/>	<hr/>	<hr/>

### 19. FINANCIAL COMMITMENTS

Commitments under non-cancellable operating leases are as follows:

	2001 £	2000 £
Within one year	7,117	170
Between two and five years	3,814	2,721
	<hr/>	<hr/>
	10,931	2,891
	<hr/>	<hr/>

### 20. GOING CONCERN

These financial statements have been prepared on the going concern basis, notwithstanding a significant excess of creditors falling due within one year over current assets. The company relies on goodwill and support from various sources to fund its activities, including the local business community, its bankers, directors and the shareholders. In particular, the company relies on an overdraft from the bank and loans made by the directors to support its day to day cash requirements. Without this support the company would have difficulty meeting its obligations. The directors have prepared these financial statements on the going concern basis on the basis that the company will continue to receive the support of its bankers and other loan creditors.

### 21. RELATED PARTY TRANSACTIONS

Mr K J Reames, who resigned as a director on 16 November 2000, controlled the company until 1 August 2001, when his shares were transferred to Lincoln City Supporters Trust. He also provided personal guarantees totalling £350,000 to the bank as security for the company's indebtedness. At 30 June 2001, the balance outstanding on his loan to the club was £78,693 (June 2000 : £173,294), which falls due for repayment on or before 30 November 2001.

Mr J Hicks has made an unsecured interest free loan to the club, with no fixed terms for repayment. The balance outstanding at 30 June 2001 was £25,000 (2000: £45,000).

During the year, Gusto Construction Limited, a company controlled by Mr S Wright, invested the sum of £150,000 in the Club. The nature of the investment is determinable by the Club by agreement. £78,000 of share capital was issued during the year in relation to the investment leaving a balance undetermined of £72,000 at 30 June 2001.

# Lincoln City Football Club Company Limited

Notes to the financial statements (continued)  
for the year ended 30 June 2001

## 22. CASH FLOW STATEMENT

	2001 £	2000 £	
<b>a) Returns on Investment and Servicing of Finance</b>			
Interest paid	(38,833)	(54,843)	
	<u>(38,833)</u>	<u>(54,843)</u>	
<b>b) Capital Expenditure</b>			
Payments to acquire tangible fixed assets	(247,393)	(41,903)	
Payments to acquire players	(10,000)	-	
Receipts from government and other grants	-	42,000	
Receipts from sales of tangible fixed assets and player	274,971	-	
	<u>17,578</u>	<u>97</u>	
<b>c) Financing</b>			
New loans	407,500	150,000	
Repayments of loans	(259,859)	(163,385)	
Capital element of finance lease rental payments	(5,464)	(5,464)	
Issue of ordinary share capital	220,512	71,816	
	<u>362,689</u>	<u>52,967</u>	
<b>d) Analysis of Changes in Net Funds</b>			
	<b>At 1.07.00</b>	<b>Cash flows</b>	<b>At 30.06.01</b>
Cash at bank and in hand	4,057	7,951	12,008
Bank overdraft	(389,422)	(97,437)	(486,859)
	<u>(385,365)</u>	<u>(89,486)</u>	<u>(474,851)</u>
Loans	(454,824)	(147,641)	(602,465)
Finance leases	(12,295)	5,464	(6,831)
	<u>(467,119)</u>	<u>(142,177)</u>	<u>(609,296)</u>
	<u>(852,484)</u>	<u>(231,663)</u>	<u>(1,084,147)</u>

# Lincoln City Football Club Company Limited

## Football Club Profit and Loss Account for the year ended 30 June 2001

	£	2001 £	£	2000 £
<b>INCOME</b>				
<b>Ground</b>				
Gate monies	587,270		573,542	
Football league levy, cup pool, tv, etc.	234,982		451,537	
	822,252		1,025,079	
Sponsorship and advertising	250,227		348,173	
Internet	169,933		-	
		1,242,412		1,373,252
<b>Other income</b>				
Sundry receipts	2,982		8,385	
Transfer fees receivable	400,000		-	
School of excellence	119,750		138,000	
All weather pitch	23,889		24,971	
Release of grant	39,093		7,477	
		585,714		178,833
Profit on disposal of players		-		-
<b>Fund raising and donations</b>				
Lincoln and District Football Supporters Club	20,470		20,794	
Retail shop	12,307		27,456	
Own fundraising	71,114		74,597	
Membership income	8,519		16,142	
Red Imps Association	261		3,599	
Premier Instants	7,700		808	
Other donations (Norwich and Peterborough)	87,825		-	
		208,196		143,396
<b>Bar and catering net profit for the year (per statement attached)</b>		56,449		49,923
<b>Total income</b>		2,092,771		1,745,404
<b>Less: Total expenditure (per statement attached)</b>		(2,642,823)		(2,242,039)
<b>Net loss for the year before taxation</b>		(550,052)		(496,635)

*This page does not form part of the statutory financial statements*

# Lincoln City Football Club Company Limited

## Schedule of Football Club Expenditure for the year ended 30 June 2001

	2001	2000
£	£	£
Salaries and wages	1,810,391	1,612,742
Transfer fees payable, related expenses and ex gratia payments	125,079	-
<b>Establishment</b>		
Rent	1,907	31,119
Rates and water	25,333	24,980
Light and heat	12,991	11,590
Insurances	10,314	6,425
Property and equipment repairs	28,487	24,501
Officials fee, match day expenses and security	23,493	20,338
	102,525	118,953
<b>Administrative</b>		
Printing, stationery, postage and advertising	36,755	20,907
Telephone	12,267	10,780
	49,022	31,687
<b>Financial</b>		
Legal and professional fees	45,525	2,741
Audit and accountancy	7,095	5,950
Hire purchase interest	1,093	1,093
Bank interest	31,716	28,248
Bank charges	15,692	10,265
Loan interest	8,024	19,953
Other interest	(2,000)	5,549
	107,145	73,799
<b>General</b>		
Equipment leasing	11,342	12,353
Leased vehicles	16,804	-
Travel, motor and accommodation expenses	82,146	78,143
Cleaning and laundry	10,501	17,525
Medical expenses	43,689	34,866
Removal and players expenses	24,305	21,495
Catering and refreshments	20,186	7,643
Playing kit and equipment	21,613	27,666
Sundry items	22,231	18,938
Subscriptions	130	3,802
Bad debts	45,516	31,903
Hire of facilities	18,278	-
	316,741	254,334
Depreciation, loss on disposal of fixed assets and amortisation of players	131,920	150,524
<b>TOTAL EXPENDITURE</b>	<b>2,642,823</b>	<b>2,242,039</b>

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# Lincoln City Football Club Company Limited

## Bar and Catering Profit and Loss Account for the year ended 30 June 2001

	£	2001 £	£	2000 £
<b>Income</b>				
Bar and catering gross profit		94,431		100,924
Less: Wages and related staff expenses		(55,299)		(64,529)
		<hr/>		<hr/>
<b>Operating profit for the year</b>		39,132		36,395
<b>Other income</b>				
Subscriptions, gaming machines (net) and Room hire		17,641		13,735
		<hr/>		<hr/>
<b>Costs</b>		56,773		50,130
<b>Entertainment</b>				
Performing Rights Society	324		207	
	<hr/>	(324)	<hr/>	(207)
		<hr/>		<hr/>
<b>Net profit carried to profit and loss account</b>		56,449		49,923
		<hr/>		<hr/>

*This page does not form part of the statutory financial statements*