

45611

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

ANNUAL REPORT

1994-95



STREETS

& CO

Chartered Accountants

Tower House, Lucy Tower Street, Lincoln LN1 1XW

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

Chairman

K.J. Reames

Directors

K.J. Reames (Chairman)
G.R. Davey (Managing Director
and Vice-Chairman)
H. Sills
J. Hicks
N. Woolsey (appointed December 1994)
C.J. Thomas (appointed March 1995)
Mrs. Reames (appointed October 1994
and resigned April 1995)

Secretary

P.M. Hough (resigned September 1995)
G.R. Davey (appointed September 1995)

Registered Office

Sincil Bank,
Lincoln.

Auditors

Streets & Co.,
Tower House,
Lucy Tower Street,
Lincoln. LN1 1XW

Bankers

Barclays Bank PLC,
Lincoln.

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The directors submit their Report, together with the audited financial statements for the year ended 30th June 1995.

Results

The loss for the year was £464,145.

The directors do not recommend the payment of a dividend for the year.

Principal activities, trading review and future developments

The company is engaged in the running of a professional football club and ancillary bar and catering operations.

Further ground developments, mainly to the Sincil Bank side stand, were completed in the 1994/95 season.

There have been no events since the balance sheet date which materially affect the position of the company other than the transfer fees relating to players.

Fixed assets

Principal changes in the year are detailed in notes 5 and 9 of the Statement of Accounts.

In the opinion of the directors there is no material difference between market and book values of fixed assets.

Directors

The directors of the company during the year and their interests in the share capital of the company were:

	<u>30.6.95</u>	<u>30.6.94</u>
K.J. Reames	500,000	100,000
G.R. Davey	145,332	100,000
H. Sills	163,032	100,000
J. Hicks	103,032	100,000
Mrs. Reames (appointed October 1994 and resigned April 1995)	100,000	100,000
N. Woolsey (appointed December 1994)	30,000	-
C.J. Thomas (appointed March 1995)	15,000	-

The director retiring by rotation is K.J. Reames who, being eligible, offers himself for re-election.

N. Woolsey and C.J. Thomas, being appointed since the last Annual General Meeting, are required to retire and they offer themselves for re-election.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

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;
- . follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- . 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.

Auditors

Streets & Co. have expressed their willingness to continue in office, and a resolution to re-appoint them will be proposed at the Annual General Meeting.

In preparing the above report the directors have taken advantage of special exemptions applicable to small companies.

By order of the board



G.R. DAVEY

Secretary

17th October 1995

STREETS

& CO

Chartered Accountants

Tower House, Lucy Tower Street, Lincoln LN1 1XW. Telephone: (01522) 513311. Fax: (01522) 533234

REPORT OF THE AUDITORS TO THE MEMBERS OF LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention, as modified by revaluation of certain fixed assets, and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of 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

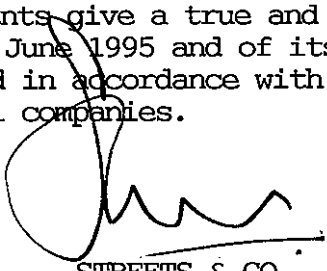
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

18th October 1995


STREETS & CO.
Registered Auditor
Chartered Accountants

AccountancyAge

**EURO DEF
UK**



LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1995

	Notes	1995		1994	
		£	£	£	£
TURNOVER	1(a)		700,454		753,287
Other operating income	1(b)		<u>202,698</u>		<u>340,657</u>
			903,152		1,093,944
Staff costs	3		<u>877,672</u>		<u>700,296</u>
			25,480		393,648
Depreciation and amounts written off fixed assets		81,367		51,304	
Other operating charges		<u>367,543</u>	<u>448,910</u>	<u>301,959</u>	<u>353,263</u>
			(423,430)		40,385
Interest receivable			26		591
Interest payable	2a		<u>(40,741)</u>		<u>(22,881)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2		(464,145)		18,095
TAXATION	4		<u>-</u>		<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	10		<u>(464,145)</u>		<u>18,095</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED**

	30.6.95	30.6.94
	£	£
Profit/(loss) for the year	(464,145)	18,095
Unrealised surplus on revaluation of properties	<u>719,821</u>	<u>391,022</u>
	<u>255,696</u>	<u>409,117</u>
HISTORICAL COST RESULTS	30.6.95	30.6.94
	£	£
Profit/(Loss) for the year	(464,145)	18,095
Depreciation on revalued assets	<u>33,467</u>	<u>19,391</u>
	<u>(430,678)</u>	<u>37,486</u>

The notes on pages 7 to 11 form part of these financial statements

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

BALANCE SHEET

AS AT 30TH JUNE 1995

	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		2,249,308		1,398,027
CURRENT ASSETS					
Stock		28,189		16,418	
Debtors	6	35,928		80,106	
Cash at bank		<u>172,930</u>		<u>11,752</u>	
		<u>237,047</u>		<u>108,276</u>	
CREDITORS					
Bank overdrawn	7c	403,083		288,814	
Amounts falling due within one year	7a	<u>616,389</u>		<u>371,272</u>	
		<u>1,019,472</u>		<u>660,086</u>	
			(782,425)		(551,810)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,466,883		846,217
CREDITORS					
Amounts falling due after one year	7b		<u>240,565</u>		<u>114,978</u>
			<u>1,226,318</u>		<u>731,239</u>
CAPITAL AND RESERVES					
SHARE CAPITAL					
Authorised:					
1,800,000 ordinary shares of 50p each	12	<u>900,000</u>		<u>500,000</u>	
Issued and fully paid:					
1,478,806 ordinary shares of 50p each			739,403		500,000
REVALUATION RESERVE	10		1,545,847		859,493
PROFIT AND LOSS ACCOUNT	10		(1,058,932)		(628,254)
			<u>1,226,318</u>		<u>731,239</u>

Advantage has been taken in the preparation of these financial statements of special exemptions applicable to small companies. In the directors opinion the company qualifies as a small company and is entitled to these exemptions.

The notes on pages 7 to 11 form part of these financial statements

K.J. REAMES)
G.R. DAVEY) Directors

17th October 1995

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1995

1 ACCOUNTING POLICIES:

There have been no changes in accounting policies during the year.

The company qualifies as a small company and accordingly a cash flow statement is not required. The company is entitled to and has taken advantage of exemptions applicable to a small company as set out in the Companies Act 1985 Regulation 1992.

The financial statements have been prepared under the historical cost accounting convention, modified by revaluation of certain fixed assets, using the following accounting policies.

(a) Turnover

Turnover incorporates gate monies, football league levy and cup pool, advertising and sponsorship.

(b) Other operating income

Other operating income incorporates net transfer fees, fund raising and donations, and bar and catering receipts.

(c) Depreciation

Depreciation is provided at a rate to write off the leasehold stands and buildings over 50 years and the remaining assets over their useful lifetime. The following rates have been applied:-

Leasehold stands and buildings	- 2% p.a. straight line
Fixtures, fittings and equipment	- 10% p.a. straight line
Motor vehicles	- 20% p.a. reducing balance

(d) Stocks and work in progress

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

(e) Pension costs

Contributions in respect of the company's defined contribution pension scheme is charged to the profit and loss account for the year in which they are payable to the scheme.

2 PROFIT/(LOSS):

This is stated after charging:

	1995 £	1994 £
Depreciation of tangible fixed assets	81,347	51,304
Directors' remuneration	33,197	10,405
Payment to third party for directors' services	-	19,336
Auditors' remuneration	<u>6,000</u>	<u>5,600</u>

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1995

2a	INTEREST PAYABLE:	1995 £	1994 £
	Bank	33,389	16,978
	Other loans	7,102	5,903
	Hire purchase	<u>250</u>	<u>-</u>
		<u>40,741</u>	<u>22,881</u>

3 EMPLOYEES:

The average weekly number of employees, during the year, was made up as follows:

	1995	1994
Social and catering	14	13
Players	24	22
Office and ground staff	11	9
Team management and coaching	<u>3</u>	<u>3</u>
	<u>52</u>	<u>47</u>

Staff costs consist of:	1995 £	1994 £
Pension contributions	9,801	2,702
Wages and salaries	794,949	644,290
Social security costs	<u>72,922</u>	<u>53,304</u>
	<u>877,672</u>	<u>700,296</u>

The company operates a defined contribution pension scheme. The relevant accounting policy is detailed in Note 1(e).

4 TAXATION:

There is no corporation taxation liability in the 1993/94 or 1994/95 years.

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

**NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1995**

5 TANGIBLE FIXED ASSETS:

	Stands and Buildings £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
Cost or valuation:				
At beginning of the year	1,319,299	217,869	21,460	1,558,628
Additions	80,179	126,469	9,174	215,822
Sales	-	-	(2,995)	(2,995)
Revaluation	719,821	-	-	719,821
COST OR VALUATION AT END OF YEAR	<u>2,119,299</u>	<u>344,338</u>	<u>27,639</u>	<u>2,491,276</u>
Depreciation:				
At beginning of the year	80,393	75,307	4,901	160,601
On sales	-	-	-	-
Provided for the year	42,386	34,434	4,547	81,367
DEPRECIATION AT END OF YEAR	<u>122,779</u>	<u>109,741</u>	<u>9,448</u>	<u>241,968</u>
NET BOOK VALUE AT 30.6.95	<u>1,996,520</u>	<u>234,597</u>	<u>18,191</u>	<u>2,249,308</u>
NET BOOK VALUE AT 30.6.94	<u>1,238,906</u>	<u>142,562</u>	<u>16,559</u>	<u>1,398,027</u>

* See Note 9 re valuation.

** The stands and buildings are held on a long lease which expires on
22nd June 2117.

6 DEBTORS:

	1995 £	1994 £
Trade debtors	<u>35,928</u>	<u>80,106</u>

7a CREDITORS FALLING DUE WITHIN ONE YEAR:

	1995 £	1994 £
Hire purchase	2,662	-
Trade creditors	99,909	118,987
Interest free loans	221,851	164,526
Interest bearing loans	70,000	-
Other loan	14,000	14,000
Social security and other taxes	16,793	16,761
V.A.T.	12,931	1,928
Pre-receipts	161,193	48,270
Accruals	<u>17,050</u>	<u>6,800</u>
	<u>616,389</u>	<u>371,272</u>

The interest bearing loans carry interest at 7% p.a. and are repayable
within 3 months.

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1995

7b	CREDITORS FALLING DUE AFTER ONE YEAR:	1995 £	1994 £
	Hire purchase	1,158	-
	Football League loan	136,649	-
	Other loan	<u>102,758</u>	<u>114,978</u>
		<u>240,565</u>	<u>114,978</u>

The other loan shown in 7a and 7b is, repayable at £14,000 p.a. and has an interest charge of 5% p.a. The loan is secured by a legal charge over the leasehold premises.

The Football League loan is interest free and is repayable at the rate of £3,333 per month.

7c BANK OVERDRAFT:

The bank overdraft is secured by a debenture dated 21st April 1992.

8 ASSETS NOT INCLUDED IN BALANCE SHEET:

The assets of the Football Club do not include the value of the registration and transfer fees receivable in respect of the playing staff as at 30th June 1995.

9 CAPITAL COMMITMENTS AND REVALUATION:

The completed St. Andrews and Stacey West Stands were revalued by the directors in the years to 1990/91, and the completed South Park Stand was revalued by the directors 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 actual construction costs incurred. The difference between cost less grants, and the revaluation, has been transferred to Revaluation Reserve Account.

All depreciation relating to the revaluation written off these assets has been transferred from Profit and Loss Account to Revaluation Reserve Account as shown in Note 10. Had revaluation not taken place, original costs less grants would have been Stands and Buildings £501,801 and Motor Vehicles £18,639. The net book values would have been Stand and Buildings £455,281 and Motor Vehicles £13,583.

No provision is made for any potential taxation liability that might arise if the asset was realised at the revaluation figure.

At 30.6.95 the company has contracted for further ground improvements of approximately £84,000 of which grants of £63,000 should be received.

LINCOLN CITY FOOTBALL CLUB COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1995

10	MOVEMENTS IN RESERVES:	Profit and Loss Account £	Revaluation Reserve £
	Balance brought forward 1.7.94	(628,254)	859,493
	Loss for the year on ordinary activities	(464,145)	-
	Revaluation of fixed assets	-	719,821
	Transfers between reserves	33,467	(33,467)
	Balance carried forward 30.6.95	<u>(1,058,932)</u>	<u>1,545,847</u>

11	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS:	1995 £	1994 £
	Opening shareholders' funds	731,239	322,122
	Issued shares	239,403	-
	Revaluation of fixed assets	719,821	391,022
	Retained profit/(loss) for the year	<u>(464,145)</u>	<u>18,095</u>
	Closing shareholders' funds	<u>1,226,318</u>	<u>731,239</u>

12 SHARE CAPITAL:

During the year the authorised share capital was increased from 1,000,000 Ordinary Shares of 50p each to 1,800,000 Ordinary Shares of 50p each.

478,806 Ordinary Shares of 50p each were issued during the year to provide additional capital.