

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 30 June 2021

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 2021

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Lincoln City Football Club
Company Limited

Company Information
for the Year Ended 30 June 2021

DIRECTORS:

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

SECRETARY:

R J Parnell

REGISTERED OFFICE:

LNER Stadium
Sincil Bank
LINCOLN
Lincolnshire
LN5 8LD

REGISTERED NUMBER:

00045611 (England and Wales)

AUDITORS:

Nicholsons
Statutory Auditors
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 (Registered number: 00045611)

Strategic Report
for the Year Ended 30 June 2021

REVIEW OF BUSINESS

The results for the year-end financial position of the company are shown in the annexed financial statements, which cover the year ended 30 June 2021.

	2021 £	2020 £	2019 £	2018 £
Turnover	5,215	6,548	5,390	5,285
Staff Costs	5,097	5,145	4,868	4,015
Profit/(loss) before taxation	(1,404)	(889)	(2,238)	(1,089)
League	League 1	League 1	League 2	League 2
Final Position	5th	16th	1st	7th
Average League Attendance	N/A	8,986	9,006	8,782

*The 2018 figures are for a thirteen-month period.

We began the financial year with extreme uncertainty facing the club and the country. Although the primary objective of the club was to survive the severe negative effects of the Covid-19 pandemic, the board decided to push ahead with projects that would benefit the club in the longer term. As such, we saw the installation of a fibre sand pitch together with the renovation of the other training pitches at the Elite Performance Centre as well as further investment into the Academy.

Despite the uncertain conditions and a significantly reduced pro budget to work with in the summer transfer window the recruitment team was able to put together an exciting young squad. With the team at the top of the League 1 table going into the New Year and greater clarity on the financial position funds were released to support the recruitment process in the January transfer window. This saw the permanent signings of Regan Poole, Cohen Bramall and Max Saunders with Morgan Rogers also joining on loan from Manchester City.

Despite a dip in form in the second half of the season with a number of injuries to key players, the team reached the play-off final losing 2-1 to Blackpool at Wembley. After playing the entire league season behind closed doors, it was encouraging to welcome a limited amount of fans back for the play-off semi-final against Sunderland and the final.

Turnover can be analysed into its main components as follows:

	2021 £	2020 £
Matchday	1,025	1,868
Central distributions and grants	2,855	2,094
Commercial	991	1,374
Football fortune and miscellaneous income	344	1,212
	<u>5,215</u>	<u>6,548</u>

Included in Central distributions and grants are non-government covid grant awards received in the year such as the Premier League rescue package.

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

Strategic Report
for the Year Ended 30 June 2021

Turnover fell from £6.5million to £5.2million with declines in matchday and commercial revenues. Football fortune income was down significantly, as the comparative figures were boosted by the £1million compensation from the departure of the Cowley brothers.

Revenue in excess of £900k from digital sales limited the decline in matchday income, which also benefited from Cup receipts of around £200k and the play-off pool of £100k. Commercial income was similarly impacted by the absence of fans.

Although central distributions declined by £52k, the club received £813k in the form of a grant as part of a rescue package distributed by the Premier League to League 1 and 2 clubs.

The largest contributor to Football Fortune income was prize money from the teams run in the EFL Trophy where they were unlucky to lose 5-3 on penalties to Sunderland in the semi-finals.

Player trading income was minimal and thus sharply down from the previous year, which saw the sale of Harry Toffolo. Although Jorge Grant was sold before the year-end, his contract permitted a sale to a Championship club for no upfront fee in the event of us remaining a League 1 club for the 2021/22 season.

The loss for the year increased from £889k to £1.404k. The decline in turnover and other operating income was offset to some extent by a fall in total expenditure of £1.351k with matchday costs, amortisation and loan fees paid declining meaningfully.

In a normal season, reaching a play-off final would have seen us netting around £500k. However, with restricted attendances and having to incur additional costs required to meet Covid protocols the cost of getting to the play-offs was some £100k. Reaching the play-offs also saw players trigger milestone bonuses and payments were also due to management and staff.

Although the pro budget in the first half of the year was down some 40%, the rescue package and greater clarity on the future saw the club boost the squad with the signings of Regan Poole, Cohen Bramall and Max Sanders on permanent contracts and Morgan Rogers on loan from Manchester City. In addition to player milestone bonuses, wages were also inflated by termination payments made to three players in the summer transfer window.

In order to fund the operating losses and capital expenditure, the company issued shares for cash amounting to £1.42million and received grant funding of £355k from The Football Foundation which contributed towards the construction of a new all-weather pitch at the LNER Stadium.

Directors and key investors contributed £1.28million for shares through Lincoln City Holdings with a further £139k gratefully received from fans. A further £900k, for investment into the club, remained in the Holdings bank account at the end of the financial year. We were delighted to welcome the Arizona based Jabara family as shareholders in Holdings with the family taking an initial 9% stake in June 2021. As part of this investment, we were also pleased to welcome Landon Donovan as a Strategic Advisor.

Tangible fixed assets increased by £480k with investment into the EPC and the new all-weather pitch. Cash resources at the year end were almost double the previous year at £1.24million.

The increase in long-term creditors was solely because of accounting practise deferring the major portion of the capital grant.

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

Strategic Report
for the Year Ended 30 June 2021

FUTURE DEVELOPMENTS

At the year-end, the club had committed to expenditure on a new fibre sand pitch at the LNER Stadium. Further work at the stadium during the close season saw 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.

The board continue to progress the Stacey West project and evaluate the best way to proceed given the increasing economic headwinds and growing uncertainty caused by the ongoing pandemic.

Despite an increase in the pro budget for the 2021/22 season, recruitment has been 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-resourced clubs in League 1. Despite subdued transfer spending from Championship clubs, we were able to sell Tayo Edun, who was in the last year of his contract, to Blackburn Rovers for a gross transfer fee that is a record for the club in recent times. A significant sell-on fee however is due to Fulham.

Directors and key investors continue to support the club with ongoing investment and shares amounting to £1.74m have been issued since the year-end. All funding from directors and investors continue to be via equity.

ON BEHALF OF THE BOARD:

C H Nates - Director

19 January 2022

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

Report of the Directors
for the Year Ended 30 June 2021

The directors present their report with the financial statements of the company for the year ended 30 June 2021.

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 2021.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 July 2020 to the date of this report unless otherwise stated.

The beneficial interests of the directors holding office at 30 June 2021 in the shares of the company, according to the register of directors interests were as follows:

	30/06/2021	30/06/2020
R G Bates	200	200
The Red Imps Community Trust	320,724	140,444
S L Tointon	6,500	6,300
C H Nates	200	200
I Reeve - resigned 24th June 2021	5,200	5,200
R I Clarke	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	1,900

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.

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.

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

Report of the Directors
for the Year Ended 30 June 2021

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, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C H Nates - Director

19 January 2022

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 2021 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 2021 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 page five, 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 frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (IFRS, the Companies Act 2006 and the UK Corporate Governance Code) and the relevant tax compliance.

We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance.

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, along with season ticket conversions in the year and that 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.

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.

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

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.

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

20 January 2022

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

Income Statement
for the Year Ended 30 June 2021

	Notes	30/6/21 £	30/6/20 £
TURNOVER		5,214,768	6,547,867
Cost of sales		<u>75,551</u>	<u>262,168</u>
GROSS PROFIT		5,139,217	6,285,699
Administrative expenses		<u>7,179,060</u> (2,039,843)	<u>8,360,929</u> (2,075,230)
Other operating income		651,351	708,625
Player trading		<u>22,000</u>	<u>496,974</u>
OPERATING LOSS	4	(1,366,492)	(869,631)
Interest payable and similar expenses	6	<u>37,293</u>	<u>19,431</u>
LOSS BEFORE TAXATION		(1,403,785)	(889,062)
Tax on loss	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(1,403,785)</u>	<u>(889,062)</u>

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 2021

	Notes	30/6/21 £	30/6/20 £
LOSS FOR THE YEAR		(1,403,785)	(889,062)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>(1,403,785)</u>	<u>(889,062)</u>

The notes form part of these financial statements

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

Balance Sheet
30 June 2021

	Notes	30/6/21 £	£	30/6/20 £	£
FIXED ASSETS					
Intangible assets	8		277,910		209,482
Tangible assets	9		3,733,656		3,253,792
Investments	10		4		4
			<u>4,011,570</u>		<u>3,463,278</u>
CURRENT ASSETS					
Stocks	11	20,525		14,212	
Debtors	12	1,001,514		1,086,693	
Cash at bank and in hand		<u>1,239,939</u>		<u>622,926</u>	
		2,261,978		1,723,831	
CREDITORS					
Amounts falling due within one year	13	<u>3,540,407</u>		<u>2,728,214</u>	
NET CURRENT LIABILITIES			<u>(1,278,429)</u>		<u>(1,004,383)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,733,141		2,458,895
CREDITORS					
Amounts falling due after more than one year	14		<u>942,461</u>		<u>726,363</u>
NET ASSETS			<u>1,790,680</u>		<u>1,732,532</u>
CAPITAL AND RESERVES					
Called up share capital	18		8,522,222		7,103,222
Revaluation reserve	19		830,200		830,200
Interest reserve	19		42,933		-
Retained earnings	19		<u>(7,604,675)</u>		<u>(6,200,890)</u>
SHAREHOLDERS' FUNDS			<u>1,790,680</u>		<u>1,732,532</u>

The notes form part of these financial statements

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

Balance Sheet - continued
30 June 2021

The financial statements were approved by the Board of Directors and authorised for issue on 19 January 2022 and were signed on its behalf by:

C H Nates - Director

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

**Statement of Changes in Equity
for the Year Ended 30 June 2021**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Interest reserve £	Total equity £
Balance at 1 July 2019	5,533,609	(5,311,828)	830,200	-	1,051,981
Changes in equity					
Issue of share capital	1,569,613	-	-	-	1,569,613
Total comprehensive income	-	(889,062)	-	-	(889,062)
Balance at 30 June 2020	<u>7,103,222</u>	<u>(6,200,890)</u>	<u>830,200</u>	<u>-</u>	<u>1,732,532</u>
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>

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 2021

	Notes	30/6/21 £	30/6/20 £
Cash flows from operating activities			
Cash generated from operations	1	259,048	(1,291,918)
Interest element of hire purchase payments paid		(5,534)	(5,534)
Finance costs paid		(31,759)	(13,897)
Net cash from operating activities		<u>221,755</u>	<u>(1,311,349)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(301,875)	(380,294)
Purchase of tangible fixed assets		(746,230)	(362,084)
Profit on sale of players		22,000	505,500
Net cash from investing activities		<u>(1,026,105)</u>	<u>(236,878)</u>
Cash flows from financing activities			
New loans in year		-	182,800
EFL discounted loan interest		11,978	-
Capital repayments in year		(9,565)	(9,565)
Share issue		1,418,950	1,569,613
Net cash from financing activities		<u>1,421,363</u>	<u>1,742,848</u>
Increase in cash and cash equivalents		<u>617,013</u>	<u>194,621</u>
Cash and cash equivalents at beginning of year	2	622,926	428,305
Cash and cash equivalents at end of year	2	<u>1,239,939</u>	<u>622,926</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 2021

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

	30/6/21	30/6/20
	£	£
Loss before taxation	(1,403,785)	(889,062)
Depreciation charges	186,792	180,978
Loss on disposal of fixed assets	79,573	-
Amortisation	233,447	907,657
Profit on sale of players	(22,000)	(496,974)
Finance costs	37,293	19,431
	<u>(888,680)</u>	<u>(277,970)</u>
Increase in stocks	(6,313)	(2,835)
Decrease in trade and other debtors	85,228	417,184
Increase/(decrease) in trade and other creditors	1,068,813	(1,428,297)
Cash generated from operations	<u><u>259,048</u></u>	<u><u>(1,291,918)</u></u>

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 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	<u>1,239,939</u>	<u>622,926</u>

Year ended 30 June 2020

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	<u><u>622,926</u></u>	<u><u>428,305</u></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 2021

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.20 £	Cash flow £	At 30.6.21 £
Net cash			
Cash at bank and in hand	622,926	617,013	1,239,939
	<u>622,926</u>	<u>617,013</u>	<u>1,239,939</u>
Debt			
Finance leases	(35,710)	9,565	(26,145)
Debts falling due within 1 year	(60,800)	15,825	(44,975)
Debts falling due after 1 year	(122,000)	15,131	(106,869)
	<u>(218,510)</u>	<u>40,521</u>	<u>(177,989)</u>
Total	<u>404,416</u>	<u>657,534</u>	<u>1,061,950</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 2021

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	- between 2% and 10%
Equipment	- 20% on cost
Motor vehicles	- 20% on reducing balance

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 2021

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.

Financial liabilities - trade creditors, accruals and other creditors are basic financial instruments, and are measured at amortised cost. Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of future payments, discounted at a market rate of interest.

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.

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.

Hire purchase and leasing commitments

Assets obtained under hire contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

2. ACCOUNTING POLICIES - continued

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.

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.

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.

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

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

3. EMPLOYEES AND DIRECTORS

	30/6/21	30/6/20
	£	£
Wages and salaries	4,535,722	4,537,924
Social security costs	454,365	496,418
Other pension costs	106,429	111,117
	<u>5,096,516</u>	<u>5,145,459</u>

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

	30/6/21	30/6/20
Players	29	25
Scholars	23	18
Commercial	8	6
Matchday	39	126
Ground staff	6	13
Admin/Finance	10	12
Bar & Catering	1	43
	<u>116</u>	<u>243</u>

During the year directors were paid a total of £0 (2020: £0).

4. OPERATING LOSS

The operating loss is stated after charging:

	30/6/21	30/6/20
	£	£
Hire of plant and machinery	123,249	116,657
Depreciation - owned assets	186,793	180,978
Loss on disposal of fixed assets	79,573	-
Player and management registrations amortisation	<u>233,447</u>	<u>907,657</u>

5. AUDITORS' REMUNERATION

	30/6/21	30/6/20
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>12,000</u>	<u>12,000</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30/6/21	30/6/20
	£	£
Hire purchase	5,534	5,534
Bond interest	13,811	13,897
Other interest	5,971	-
Loan interest	11,977	-
	<u>37,293</u>	<u>19,431</u>

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2021 nor for the year ended 30 June 2020.

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:

	30/6/21	30/6/20
	£	£
Loss before tax	<u>(1,403,785)</u>	<u>(889,062)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(266,719)	(168,922)
Effects of:		
Depreciation in excess of capital allowances	48,874	22,110
Loss brought forward	(1,518,107)	(1,371,295)
Loss carried forward	<u>1,735,952</u>	<u>1,518,107</u>
Total tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Losses carried forward amounted to £8,456,791 (2020: £7,990,040). No provision has been made for a deferred taxation asset as the recoverability of these losses against future profits is uncertain.

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

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

8. INTANGIBLE FIXED ASSETS

	Player and management registrations £	Computer software £	Totals £
COST			
At 1 July 2020	389,877	3,900	393,777
Additions	301,875	-	301,875
Disposals	(286,127)	-	(286,127)
At 30 June 2021	<u>405,625</u>	<u>3,900</u>	<u>409,525</u>
AMORTISATION			
At 1 July 2020	180,395	3,900	184,295
Amortisation for year	233,447	-	233,447
Eliminated on disposal	(286,127)	-	(286,127)
At 30 June 2021	<u>127,715</u>	<u>3,900</u>	<u>131,615</u>
NET BOOK VALUE			
At 30 June 2021	<u>277,910</u>	<u>-</u>	<u>277,910</u>
At 30 June 2020	<u>209,482</u>	<u>-</u>	<u>209,482</u>

9. TANGIBLE FIXED ASSETS

	Property £	Equipment £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 July 2020	4,666,847	708,518	23,700	5,399,065
Additions	746,230	-	-	746,230
Disposals	(443,873)	-	-	(443,873)
At 30 June 2021	<u>4,969,204</u>	<u>708,518</u>	<u>23,700</u>	<u>5,701,422</u>
DEPRECIATION				
At 1 July 2020	1,714,206	407,367	23,700	2,145,273
Charge for year	63,109	123,684	-	186,793
Eliminated on disposal	(364,300)	-	-	(364,300)
At 30 June 2021	<u>1,413,015</u>	<u>531,051</u>	<u>23,700</u>	<u>1,967,766</u>
NET BOOK VALUE				
At 30 June 2021	<u>3,556,189</u>	<u>177,467</u>	<u>-</u>	<u>3,733,656</u>
At 30 June 2020	<u>2,952,641</u>	<u>301,151</u>	<u>-</u>	<u>3,253,792</u>

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

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

9. TANGIBLE FIXED ASSETS - continued

Included in property are:

	Freehold property £	EPC £	All weather pitch £	Totals £
COST OR VALUATION				
At 1 July 2020	2,995,707	1,227,267	443,873	4,666,847
Additions	40,935	286,231	419,064	746,230
Disposals			(443,873)	(443,873)
At 30 June 2021	<u>3,036,642</u>	<u>1,513,498</u>	<u>419,064</u>	<u>4,969,204</u>
DEPRECIATION				
At 1 July 2020	1,313,085	36,821	364,300	1,714,206
Charge for the year	-	45,407	17,702	63,109
Disposals			(364,300)	(364,300)
At 30 June 2021	<u>1,313,085</u>	<u>82,228</u>	<u>17,702</u>	<u>1,413,015</u>
NET BOOK VALUE				
At 30 June 2021	<u>1,723,557</u>	<u>1,431,270</u>	<u>401,362</u>	<u>3,556,189</u>
At 30 June 2020	<u>1,682,622</u>	<u>1,190,446</u>	<u>79,573</u>	<u>2,952,641</u>

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

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2020 and 30 June 2021	<u>4</u>
NET BOOK VALUE	
At 30 June 2021	<u>4</u>
At 30 June 2020	<u>4</u>

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

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

10. FIXED ASSET INVESTMENTS - continued

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

Lincoln City Football Club Centre of Excellence Limited

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

Nature of business: Developing of sporting excellence

	%
Class of shares:	holding
Ordinary	100.00

Impfinity Ltd

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

Nature of business: Other business support activities

	%
Class of shares:	holding
Ordinary	100.00

11. STOCKS

	30/6/21	30/6/20
	£	£
Stocks	<u>20,525</u>	<u>14,212</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/21	30/6/20
	£	£
Trade debtors	193,650	472,926
Amounts owed by group undertakings	46	47
Other debtors	117,855	183,962
Prepayments and accrued income	689,963	429,758
	<u>1,001,514</u>	<u>1,086,693</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/21	30/6/20
	£	£
Other loans (see note 15)	44,975	60,800
Hire purchase contracts (see note 16)	9,565	9,535
Trade creditors	707,383	171,198
Social security and other taxes	637,573	732,658
Other creditors	373,590	382,799
Deferred capital grant	33,717	-
Bonds	46,000	69,241
Accruals and deferred income	1,687,604	1,301,983
	<u>3,540,407</u>	<u>2,728,214</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30/6/21	30/6/20
	£	£
Other loans (see note 15)	106,869	122,000
Hire purchase contracts (see note 16)	16,580	26,175
Social security and other taxes	-	64,593
Other creditors	-	18,327
Bonds	512,090	495,268
Deferred capital grant	306,922	-
	<u>942,461</u>	<u>726,363</u>

15. LOANS

An analysis of the maturity of loans is given below:

	30/6/21	30/6/20
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>44,975</u>	<u>60,800</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>106,869</u>	<u>122,000</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 30/6/21	30/6/20
	£	£
Net obligations repayable:		
Within one year	9,565	9,535
Between one and five years	<u>16,580</u>	<u>26,175</u>
	<u>26,145</u>	<u>35,710</u>
	Non-cancellable	operating leases
	30/6/21	30/6/20
	£	£
In more than five years	<u>268,125</u>	<u>298,125</u>

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

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

17. SECURED DEBTS

The following secured debts are included within creditors:

	30/6/21	30/6/20
	£	£
Hire purchase contracts	<u>26,145</u>	<u>35,710</u>

Security is given against the asset to which the loan relates.

18. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	30/6/21	30/6/20
			£	£
17,044,444	Share capital 1	50p	<u>8,522,222</u>	<u>7,103,222</u>

2,838,000 Ordinary 50p shares were issued during the year for cash of £1,418,950.

19. RESERVES

	Retained earnings £	Revaluation reserve £	Interest reserve £	Totals £
At 1 July 2020	(6,200,890)	830,200	-	(5,370,690)
Deficit for the year	(1,403,785)			(1,403,785)
Interest	-	-	42,933	42,933
At 30 June 2021	<u>(7,604,675)</u>	<u>830,200</u>	<u>42,933</u>	<u>(6,731,542)</u>

20. 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.

21. 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 £470,365 (2020: £0).

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

22. **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 to directors at 30 June 2020 or 30 June 2021.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.