

Group Strategic Report,
Report of the Directors and
Audited
Consolidated Financial Statements
for the Year Ended 30 June 2023
for
Lincoln City Holdings Limited

Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2023

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Consolidated Statement of Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Cash Flow Statement	17
Notes to the Consolidated Cash Flow Statement	18
Notes to the Consolidated Financial Statements	20

Lincoln City Holdings Limited

Company Information
for the Year Ended 30 June 2023

DIRECTORS:

R G Bates
Lincoln City Supporters' Society Ltd
C H Nates
J S Wright
G D Levine
H F F Kok
D Lowes
S A Melnick
S L Tointon
H Jabara
G C Rossini
P C Webster

SECRETARY:

R J Parnell

REGISTERED OFFICE:

LNER Stadium
Sincil Bank
LINCOLN
Lincolnshire
LN5 8LD

REGISTERED NUMBER:

07895367 (England and Wales)

AUDITORS:

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

Group Strategic Report
for the Year Ended 30 June 2023

REVIEW OF BUSINESS

The Holding company is an investment vehicle for the football club. There have been no transactions in the income statement this year and only investment activity on the balance sheet. Therefore the majority of the transactions in this report relate to the subsidiary, Lincoln Football Club Company Limited, and therefore the strategic report is based on this company's year of trading.

	2023 £	2022 £	2021 £	2020 £
Turnover	6,527	6,981	5,567	6,548
Staff Costs	5,931	6,236	5,169	5,145
Profit/(loss)	(2,636)	(2,052)	(1,404)	(889)
Net assets	2,855	2,439	1,791	1,733
Final Position (League 1)	11th	17th	5th	16th
Average League Attendance	8,486	8,773	N/A	8,986

Season review

In our fourth successive season back in League 1, we finished in a credible 11th place under Head Coach Mark Kennedy. League form improved significantly after the close of the winter transfer window with 21 year-old Ethan Erhahon being a notable signing at the end of January for a six-figure sum. That transfer fee however remains below the club record fee paid of £325,000 (including a promotion add-on) for John Akinde in July 2018.

In cup competitions, we disappointingly exited in the first round of the FA Cup at non-league Chippenham Town but did well to reach the fourth round of the Carabao Cup by knocking out Championship side Bristol City before losing controversially away at Premier League Southampton. Whilst the Carabao Cup run was fantastic for fan engagement, it wasn't as commercially rewarding as we would have hoped from a usual 4th round progression, with our net profit from this run being only £55k. In the EFL Trophy we progressed to the quarter finals before losing on penalties to Accrington Stanley.

Turnover

Turnover is analysed into its main components as follows:

	2023 £	2022 £
Matchday	2,231	2,290
Central distributions and grants	1,719	2,127
Commercial and hospitality	1,523	1,654
Academy grants and fundraising	699	695
Football fortune and miscellaneous income	355	215
	<u>6,527</u>	<u>6,981</u>

Matchday revenue was down marginally with both league gate receipts and EFL digital revenue reflecting declines. This was offset to some extent by higher gate receipts from cup competitions specifically from the run in the Carabao Cup.

Central distributions were lower by £400k which was the main reason for the decline in overall turnover.

Although retail income was unchanged both commercial income and hospitality declined by in excess of 8%.

Group Strategic Report
for the Year Ended 30 June 2023

Football fortune and miscellaneous income was up significantly with higher loan fees received and increased prize money from cup competitions.

Player Trading

Overall player trading amounted to just short of £600k. Profits were generated from the sale of Cohen Bramall, Anthony Scully and to a lesser extent from Tom Hopper. A small loss was made on the sale of Jamie Robson. Sell-on fees were received from the transfer of Harry Toffolo and Jorge Grant and a minor add-on was received from the sale of James Jones following Wrexham's promotion. With this latest fee generated from the sale of Harry Toffolo, the total fees received from his transfer amount to approximately £640,000, a record for the club.

Compensation was also received for a very young academy player signed by a Premier League club.

Operating loss

The operating loss for the year increased further from £2.0m to £2.6m with administrative expenses up by £343k.

With continued inflationary pressures, operating costs across the club were significantly higher again. Although staff costs reflect a decrease of £305k over the previous year, when related items such as amortisation, agent fees and net loan fees are included there was only a small decline over the previous year.

Balance sheet

In order to fund the operating losses, player signings and capital expenditure, the company issued shares for cash amounting to £3.05million.

Capital expenditure was down on last year's very significant outlay but still amounted to just short of £300k. Among the major items targeted was the completion of the stadium-wide IT and network upgrade, pitch frost covers, upgrades to the Legends Lounge, EPC pitch improvements and the fit-out of the new catering concessions zone.

Transfer fees for players exceeded £400k during the year. This included fees for Ethan Erhahon, Danny Mandroiu, Dylan Duffy and Jay Benn as well as contingent payments for players signed in previous years. Also included was a fee for Reeco Hackett, signed on the opening of the 2023/24 summer transfer window on 14 June and therefore falling within the current financial year.

Cash at the year-end increased to £1.7million with nearly £0.9million of that ring-fenced towards the Stacey West redevelopment. Net assets were higher by £0.4million at £2.9million.

The increase in long term creditors was attributable to the receipt of capital grants for the Stacey West project. Bonds previously issued to fans for various capital projects continued to mature and in excess of £100k was repaid during the year. Outstanding bonds at year end, including for the Stacey West project, amounted to approximately £800k.

POST BALANCE SHEET AND FUTURE DEVELOPMENTS

Group Strategic Report
for the Year Ended 30 June 2023

The £2.6million Stacey West Community Hub development commenced in May 2023 and is anticipated to be completed in May 2024. The two-tier development will see the club develop its infrastructure and increase its social impact in the community, working in partnership with Lincoln City Foundation and other community groups.

The club has invested significantly in infrastructure upgrades as part of this project - most notably mains water, power and a pitch water recycling system. Its application to trial safe-standing was also successful and the LNER Stadium now boasts a safe standing section in GBM U7, and is exploring plans to expand standing options in other areas.

Investment also continues into the University of Lincoln Fan Village and other concession areas, as well as the ongoing improvement of facilities at the Soper of Lincoln EPC.

Head Coach Mark Kennedy and his assistant Danny Butterfield departed the club on 18 October. After an extensive recruitment process, the Leeds United U21 Coach Michael Skubala was appointed on 13 November as the new Head Coach on a contract through to the end of the 2026/27 season.

Since the financial year-end we have paid another six-figure transfer fee, with Ethan Hamilton joining from Accrington Stanley. This is the ninth time we have done so since returning to the EFL in 2017. As in the previous year, total player salary costs will be around the mid-table although still below the average costs for League 1.

Despite ongoing inflationary pressures on costs, season ticket prices were limited to low single-digit increases. We anticipate that the operating loss for the forthcoming financial year to exceed £3million.

Directors and key investors continue to support the club with ongoing investment, and shares amounting to £2.2million have been issued since the year-end. We are particularly grateful to the Jabara family for their significant and regular contributions since first becoming involved with the club in June 2021. As a result, HJ-LCFC Holdings LLC is now the largest shareholder in Lincoln City Holdings.

We welcome the Government's intention to bring forward legislation for an Independent Financial Regulator and hope that despite frustrating delays, the Premier League and EFL will ultimately come to an agreement on a fairer redistribution of revenue across the English football pyramid. Any additional income will come with strict financial controls on player spending limiting the ability of owners to boost that through equity or loan injections. Our ability to succeed will thus be even more dependent on the ability to punch above weight through astute processes and decision making and maximising turnover of which fan and partner support will be a major component.

ON BEHALF OF THE BOARD:

C H Nates - Director

29 February 2024

Report of the Directors
for the Year Ended 30 June 2023

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2023.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of that of a holding company.

The principal activity of the subsidiary company 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 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2022 to the date of this report.

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

Other changes in directors holding office are as follows:

H Jabara - appointed 23 February 2023
G C Rossini - appointed 23 February 2023
P C Webster - appointed 23 February 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group 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.

Report of the Directors
for the Year Ended 30 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

C H Nates - Director

29 February 2024

Report of the Independent Auditors to the Members of **Lincoln City Holdings Limited**

Opinion

We have audited the financial statements of Lincoln City Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 30 June 2023 and of the group's 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 group 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 group's and the parent 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 Group 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 Holdings 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 Group 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 Group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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 Holdings 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.

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

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

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant of those that relate to the reporting framework FRS102 and the Companies Act 2006.

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

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

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

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

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

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

Report of the Independent Auditors to the Members of
Lincoln City Holdings Limited

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

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

Use of our report

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

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

5 March 2024

Consolidated
Statement of Comprehensive
Income
for the Year Ended 30 June 2023

	Notes	30/6/23 £	30/6/22 £
TURNOVER		6,526,835	6,980,583
Cost of sales		<u>410,915</u>	<u>403,317</u>
GROSS PROFIT		6,115,920	6,577,266
Administrative expenses		<u>9,348,705</u> (3,232,785)	<u>9,005,531</u> (2,428,265)
Other operating income		30,984	54,669
Player trading		<u>599,108</u>	<u>350,000</u>
OPERATING LOSS	4	(2,602,693)	(2,023,596)
Interest payable and similar expenses	5	<u>33,371</u>	<u>28,166</u>
LOSS BEFORE TAXATION		(2,636,064)	(2,051,762)
Tax on loss	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(2,636,064)	(2,051,762)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
FOR THE YEAR		<u>(2,636,064)</u>	<u>(2,051,762)</u>
Loss attributable to:			
Owners of the parent		<u>(2,636,064)</u>	<u>(2,051,762)</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>(2,636,064)</u>	<u>(2,051,762)</u>

Consolidated Balance Sheet
30 June 2023

	Notes	30/6/23 £	£	30/6/22 £	£
FIXED ASSETS					
Intangible assets	8		379,604		320,717
Tangible assets	9		4,602,270		4,472,550
Investments	10		3		3
			<u>4,981,877</u>		<u>4,793,270</u>
CURRENT ASSETS					
Stocks	11	20,474		2,250	
Debtors	12	1,029,438		961,446	
Cash at bank and in hand		<u>1,687,335</u>		<u>930,178</u>	
		2,737,247		1,893,874	
CREDITORS					
Amounts falling due within one year	13	<u>3,472,885</u>		<u>3,240,141</u>	
NET CURRENT LIABILITIES			<u>(735,638)</u>		<u>(1,346,267)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,246,239		3,447,003
CREDITORS					
Amounts falling due after more than one year	14		<u>1,391,541</u>		<u>1,007,681</u>
NET ASSETS			<u>2,854,698</u>		<u>2,439,322</u>
CAPITAL AND RESERVES					
Called up share capital	17		2,835,500		2,076,277
Share premium	18		9,586,324		7,306,979
Revaluation reserve	18		722,470		694,132
Interest reserves	18		4,056		12,651
Non controlling interest	18		370,437		399,804
Retained earnings	18		<u>(10,664,089)</u>		<u>(8,050,521)</u>
SHAREHOLDERS' FUNDS			<u>2,854,698</u>		<u>2,439,322</u>

The notes form part of these financial statements

Consolidated Balance Sheet - continued
30 June 2023

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2024 and were signed on its behalf by:

C H Nates - Director

Company Balance Sheet
30 June 2023

	Notes	30/6/23 £	£	30/6/22 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		12,421,823		9,383,255
			<u>12,421,823</u>		<u>9,383,255</u>
CREDITORS					
Amounts falling due within one year	13	<u>11</u>		<u>11</u>	
NET CURRENT LIABILITIES			<u>(11)</u>		<u>(11)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,421,812</u>		<u>9,383,244</u>
CAPITAL AND RESERVES					
Called up share capital	17		2,835,500		2,076,277
Share premium			9,586,324		7,306,979
Retained earnings			<u>(12)</u>		<u>(12)</u>
SHAREHOLDERS' FUNDS			<u>12,421,812</u>		<u>9,383,244</u>
Company's profit for the financial year			<u>-</u>		<u>-</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2024 and were signed on its behalf by:

C H Nates - Director

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2023

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 July 2021	1,689,777	(5,990,484)	5,923,479
Changes in equity			
Share subscriptions	386,500	-	1,383,500
Total comprehensive income	-	(2,060,037)	-
Balance at 30 June 2022	<u>2,076,277</u>	<u>(8,050,521)</u>	<u>7,306,979</u>
Changes in equity			
Share subscriptions	759,223	-	2,279,345
Non controlling interest	-	(328,680)	-
Total comprehensive income	-	(2,284,888)	-
Balance at 30 June 2023	<u>2,835,500</u>	<u>(10,664,089)</u>	<u>9,586,324</u>

	Revaluation reserve £	Interest reserves £	Non controlling interest £	Total equity £
Balance at 1 July 2021	653,978	33,820	380,098	2,690,668
Changes in equity				
Share subscriptions	-	-	-	1,770,000
Non controlling interest	-	-	19,706	19,706
Total comprehensive income	40,154	(21,169)	-	(2,041,052)
Balance at 30 June 2022	<u>694,132</u>	<u>12,651</u>	<u>399,804</u>	<u>2,439,322</u>
Changes in equity				
Share subscriptions	-	-	-	3,038,568
Non controlling interest	28,338	516	(29,367)	(329,193)
Movement in interest reserve	-	(9,111)	-	(9,111)
Total comprehensive income	-	-	-	(2,284,888)
Balance at 30 June 2023	<u>722,470</u>	<u>4,056</u>	<u>370,437</u>	<u>2,854,698</u>

Company Statement of Changes in Equity
for the Year Ended 30 June 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 July 2021	1,689,777	(12)	5,923,479	7,613,244
Changes in equity				
Issue of share capital	386,500	-	1,383,500	1,770,000
Balance at 30 June 2022	<u>2,076,277</u>	<u>(12)</u>	<u>7,306,979</u>	<u>9,383,244</u>
Changes in equity				
Issue of share capital	759,223	-	2,279,345	3,038,568
Balance at 30 June 2023	<u>2,835,500</u>	<u>(12)</u>	<u>9,586,324</u>	<u>12,421,812</u>

Consolidated Cash Flow Statement
for the Year Ended 30 June 2023

	Notes	30/6/23 £	30/6/22 £
Cash flows from operating activities			
Cash generated from operations	1	(2,238,175)	(2,048,931)
Finance costs paid		(33,371)	(28,166)
Net cash from operating activities		<u>(2,271,546)</u>	<u>(2,077,097)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(425,375)	(297,000)
Purchase of tangible fixed assets		(281,072)	(914,958)
Sale of players		729,125	350,000
Sale of tangible fixed assets		4,916	-
Net cash from investing activities		<u>27,594</u>	<u>(861,958)</u>
Cash flows from financing activities			
EFL discounted loan interest		10,470	15,825
Capital repayments in year		(60,800)	(86,946)
Share issue		3,051,439	1,800,416
Net cash from financing activities		<u>3,001,109</u>	<u>1,729,295</u>
Increase/(decrease) in cash and cash equivalents		<u>757,157</u>	<u>(1,209,760)</u>
Cash and cash equivalents at beginning of year	2	930,178	2,139,938
Cash and cash equivalents at end of year	2	<u>1,687,335</u>	<u>930,178</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2023

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

	30/6/23	30/6/22
	£	£
Loss before taxation	(2,636,064)	(2,051,762)
Depreciation charges	140,602	176,065
Loss on disposal of fixed assets	5,834	27,100
Amortisation	243,187	227,094
Player Trading	(599,108)	(350,000)
Profit on intangible fixed assets	3,284	-
Finance costs	33,371	28,166
	<u>(2,808,894)</u>	<u>(1,943,337)</u>
(Increase)/decrease in stocks	(18,224)	18,275
(Increase)/decrease in trade and other debtors	(67,992)	40,069
Increase/(decrease) in trade and other creditors	656,935	(163,938)
Cash generated from operations	<u>(2,238,175)</u>	<u>(2,048,931)</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 2023

	30.6.23	1.7.22
	£	£
Cash and cash equivalents	<u>1,687,335</u>	<u>930,178</u>

Year ended 30 June 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>930,178</u>	<u>2,139,938</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2023

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

	At 1.7.22 £	Cash flow £	At 30.6.23 £
Net cash			
Cash at bank and in hand	930,178	757,157	1,687,335
	<u>930,178</u>	<u>757,157</u>	<u>1,687,335</u>
Debt			
Debts falling due within 1 year	(50,330)	(6,209)	(56,539)
Debts falling due after 1 year	(56,539)	56,539	-
	<u>(106,869)</u>	<u>50,330</u>	<u>(56,539)</u>
Total	<u>823,309</u>	<u>807,487</u>	<u>1,630,796</u>

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2023

1. STATUTORY INFORMATION

Lincoln City Holdings 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 General 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.

Basis of consolidation

The group financial statements consolidate the financial statements of Lincoln City Holdings Limited and its subsidiary undertakings drawn up to 30 June each year. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

All other subsidiary undertakings have been excluded from consolidation on the basis of having an immaterial impact to the group consolidated financial statements.

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. Potential assets and liabilities can only be realised once they become due, because of the uncertain nature of football. These include add-on fees relating to but are not limited to sell on clauses, appearances, goals, clean sheets and promotions.

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	- Varying rates between 0% and 20% on Cost
Equipment	- 20% on Cost
Motor vehicles	- 20% on Cost

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 less any provision for impairments.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Stocks

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

Financial instruments

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

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

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

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

Basic financial liabilities

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Research and development

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group'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.

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 registration

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

Rental

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

Disclosure Adjustment to Comparative Figures

During the year an exercise was undertaken to re-map certain income types in the financial statements to present a fairer representation of the results for the 2022 financial year. There has been no adjustment to the reported profit. Capital and reserves have also been updated to reflect non-controlling interest.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

3. EMPLOYEES AND DIRECTORS

	30/6/23	30/6/22
	£	£
Wages and salaries	5,261,489	5,507,418
Social security costs	552,611	589,438
Other pension costs	116,780	139,110
	<u>5,930,880</u>	<u>6,235,966</u>

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

	30/6/23	30/6/22
Pro team and management	31	28
Academy	49	46
Matchday	65	87
Commercial	9	7
Operations	35	25
	<u>189</u>	<u>193</u>

During the year directors were paid a total of £0 (2022: £0).

4. OPERATING LOSS

The operating loss is stated after charging:

	30/6/23	30/6/22
	£	£
Depreciation - owned assets	140,602	176,064
Loss on disposal of fixed assets	5,834	27,100
Player and management amortisation	<u>243,187</u>	<u>227,094</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	30/6/23	30/6/22
	£	£
Bond interest	22,901	6,703
Loan interest	<u>10,470</u>	<u>21,463</u>
	<u>33,371</u>	<u>28,166</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2023 nor for the year ended 30 June 2022.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	30/6/23 £	30/6/22 £
Loss before tax	<u>(2,636,064)</u>	<u>(2,051,762)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 25 % (2022 - 19 %)	(659,016)	(389,835)
Effects of:		
Capital allowances in excess of depreciation	(18,019)	-
Depreciation in excess of capital allowances	-	25,707
Loss brought forward	(1,970,918)	(1,606,790)
Loss carried forward	<u>2,647,953</u>	<u>1,970,918</u>
Total tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Losses carried forward amounted to £13,081,393 (2022: £10,373,252). No provision has been made for a deferred taxation asset as the recoverability of these losses against future profits is uncertain.

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

8. INTANGIBLE FIXED ASSETS

Group

	Player and management £	Computer software £	Totals £
COST			
At 1 July 2022	589,375	3,900	593,275
Additions	426,625	-	426,625
Disposals	(486,875)	-	(486,875)
At 30 June 2023	<u>529,125</u>	<u>3,900</u>	<u>533,025</u>
AMORTISATION			
At 1 July 2022	268,658	3,900	272,558
Amortisation for year	243,187	-	243,187
Eliminated on disposal	(362,324)	-	(362,324)
At 30 June 2023	<u>149,521</u>	<u>3,900</u>	<u>153,421</u>
NET BOOK VALUE			
At 30 June 2023	<u>379,604</u>	<u>-</u>	<u>379,604</u>
At 30 June 2022	<u>320,717</u>	<u>-</u>	<u>320,717</u>

9. TANGIBLE FIXED ASSETS

Group

	Property £	Equipment £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 July 2022	5,837,734	754,946	23,700	6,616,380
Additions	221,962	59,110	-	281,072
Disposals	(10,750)	-	-	(10,750)
At 30 June 2023	<u>6,048,946</u>	<u>814,056</u>	<u>23,700</u>	<u>6,886,702</u>
DEPRECIATION				
At 1 July 2022	1,475,940	644,190	23,700	2,143,830
Charge for year	63,556	77,046	-	140,602
At 30 June 2023	<u>1,539,496</u>	<u>721,236</u>	<u>23,700</u>	<u>2,284,432</u>
NET BOOK VALUE				
At 30 June 2023	<u>4,509,450</u>	<u>92,820</u>	<u>-</u>	<u>4,602,270</u>
At 30 June 2022	<u>4,361,794</u>	<u>110,756</u>	<u>-</u>	<u>4,472,550</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

9. TANGIBLE FIXED ASSETS - continued

Group

Included in property are:

	Freehold property £	EPC £	All weather pitch £	Totals £
COST OR VALUATION				
At 1 July 2022	3,865,042	1,538,796	433,897	5,837,735
Additions	211,962	10,000	-	221,962
Disposals	(10,750)	-	-	(10,750)
At 30 June 2023	<u>4,066,254</u>	<u>1,548,796</u>	<u>433,897</u>	<u>6,048,947</u>
DEPRECIATION				
At 1 July 2022	1,313,085	127,853	35,002	1,475,940
Charge for the year	-	46,200	17,356	63,556
Eliminated on disposal	-	-	-	-
At 30 June 2023	<u>1,313,085</u>	<u>174,053</u>	<u>52,358</u>	<u>1,539,496</u>
NET BOOK VALUE				
At 30 June 2023	<u>2,753,169</u>	<u>1,374,743</u>	<u>381,539</u>	<u>4,509,451</u>
At 30 June 2022	<u>2,551,957</u>	<u>1,410,943</u>	<u>398,895</u>	<u>4,361,795</u>

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

10. FIXED ASSET INVESTMENTS

Group

	Shares in group undertakings £
COST	
At 1 July 2022 and 30 June 2023	<u>3</u>
NET BOOK VALUE	
At 30 June 2023	<u>3</u>
At 30 June 2022	<u>3</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

10. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £
COST	
At 1 July 2022	9,383,255
Additions	3,038,568
At 30 June 2023	<u>12,421,823</u>
NET BOOK VALUE	
At 30 June 2023	<u>12,421,823</u>
At 30 June 2022	<u>9,383,255</u>

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

Subsidiary

Lincoln City Football Club Limited

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

Nature of business: Football Club

	% holding	30/6/23 £	30/6/22 £
Class of shares:			
Ordinary	83.66		
Aggregate capital and reserves		2,854,708	2,439,333
Loss for the year		<u>(2,636,064)</u>	<u>(2,051,762)</u>

11. STOCKS

	Group	
	30/6/23 £	30/6/22 £
Stocks	<u>20,474</u>	<u>2,250</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	30/6/23	30/6/22
	£	£
Trade debtors	330,312	410,786
Amounts owed by group undertakings	47	47
Impfinity Ltd	3	-
Other debtors	82,470	66,662
Prepayments and accrued income	616,606	483,951
	<u>1,029,438</u>	<u>961,446</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30/6/23	30/6/22	30/6/23	30/6/22
	£	£	£	£
Other loans (see note 15)	56,539	50,330	-	-
Trade creditors	691,578	355,980	-	-
Social security and other taxes	433,421	455,065	-	-
Other creditors	346,773	345,142	11	11
Deferred capital grant	17,702	18,000	-	-
Bonds	347,956	343,331	-	-
Accruals and deferred income	1,578,916	1,672,293	-	-
	<u>3,472,885</u>	<u>3,240,141</u>	<u>11</u>	<u>11</u>

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

	Group	
	30/6/23	30/6/22
	£	£
Other loans (see note 15)	-	56,539
Bonds	442,751	553,285
Deferred capital grant	948,790	397,857
	<u>1,391,541</u>	<u>1,007,681</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

15. LOANS

An analysis of the maturity of loans is given below:

	Group	
	30/6/23	30/6/22
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>56,539</u>	<u>50,330</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>-</u>	<u>56,539</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable	operating leases
	30/6/23	30/6/22
	£	£
In more than five years	<u>190,023</u>	<u>238,125</u>

The tenancy agreement is for a period of 35 years, starting in 2018. Lincoln City Football Club Company Ltd has the ability to terminate the lease from 2028 on 6 months notice. Rent can be increased in line with the prevailing RPI every 36 months by the landlord.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30/6/23	30/6/22
			£	£
10,962,770	Ordinary	10p	<u>2,835,500</u>	<u>2,076,277</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

17. CALLED UP SHARE CAPITAL - continued

Group

Allocated, issued and fully paid:

Number:	Class:	Nominal value	30/06/23 £	30/06/22 £
28,355,000	Ordinary	10p	2,835,500	2,076,277
Total			<u>2,835,500</u>	<u>2,076,277</u>

Company

Allocated, issued and fully paid:

Number:	Class:	Nominal value	30/06/23 £	30/06/22 £
28,355,000	Ordinary	10p	2,835,500	2,076,277

7,592,230 Ordinary shares of 10p were issued during the year for cash of £759,223.

18. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 July 2022	(8,050,521)	7,306,979	694,132
Deficit for the year	(2,636,064)		
Cash share issue	22,496	-	-
Interest reserves	328,680	-	-
Share subscriptions	-	2,279,345	-
Non controlling interest	(328,680)	-	28,338
At 30 June 2023	<u>(10,664,089)</u>	<u>9,586,324</u>	<u>722,470</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2023

18. RESERVES - continued

Group

	Interest reserves £	Non controlling interest £	Totals £
At 1 July 2022	12,651	399,804	363,045
Deficit for the year			(2,636,064)
Cash share issue	-	-	22,496
Interest reserves	-	-	328,680
Share subscriptions	-	-	2,279,345
Non controlling interest	516	(29,367)	(329,193)
Movement in interest reserve	(9,111)	-	(9,111)
At 30 June 2023	<u>4,056</u>	<u>370,437</u>	<u>19,198</u>

19. CONTINGENT LIABILITIES

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

20. RELATED PARTY DISCLOSURES

TRADING RELATIONSHIPS

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

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

DIRECTORS

There were no amounts owing by or to directors at 30 June 2023 or 30 June 2022.

Key Management Personnel

Remuneration of £683,316 (2022: £427,297) was paid to key management personnel during the financial year.

21. ULTIMATE CONTROLLING PARTY

No controlling party.

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.