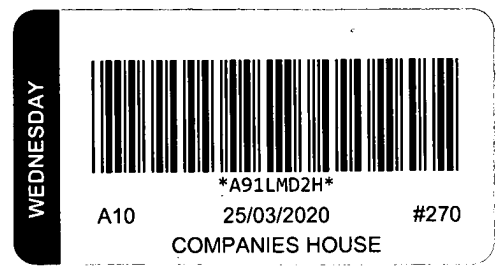


1 doc

Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 30 June 2019
for
Lincoln City Football Club
Company Limited



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

Contents of the Financial Statements
for the Year Ended 30 June 2019

	Page
Company Information	1
Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Income Statement	10
Balance Sheet	11
Statement of Changes in Equity	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16

Lincoln City Football Club
Company Limited

Company Information
for the Year Ended 30 June 2019

DIRECTORS: R G Bates
The Red Imps Community Trust
S L Tointon
C H Nates
I Reeve
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

Strategic Report
for the Year Ended 30 June 2019

The directors present their strategic report for the year ended 30 June 2019.

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 2019.

	2019 £000	2018* £000	2017 £000	2016 £000
Turnover	5,390	5,285	4,682	1,341
Staff Costs	5,334	4,429	2,562	1,161
Profit/(loss) before taxation	(2,238)	(1,089)	1,280	(419)
League	League 2	League 2	National	National
Final Position	1st	7th	1st	13th
Average League Attendance	9,006	8,782	5,162	2,594

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

We are delighted that the club finished as Champions of EFL League 2 and by doing so achieved promotion to the third tier of English football for the first time in 21 years. The League 2 title was the club's third trophy in an amazing three-year period under the management of Danny and Nick Cowley.

Following the previous seasons exit in the play-off semi-final full backing was given to the management team to achieve the target of promotion to League 1. The year under review therefore reflects the full impact of the club's push for promotion and the costs associated with the achievement of that target. The 2018 summer transfer window saw heavy investment in the first team with the breaking of the club's transfer record through the signing of John Akinde. Other notable signings saw Bruno Andrade, Michael O'Connor, Harry Toffolo and Jason Shackell join on permanent contracts. We also invested in our backroom team bringing in Jez George as Head of Football and significantly enhanced our recruitment capabilities.

With the team sitting at the top of the table throughout January 2019 further significant expenditure was authorised during the winter transfer window to support the management team in ensuring promotion was attained. To this end the team was strengthened through the permanent signings of Cian Bolger and Matt Gilks and the loan signings of Danny Rowe and Mark O'Hara. Further loan signings were brought in to cover certain positions in the event of injury to key players.

The direct costs of promotion - being payments due to other clubs in terms of transfer and loan agreements and payments to the management team, players and other staff - amounted to £614,274 of which £82,000 will be amortised in the next financial year. A proportion of these costs together with the additional expenditure on players in the January transfer window were the main contributors towards a higher than expected loss for the year.

Lincoln City Football Club
Company Limited

Strategic Report
for the Year Ended 30 June 2019

Although turnover improved only marginally from £5.3million to £5.4million there were a couple of areas that boosted the 2018 figure, the Checkatrade Trophy success and player sales. Matchday revenue increased only marginally by 5.6% but there was a noteworthy increase in season ticket holders from 5,200 to 6,200. Turnover can be analysed into its main components as follows:

	2019	2018
	£000	£000
Matchday	2,333	2,210
Central distributions	1,470	1,320
Commercial	1,211	1,050
Football fortune and other income	376	705
	<hr/>	<hr/>
	5,390	5,285

Although net group cash resources declined over the year from £2.4million to £0.4million at the end of June 2019, £1.4 million in new shares was contributed in the six months following the year-end. This together with the compensation payment for Danny and Nicky Cowley will have seen a significant decline in the net current liabilities of 2.3million pounds shown at the year-end.

All contributions from directors and other investors continue to be via equity and the only significant long term debt on the balance sheet is in respect of the bonds issued to fans to fund the Elite Performance Centre. Long term debt declined from £0.6million to £0.4million over the period.

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

Strategic Report
for the Year Ended 30 June 2019

FUTURE DEVELOPMENTS

After three very successful years with the Imps Danny and Nicky Cowley accepted an offer to join Championship club Huddersfield Town. We did our best to keep them at our club for as long as possible by providing them with the best possible resources we could afford and by remunerating them among the best in the leagues in which we competed. In the end however it was inevitable that their success with us would lead to a move to a club in a higher division. We are grateful for what Danny and Nicky achieved with us and for ensuring that a condition of their move saw us receive the full compensation payment as set out in their contracts. We sincerely wish them and their families all the best in the future.

Although the timing of Danny and Nicky's departure was not ideal we were pleased that our ongoing managerial succession process helped us identify and appoint Michael Appleton as Danny's replacement within 11 days. We welcome Michael and his assistant David Kerlake to our club and look forward to a successful future with them. They took over at a difficult time with the team having lost seven of its previous nine games and also had to cope with a number of injuries to key players and a plethora of away games, eight of the first eleven league matches.

Now that we are in League 1 there will be a greater emphasis on creating a squad of playing assets. In order to optimise our budget and achieve advantageous value in the transfer market our football staff will deploy an innovative and analytical recruitment process alongside delivery of highly effective coaching and development methods. We believe developing our own pool of talent should be part of the business model and will achieve this by investing with the aim of producing a dynamic and high-performing Academy. We believe that Michael's experience and record of delivering in these areas will be of great benefit to our club.

Despite some short term issues with the pitches at the Elite Performance Centre at the start of the current season these issues have been resolved and we see this development as a critical part of our strategy detailed above. We will target continued improvement and expansion dependent upon the club's progression and finances and will endeavour to have the Youth Team play their home matches there from season 2020/21.

Although we see the current season as one of consolidation following two promotions in three years the board remains determined to capitalise on the club's recent momentum. In order to do so we aim to become more inventive in attracting investment so we may continue to take the opportunities presented to us. It is also vital that we retain and grow our fan base and forge a strong emotional connection with them. This means continuing to improve the interaction with our fans and maintaining good lines of communication. In this regard it is pleasing to note that the club was ranked 6th out of 92 clubs in the recently released 2018/19 Fan Engagement Index. The club was also ranked 3rd in the EFL Supporters Matchday Satisfaction Survey and was awarded the much coveted EFL Family Excellence kite mark. The club has also seen a significant rise in iFollow support, finishing top of the League 2 table and performing creditably in the current campaign.

ON BEHALF OF THE BOARD:



.....
C H Nates - Director

Date: 17 JANUARY 2020

Lincoln City Football Club
Company Limited

Report of the Directors
for the Year Ended 30 June 2019

The directors present their report with the financial statements of the company for the year ended 30 June 2019.

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 2019.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 July 2018 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

K Cooke - resigned 21/09/2018

D A Parman - resigned 30/07/2018

R J Clarke - resigned 17/05/2019

The beneficial interests of the directors holding office at 30 June 2019 in the shares of the company, according to the register of directors interests were as follows:

	30/06/2019	01/07/2018
R G Bates	200	3,700
The Red Imps Community Trust	75,512	75,512
S L Tointon	6,000	5,800
C H Nates	200	200
I Reeve	5,200	5,200
R I Clarke	600	600
J S Wright	200	-
G D Levine	200	-
H F F Kok	200	200
D Lowes - appointed 31/08/2018	200	-
S A Melnick - appointed 20/09/2018	200	-
A J Slater - appointed 24/09/2019	1,600	-

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

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

Report of the Directors
for the Year Ended 30 June 2019

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.

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

Date: 17 JANUARY 2020.....

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 2019 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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.

Nicholsons

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

Date: *23/11/2020*

Lincoln City Football Club
Company Limited

Income Statement
for the Year Ended 30 June 2019

		Year Ended 30.6.19 £	Period 1.6.17 to 30.6.18 £
	Notes		
TURNOVER		5,389,836	5,284,951
Cost of sales		345,528	429,499
GROSS PROFIT		5,044,308	4,855,452
Administrative expenses		7,549,381	6,045,187
		(2,505,073)	(1,189,735)
Other operating income		290,642	117,057
OPERATING LOSS	4	(2,214,431)	(1,072,678)
Amounts written off investments	6	-	6,303
		(2,214,431)	(1,078,981)
Interest payable and similar expenses	7	23,288	10,504
LOSS BEFORE TAXATION		(2,237,719)	(1,089,485)
Tax on loss	8	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(2,237,719)</u>	<u>(1,089,485)</u>

The notes form part of these financial statements

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

Balance Sheet
30 June 2019

	Notes	30/6/19		30/6/18	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		745,371		677,934
Tangible assets	10		3,072,686		2,439,799
Investments	11		4		4
			<u>3,818,061</u>		<u>3,117,737</u>
CURRENT ASSETS					
Stocks	12	11,377		7,223	
Debtors	13	1,503,877		3,112,745	
Cash at bank and in hand		428,305		64,850	
			<u>1,943,559</u>		<u>3,184,818</u>
CREDITORS					
Amounts falling due within one year	14	4,280,064		3,617,114	
NET CURRENT LIABILITIES			<u>(2,336,505)</u>		<u>(432,296)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,481,556		2,685,441
CREDITORS					
Amounts falling due after more than one year	15		429,575		602,276
NET ASSETS			<u>1,051,981</u>		<u>2,083,165</u>
CAPITAL AND RESERVES					
Called up share capital	18		5,533,609		4,327,074
Revaluation reserve	19		830,200		830,200
Retained earnings	19		(5,311,828)		(3,074,109)
SHAREHOLDERS' FUNDS			<u>1,051,981</u>		<u>2,083,165</u>

The notes form part of these financial statements

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

Balance Sheet - continued
30 June 2019

The financial statements were approved by the Board of Directors on 17 JANUARY 2020 and were signed on its behalf by:



.....
C H Nates - Director

The notes form part of these financial statements

Lincoln City Football Club
Company Limited

Statement of Changes in Equity
for the Year Ended 30 June 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 June 2017	3,650,182	(1,984,624)	830,200	2,495,758
Changes in equity				
Issue of share capital	676,892	-	-	676,892
Total comprehensive income	-	(1,089,485)	-	(1,089,485)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2018	4,327,074	(3,074,109)	830,200	2,083,165
	<hr/>	<hr/>	<hr/>	<hr/>
Changes in equity				
Issue of share capital	1,206,535	-	-	1,206,535
Total comprehensive income	-	(2,237,719)	-	(2,237,719)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	<u>5,533,609</u>	<u>(5,311,828)</u>	<u>830,200</u>	<u>1,051,981</u>

The notes form part of these financial statements

Lincoln City Football Club
Company Limited

Cash Flow Statement
for the Year Ended 30 June 2019

	Notes	Year Ended 30.6.19 £	Period 1.6.17 to 30.6.18 £
Cash flows from operating activities			
Cash generated from operations	1	523,686	835,510
Interest paid		(1,193)	(57)
Interest element of hire purchase payments paid		(5,534)	(3,409)
Finance costs paid		(16,561)	(8,191)
Tax paid		(20,260)	20,260
		<hr/>	<hr/>
Net cash from operating activities		480,138	844,113
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of intangible fixed assets		(545,807)	(794,518)
Purchase of tangible fixed assets		(767,846)	(917,485)
Purchase of fixed asset investments		-	(3)
Sale of tangible fixed assets		-	633
		<hr/>	<hr/>
Net cash from investing activities		(1,313,653)	(1,711,373)
		<hr/>	<hr/>
Cash flows from financing activities			
Capital repayments in year		(9,565)	(12,915)
Share issue		1,206,535	676,892
		<hr/>	<hr/>
Net cash from financing activities		1,196,970	663,977
		<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents		363,455	(203,283)
Cash and cash equivalents at beginning of year	2	64,850	268,133
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	428,305	64,850
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

Lincoln City Football Club
Company Limited

Notes to the Cash Flow Statement
for the Year Ended 30 June 2019

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

	Year Ended 30.6.19 £	Period 1.6.17 to 30.6.18 £
Loss before taxation	(2,237,719)	(1,089,485)
Depreciation charges	613,330	315,499
Loss on disposal of fixed assets	-	1,746
Finance costs	23,288	10,504
	(1,601,101)	(761,736)
Increase in stocks	(4,154)	(7,223)
Decrease/(increase) in trade and other debtors	1,608,867	(543,685)
Increase in trade and other creditors	520,074	2,148,154
	523,686	835,510

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 2019

	30.6.19 £	1.7.18 £
Cash and cash equivalents	428,305	64,850
	428,305	64,850

Period ended 30 June 2018

	30.6.18 £	1.6.17 £
Cash and cash equivalents	64,850	268,133
	64,850	268,133

The notes form part of these financial statements

Lincoln City Football Club
Company Limited

Notes to the Financial Statements
for the Year Ended 30 June 2019

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.

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 received in advance is classed as deferred income and does not form part of the current years turnover,

Tangible fixed assets

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

Property	- 10% on cost, 5% on cost, 2% on cost and not provided
Equipment	- 20% on cost
Motor vehicles	- 20% on reducing balance

Depreciation has not been included on the EPC as the asset commenced use after the year end.

Due to the repairs and maintenance carried out on the ground in the year the directors feel the asset will not have not depreciated in value.

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.

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

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.

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

2. ACCOUNTING POLICIES - continued

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.

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.

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.

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

2. ACCOUNTING POLICIES - continued

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 amortized 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.

3. EMPLOYEES AND DIRECTORS

	Year Ended 30.6.19 £	Period 1.6.17 to 30.6.18 £
Wages and salaries	4,334,286	3,568,006
Social security costs	446,106	398,537
Other pension costs	87,478	48,693
	<u>4,867,870</u>	<u>4,015,236</u>

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

3. EMPLOYEES AND DIRECTORS - continued

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

	Year Ended 30.6.19	Period 1.6.17 to 30.6.18
Players	21	20
Scholars	25	24
Commercial	7	7
Matchday	138	133
Ground staff	7	7
Admin/Finance	17	16
Bar & Catering	41	39
	<u>256</u>	<u>246</u>

During the year directors were paid a total of £0 (2018: £95,305).

Included in the staff costs figure on the Strategic Report are player loans fees totalling £436,576 (2018: £227,905) and signing on fees totalling £29,084 (2018: £185,636).

4. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 30.6.19 £	Period 1.6.17 to 30.6.18 £
Hire of plant and machinery	62,719	35,797
Depreciation - owned assets	134,959	166,165
Loss on disposal of fixed assets	-	1,746
Player and management registrations amortisation	<u>478,370</u>	<u>151,792</u>

5. AUDITORS' REMUNERATION

	Year Ended 30.6.19 £	Period 1.6.17 to 30.6.18 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>12,000</u>	<u>-</u>

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

6. AMOUNTS WRITTEN OFF INVESTMENTS

	Year Ended 30.6.19	Period 1.6.17 to 30.6.18
	£	£
Intercompany balance written off	-	6,303
	<u> </u>	<u> </u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 30.6.19	Period 1.6.17 to 30.6.18
	£	£
Bank interest	1,193	57
Hire purchase	5,534	3,409
Bond interest	16,561	7,038
	<u> </u>	<u> </u>
	<u>23,288</u>	<u>10,504</u>

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2019 nor for the period ended 30 June 2018.

Factors that may affect future tax charges

Losses carried forward amounted to £7,217,343 (2018: £4,836,039). 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

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

9. INTANGIBLE FIXED ASSETS

	Player and management registrations £	Computer software £	Totals £
COST			
At 1 July 2018	859,518	3,900	863,418
Additions	545,807	-	545,807
At 30 June 2019	<u>1,405,325</u>	<u>3,900</u>	<u>1,409,225</u>
AMORTISATION			
At 1 July 2018	181,584	3,900	185,484
Amortisation for year	478,370	-	478,370
At 30 June 2019	<u>659,954</u>	<u>3,900</u>	<u>663,854</u>
NET BOOK VALUE			
At 30 June 2019	<u>745,371</u>	-	<u>745,371</u>
At 30 June 2018	<u>677,934</u>	-	<u>677,934</u>

10. TANGIBLE FIXED ASSETS

	Property £	Equipment £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 July 2018	3,778,582	466,853	23,700	4,269,135
Additions	579,658	188,188	-	767,846
At 30 June 2019	<u>4,358,240</u>	<u>655,041</u>	<u>23,700</u>	<u>5,036,981</u>
DEPRECIATION				
At 1 July 2018	1,637,807	167,829	23,700	1,829,336
Charge for year	19,259	115,700	-	134,959
At 30 June 2019	<u>1,657,066</u>	<u>283,529</u>	<u>23,700</u>	<u>1,964,295</u>
NET BOOK VALUE				
At 30 June 2019	<u>2,701,174</u>	<u>371,512</u>	-	<u>3,072,686</u>
At 30 June 2018	<u>2,140,775</u>	<u>299,024</u>	-	<u>2,439,799</u>

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

10. TANGIBLE FIXED ASSETS - continued

Included in property are:

	Freehold property £	EPC £	All weather pitch £	Totals £
COST OR VALUATION				
At 1 July 2018	2,670,352	664,357	443,873	3,778,582
Additions	64,409	514,193	1,057	579,659
At 30 June 2019	<u>2,734,761</u>	<u>1,178,550</u>	<u>444,930</u>	<u>4,358,241</u>
DEPRECIATION				
At 1 July 2018	1,312,027	-	325,780	1,637,807
Charge for the year	-	-	19,260	19,260
At 30 June 2019	<u>1,312,027</u>	<u>-</u>	<u>345,040</u>	<u>1,657,067</u>
NET BOOK VALUE				
At 30 June 2019	<u>1,422,734</u>	<u>1,178,550</u>	<u>99,890</u>	<u>2,707,174</u>
At 30 June 2018	<u>1,358,325</u>	<u>664,357</u>	<u>118,093</u>	<u>2,140,775</u>

Freehold property is included in the accounts at valuation and other tangible fixed assets at historical cost. The St Andrews Stand and Stacey West Stand were revalued by the directors in the year 1990/91 and the South Park Stand revalued in 1992/93. In 1993/94 the Stacey West Stand was revalued by a further £300,000 and other ground improvements by £91,022. In 1994/95 the Sincil Bank Stand was completed and revalued by £719,821. Had the revaluations not been carried out, the original cost less grants of the stands and buildings would have been £1,364,218 (2018: £1,299,809) and the net book value £763,672 (2018: £782,481).

In the directors' opinion the fair value is not materially different at the 30.06.19.

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2018 and 30 June 2019	4
NET BOOK VALUE	
At 30 June 2019	<u>4</u>
At 30 June 2018	<u>4</u>

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

11. 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

12. STOCKS

	30/6/19	30/6/18
	£	£
Stocks	<u>11,377</u>	<u>7,223</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/19	30/6/18
	£	£
Trade debtors	544,930	516,784
Amounts owed by group undertakings	47	2,300,000
Other debtors	697,828	153,631
Prepayments and accrued income	261,072	142,330
	<u>1,503,877</u>	<u>3,112,745</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/19	30/6/18
	£	£
Hire purchase contracts (see note 16)	9,535	9,535
Trade creditors	625,796	754,530
Tax	-	20,260
Social security and other taxes	405,576	384,038
Other creditors	335,389	170,546
Bonds	221,570	67,945
Accruals and deferred income	2,682,198	2,191,616
Deferred grants	-	18,644
	<u>4,280,064</u>	<u>3,617,114</u>

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

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

	30/6/19	30/6/18
	£	£
Hire purchase contracts (see note 16)	35,740	45,305
Bonds	393,835	499,194
Deferred capital grant more than five years	-	27,201
Deferred grants	-	30,576
	<u>429,575</u>	<u>602,276</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	30/6/19	30/6/18
	£	£
Net obligations repayable:		
Within one year	9,535	9,535
Between one and five years	35,740	45,305
	<u>45,275</u>	<u>54,840</u>

	Non-cancellable operating leases	
	30/6/19	30/6/18
	£	£
In more than five years	<u>328,125</u>	<u>365,625</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	30/6/19	30/6/18
	£	£
Hire purchase contracts	<u>45,275</u>	<u>54,840</u>

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

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30/6/19 £	30/6/18 £
11,067,217	Ordinary 50p	50p	<u>5,533,609</u>	<u>4,327,074</u>

2,413,069 Ordinary 50p shares of 50p were issued during the year for cash of £1,206,535.

19. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 July 2018	(3,074,109)	830,200	(2,243,909)
Deficit for the year	<u>(2,237,719)</u>	<u> </u>	<u>(2,237,719)</u>
At 30 June 2019	<u>(5,311,828)</u>	<u>830,200</u>	<u>(4,481,628)</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

	30/6/19 £	30/6/18 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>635,643</u>

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 2018 or 30 June 2019.

Lincoln City Football Club
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

23. POST BALANCE SHEET EVENTS

Following the year end the Management Team left the employment of the Company to join Huddersfield Town Football Club. The company received compensation of £1 million some of which was used to pay rolled up bonus and other contractual payments.