



LINCOLN CITY

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

FOR LINCOLN CITY FOOTBALL CLUB COMPANY LTD
COMPANY NUMBER: **00045611**



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INTRODUCTION TO LINCOLN CITY

WE ARE IMPS





OUR HERITAGE

We have been a key part of the football family since 1884, whether it is groundbreaking managerial appointments, Wembley wins or the darker days of relegation, these all make up the fabric of Lincoln City Football Club.

OUR HERITAGE

FORMATION

Founded in **1884** and turning professional in **1891**, the Imps have an amazing history. We first entered the Football League in **1892-93**, joining the new Division Two, and have played at our current Sincil Bank home since **1895**.

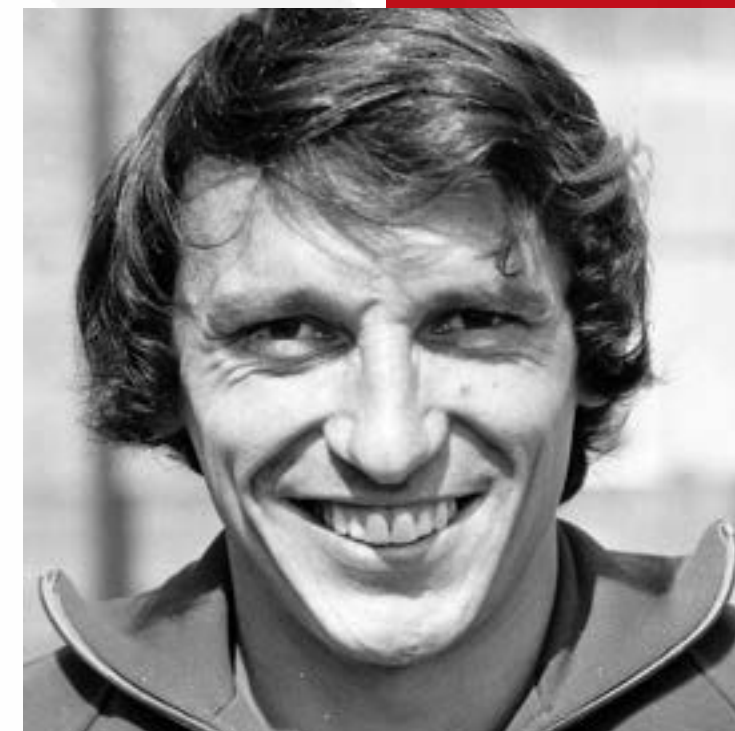
FOOTBALLING HERITAGE

Our first trophy was the Lincolnshire Senior Cup in **1887** - a competition we've since won a further **37** times. Our first Football League title was the Third Division (North) in **1931-32**, with our most recent coming when we won League Two in **2018-19**. We lifted the EFL Trophy at Wembley in **2018**.

PEOPLE

Iconic people associated with the club include **Graham Taylor**, who started his management career with us, **Colin Murphy** and **Keith Alexander** who was the first black person to be appointed permanent manager of a club in England.

Our record appearance holder is Grant Brown, who played an incredible **469** times for the Imps. Andy Graver is our all-time top goalscorer with **143** strikes.





[Redacted]

EFL CAPTAIN

bet LEAGUE ONE EFL

errea



TOGETHER

BRANTON

sky bet LEAGUE ONE EFL

TOGETHER

NO





SEASON REVIEW

ON THE PITCH



SEASON REVIEW

In our fourth successive season back in League One, 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 fourth 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.



LEAGUE POSITION: 11TH



FA CUP: FIRST ROUND (vs. Chippenham Town)



CARABAO CUP: FOURTH ROUND (vs. Southampton)



EFL TROPHY: QUARTER FINAL (vs. Accrington Stanley)





BUSINESS REVIEW

OFF THE PITCH



FINANCIAL & PERFORMANCE INDICATORS

The key financial & performance indicators for the current and three previous financial years are shown below:

	2023	2022	2021	2020
	£000	£000	£000	£000
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
AVE. LEAGUE ATTENDANCE	8,486	8,773	N/A	8,986



TURNOVER

6.5M



NET ASSETS

2.8M



FINAL POSITION

11TH



AVE. LEAGUE ATTENDANCE

8,486



TURNOVER

Turnover is analysed into its main components as follows:

	2023	2022
	£000	£000
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
	6,527	6,981

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



STAFF COSTS/ 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.



2022/23 RESULT

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.



OPERATING
LOSS



2.6M



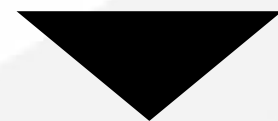
ADMINISTRATIVE
EXPENSES



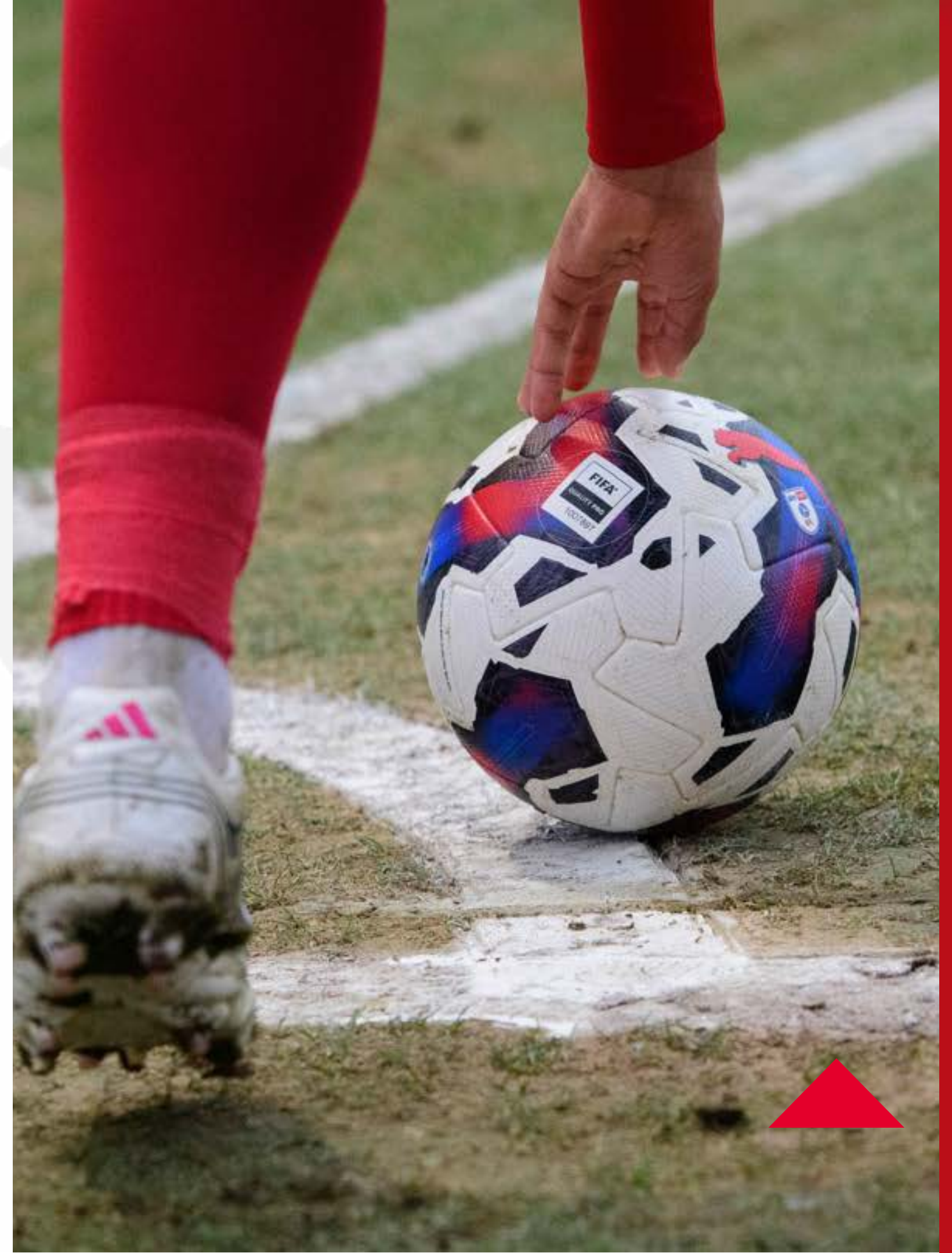
343K



STAFF
COSTS



305K



BALANCE SHEET/ NET ASSETS

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

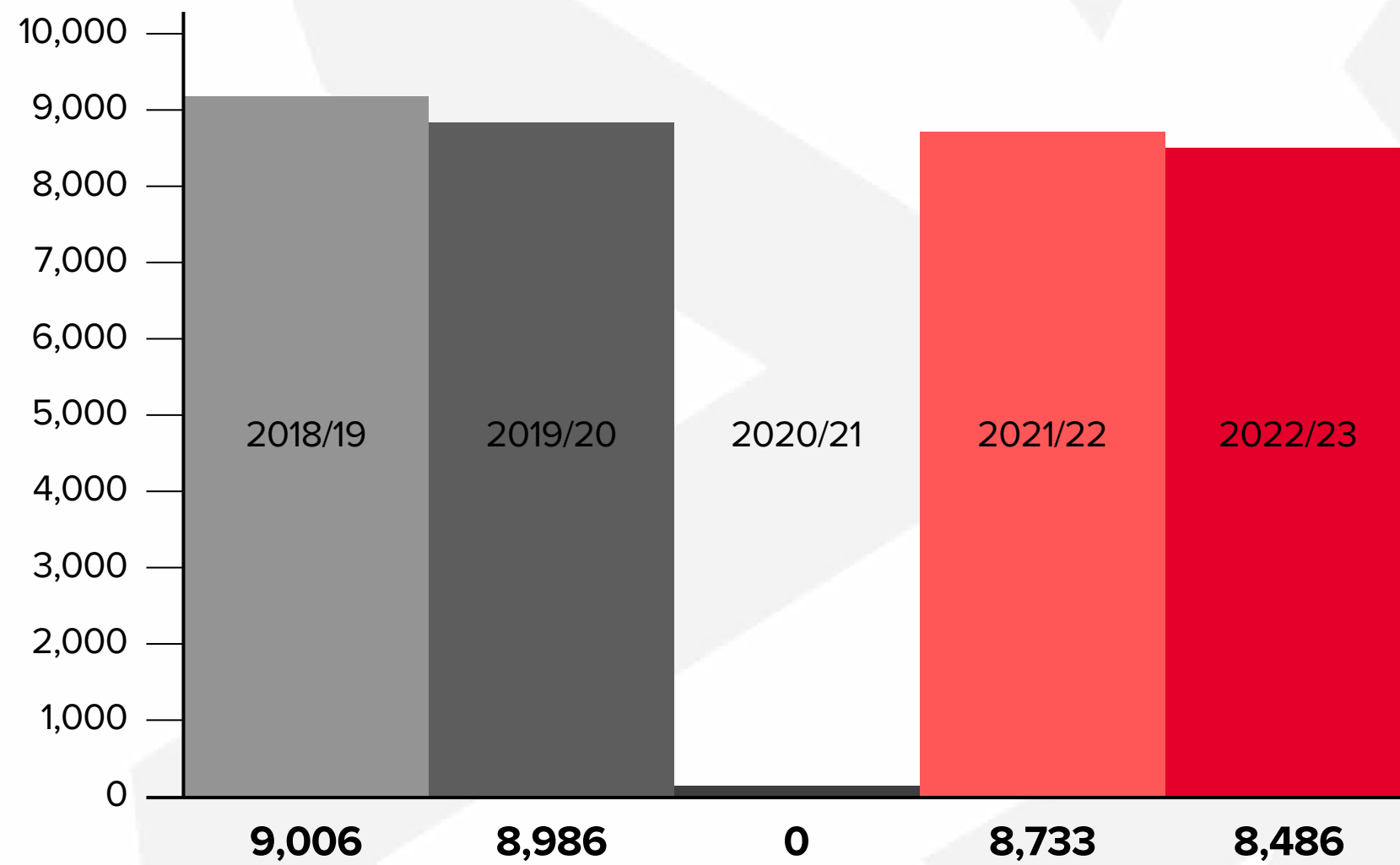
Capital expenditure was down on last year's very significant outlay but still amounted to just short of £300k. Among the major items targeted was the completion of the stadium-wide IT and network upgrade, pitch frost covers, upgrades to the Legends Lounge, EPC pitch improvements and the fit-out of the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

Transfer fees for players exceeded £400k during the year. This included fees for Ethan Erhahon, Danny Mandroui, 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.

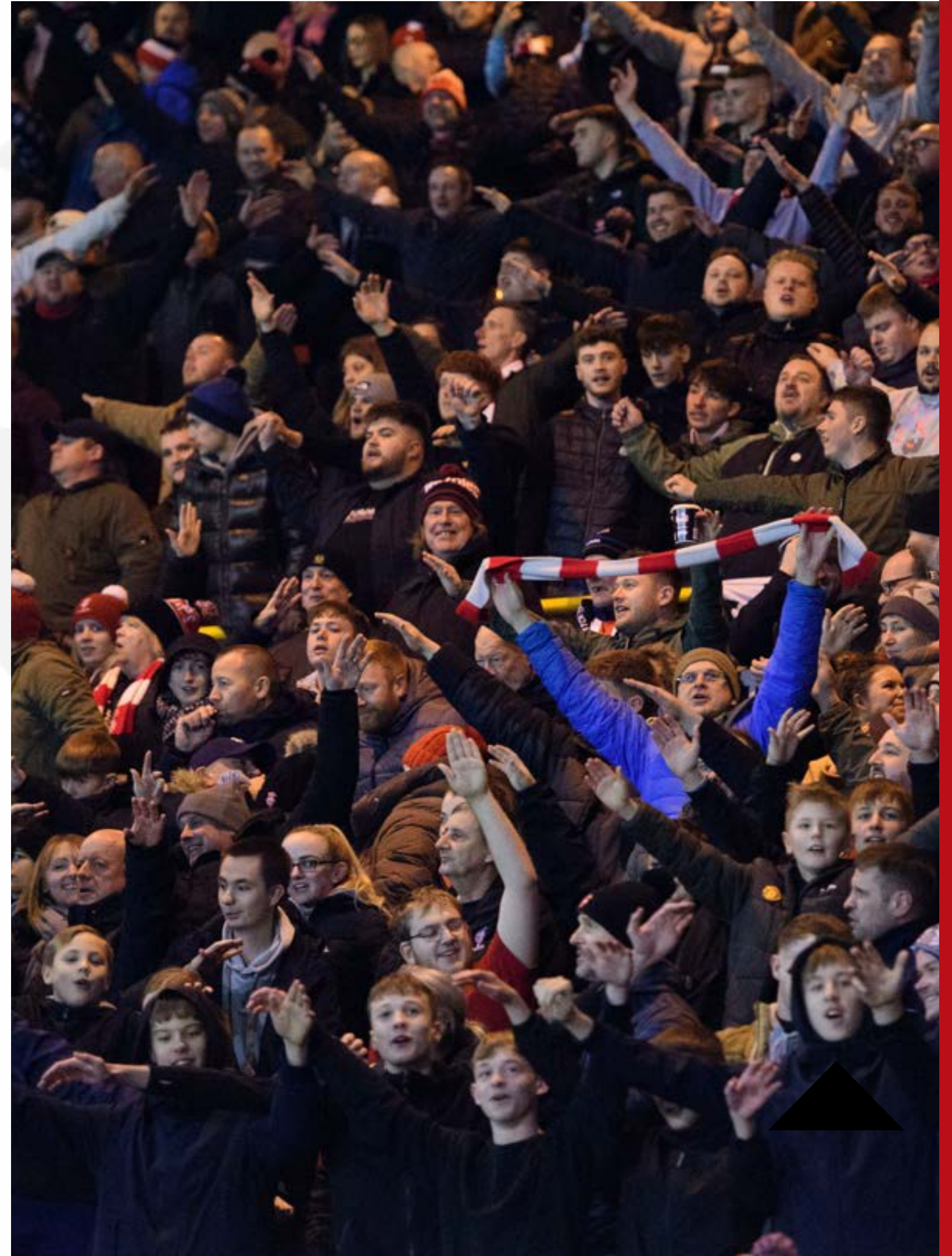
Cash at the year-end increased to £1.7million with nearly £0.9million of that ring-fenced towards the Stacey West redevelopment. Net assets were higher by £0.4million at £2.9million. The increase in long term creditors was attributable to the receipt of capital grants for the Stacey West project. Bonds 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.



ATTENDANCES



Data Considerations: The following chart relates to a 4-year trend includes 2019/2020 - Curtailed season due to the pandemic, 2020/2021 - All league fixtures were played behind closed doors.



COMPETITION PERFORMANCE

COMPETITION	2018/19	2019/20	2020/21	2021/22	2022/23
LEAGUE	LEAGUE TWO	LEAGUE ONE	LEAGUE ONE	LEAGUE ONE	LEAGUE ONE
LEAGUE POSITION	1ST	16TH	5TH	17TH	11TH
FA CUP	3RD ROUND	1ST ROUND	2ND ROUND	2ND ROUND	1ST ROUND
EFL CUP	2ND ROUND	2ND ROUND	3RD ROUND	1ST ROUND	4TH ROUND
EFL TROPHY	2ND ROUND	1ST ROUND	SEMI-FINAL	2ND ROUND	QUARTER FINAL



LEAGUE ONE
11TH



FA CUP
1ST ROUND



EFL CUP
4TH ROUND

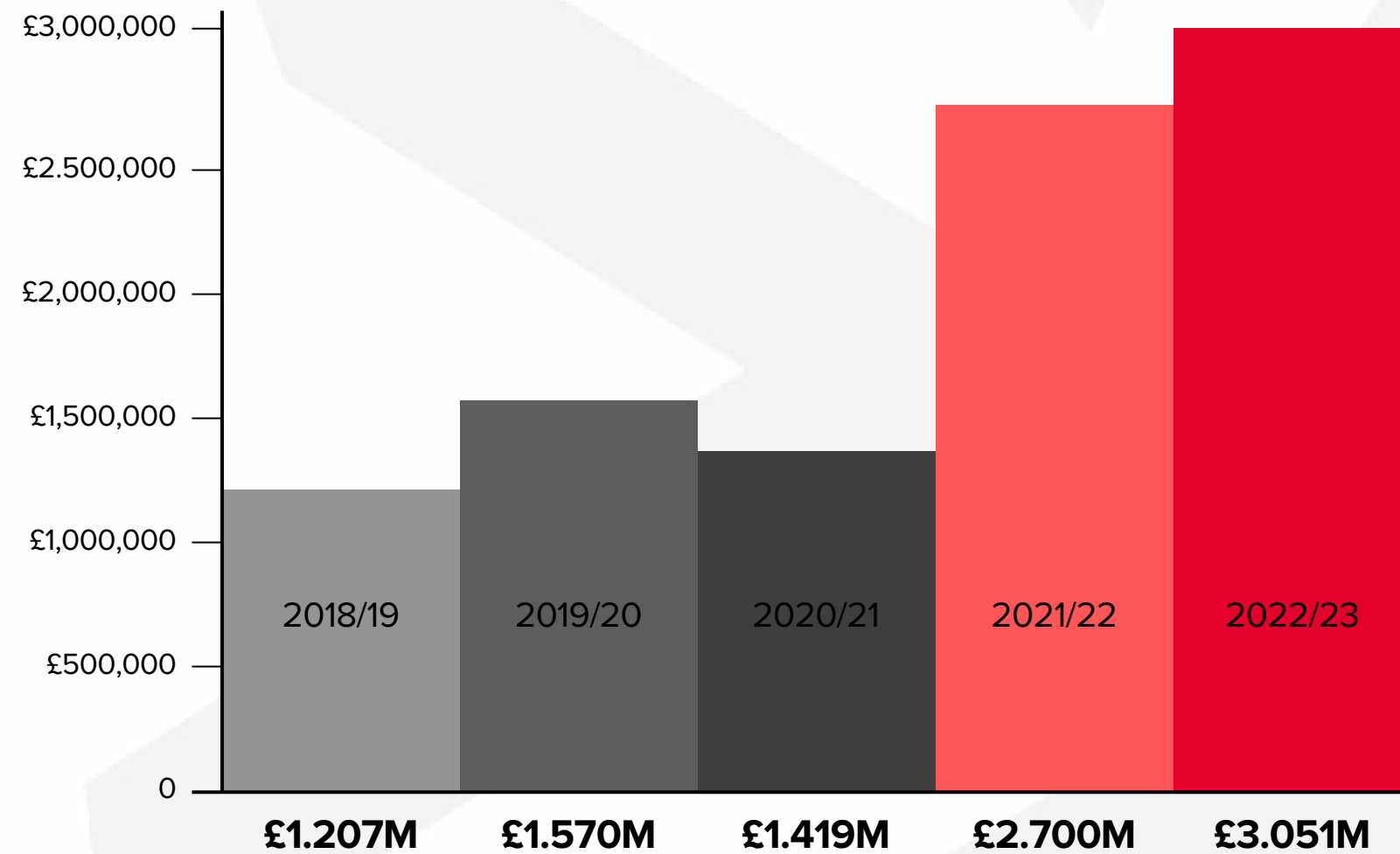


EFL TROPHY
QUARTER FINAL

Data Considerations: The following chart relates to a 4-year trend includes 2019/2020 - Curtailed season due to the pandemic, 2020/2021 - All league fixtures were played behind closed doors.



INVESTMENTS



Data Considerations: The following chart relates to a 4-year trend includes 2019/2020 - Curtailed season due to the pandemic, 2020/2021 - All league fixtures were played behind closed doors.







FAN ENGAGEMENT

We were the first ever community-owned football club, and have a strong emotional connection with our fans based on shared memories, quality interaction and good communication. We take pride in putting on exciting matchdays for all the family, while our digital output is constantly growing with people watching us across the globe every time we play.





FAN ENGAGEMENT



EFL VALUED SUPPORTERS SURVEY

3RD

OUT OF 72 CLUBS



EFL FAMILY EXCELLENCE AWARD

90%

11TH in EFL



FAN ENGAGEMENT INDEX

5TH

OUT OF 92 CLUBS





FUTURE DEVELOPMENTS

OUR PLANS FOR THE FUTURE



FUTURE DEVELOPMENTS

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. The 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.



**STACEY WEST
COMMUNITY
HUB**



**GBM U7
SAFE
STANDING**



**UNIVERSITY OF
LINCOLN FAN
VILLAGE**



**ELITE
PERFORMANCE
CENTRE**



FUTURE DEVELOPMENTS

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 One.




FUTURE DEVELOPMENTS

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.

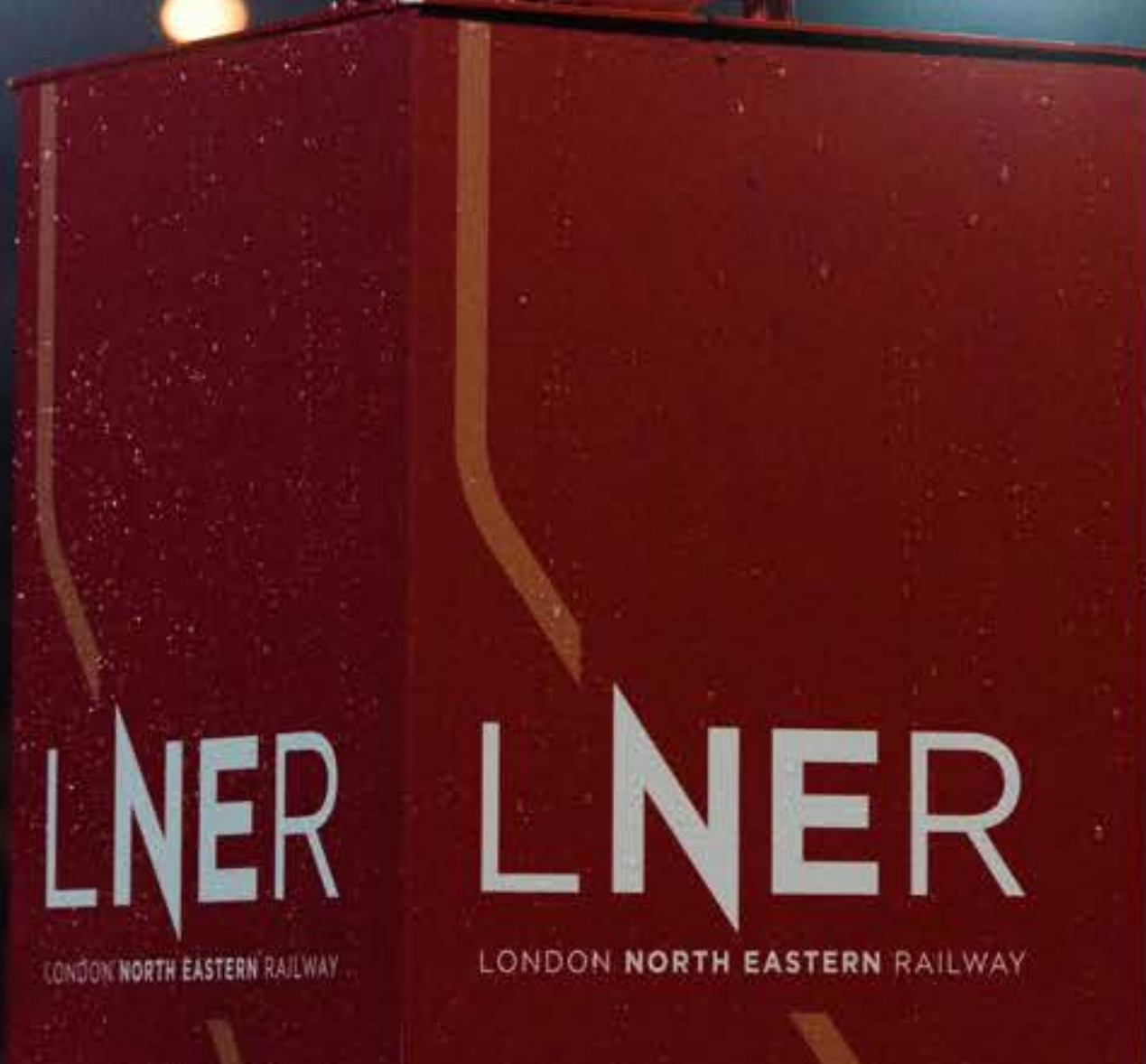
We are particularly grateful to the Jabara family for their significant and regular contributions since first becoming involved with the club in June 2021. As a result, HJ-LCFC Holdings LLC is now the largest shareholder in Lincoln City Holdings.

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.



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- Clive Nates



SUCCESS IS NO ACCIDENT. IT IS HARD WORK, PERSEVERANCE, LEARNING, STUDYING, SACRIFICE AND MOST OF ALL, LOVE OF WHAT YOU ARE DOING OR LEARNING TO DO.

- Pelé



REPORT OF THE DIRECTORS

THE DIRECTORS PRESENT THEIR REPORT WITH THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 30 JUNE 2023.



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 2023.

DIRECTORS

The directors set out in the table right have held office during the whole of the period from 1 July 2022 to the date of this report unless otherwise stated.

The beneficial interests of the directors holding office during the year to 30 June 2023 in the shares of the company, according to the register of directors interests were as follows:

	30/06/2023	30/06/2022
R G Bates	200	200
The Red Imps Community Trust	344,098	330,494
S L Tointon	6,500	6,500
C H Nates	20,000	20,000
J S Wright	200	200
G D Levine	200	200
H F F Kok	200	200
D Lowes	3,950	200
S A Melnick	200	200
A J Slater	2,332	2,332
C Travers	243,601	243,601
S Hindocha	-	-
H Jabara - Appointed 23 February 2023	-	-
G C Rossini - Appointed 23 February 2023	-	-
P C Webster - Appointed 23 February 2023	-	-

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;

- Make judgements and accounting estimates that are reasonable and prudent;

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

nicholsons
chartered accountants & business advisers

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

The accounts were given an unqualified audit report. The full audit report can be accessed via the full company accounts linked below:

[CLICK HERE OR
SCAN QR CODE](#)





DETAILED REPORTS



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023



	2023 £	2022 £
TURNOVER	6,526,835	6,980,583
Cost of sales	410,915	403,317
GROSS PROFIT	6,115,920	6,577,266
Administrative Expenses	9,348,705	9,005,531
	(3,232,785)	(2,428,265)
Operating Income	30,984	54,669
Player Trading	599,108	350,000
OPERATING LOSS	(2,602,693)	(2,023,596)
Interest payable and similar expenses	33,371	28,166
LOSS BEFORE TAXATION	(2,636,064)	(2,051,762)
Tax on loss	-	-
LOSS FOR THE FINANCIAL YEAR	(2,636,064)	(2,051,762)

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2023



	2023		2022	
	£	£	£	£
FIXED ASSETS				
Intangible assets		379,604		320,717
Tangible assets		4,602,270		4,472,550
Investments		3		3
		4,981,877		4,793,270
CURRENT ASSETS				
Stocks	20,474		2,250	
Debtors	1,029,435		961,446	
Cash at bank and in hand	1,687,335		930,178	
	2,737,244		1,893,874	
CREDITORS				
Amounts falling due within one year		3,472,872		3,240,130
NET CURRENT LIABILITIES		(735,628)		(1,346,256)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,246,249		3,447,014
CREDITORS				
Amounts falling due after more than one year		1,391,541		1,007,681
NET ASSETS		2,854,708		2,439,333
CAPITAL AND RESERVES				
Called up share capital		14,274,076		11,222,637
Revaluation reserve		830,200		830,200
Interest reserve		4,661		15,131
Retained earnings		(12,254,229)		(9,628,635)
SHAREHOLDERS' FUNDS		2,854,708		2,439,333

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023



	Called up share capital £	Retained earnings £	Revaluation reserve £	Interest reserve £	Total equity £
BALANCE AT 1 JULY 2021	8,522,222	(7,604,675)	830,200	42,933	1,790,680
CHANGES IN EQUITY					
Issue of share capital	2,700,415	-	-	-	2,700,415
Total comprehensive income	-	(2,023,960)	-	(27,802)	(2,051,762)
BALANCE AT 30 JUNE 2022	11,222,637	(9,628,635)	830,200	15,131	2,439,333
CHANGES IN EQUITY					
Issue of share capital	3,051,439	-	-	-	3,051,439
Total comprehensive income	-	(2,625,594)	-	(10,470)	(2,636,064)
BALANCE AT 30 JUNE 2023	14,274,076	(12,254,229)	830,200	4,661	2,854,708

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023



	Notes	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	1	(2,238,175)	(2,048,932)
Finance costs paid		(33,371)	(28,166)
Net cash from operating activities		(2,271,546)	(2,077,098)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible fixed assets		(425,375)	(297,000)
Purchase of tangible fixed assets		(281,072)	(914,959)
Sale of players		729,125	350,000
Sale of tangible fixed assets		4,916	-
Net cash from investing activities		27,594	(861,959)
CASH FLOWS FROM FINANCING ACTIVITIES			
EFL discounted loan interest		10,470	15,825
Capital repayments in year		(60,800)	(86,944)
Share issue		3,051,439	2,700,415
Net cash from financing activities		3,001,109	2,629,296
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		757,157	(309,761)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2	930,178	1,239,939
CASH AND CASH EQUIVALENTS AT END OF YEAR	2	1,687,335	930,178

NOTES TO THE CASH FLOW STATEMENT

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

	2023 £	2022 £
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
	(2,808,894)	(1,943,337)
(Increase)/decrease in stocks	(18,224)	18,275
(Increase)/decrease in trade and other debtors	(67,989)	40,067
Increase/(decrease) in trade and other creditors	656,932	(163,937)
CASH GENERATED FROM OPERATIONS	(2,238,175)	(2,048,932)

2. CASH AND 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	30.06.23 £	01.07.22 £
Cash and cash equivalents	1,687,335	930,178
Year ended 30 June 2022	30.06.22 £	01.07.21 £
Cash and cash equivalents	930,178	1,239,939

3. ANALYSIS OF CHANGE IN NET FUNDS

	AT 01.07.22 £	CASH FLOW £	AT 30.06.23 £
NET CASH			
Cash at bank and in hand	930,178	757,157	1,687,335
	930,178	757,157	1,687,335
DEBT			
Debts falling due within 1 year	(50,330)	(6,209)	(56,539)
Debts falling due after 1 year	(56,539)	56,539	-
	(106,869)	50,330	(56,539)
TOTAL	823,309	807,487	1,630,796





As we embark on the next chapter of our history,
wherever our journey takes us we are determined to
ensure Lincoln City is a club to be proud of...

#IMPSASONE