

Carlisle United

Understanding the
club's finances

July 2021
v1.4



Carlisle United

Understanding the
club's finances

Overview (1)

This overview aims to help our fans understand the club's finances

Why is understanding the club's finances important?

We believe a greater understanding of the club's finances:

- provides context and background to the financial and operational decisions we make
- reduces confusion, incorrect presumptions and the credibility 'fake news'
- creates a closer connection with supporters
- builds trust between fans and club
- is a key part of Fan Engagement
- is a key part of understanding the overall strategy and approach of the club

The analysis data in this information briefing is up to 30 June 2020 and from the publicly available Audited Accounts over previous years. Where further clarity can be given by additional club data, that has also been provided.

By understanding the club's finances our fans can better see our financial position, performance and progress, and the challenges we face in our aim to be financially sustainable.

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Understanding the club's finances

Overview (2)

The club's overall objective is...

“Working Together, building a Sustainable and Successful Club that we can take Pride in.”

For Carlisle United, being **Sustainable** financially means:

- The club's trading and football activities can consistently and reliably pay for our normal spending and ongoing investment needs
- Not relying on external funding every year to survive or for routine investment
- Not relying on shareholder debt and equity to fund trading losses or normal routine football spending

The journey to sustainability financial requires us to:

- **Grow our income – in particular Business Turnover**
- **Control Business Costs and Overheads**
- **Manage Total Football Expenditure** within affordable levels
- **Earn Football Fortune** to reinvest and support our Business and Football activities
- **Invest** in activities to generate income, bring efficiencies and improve on field performance
- **Build reserves** which are important to provide contingencies against uncertainties – rather than spending all in the short term

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Understanding the club's finances

Overview (3)

Being **Sustainable** is crucial to the club because it means:

- we can continue to operate into the future in a way where we **can thrive, grow and develop** to achieve our goals – not simply just existing and surviving
- we are less vulnerable to unexpected and external influences; to **control our own destiny**
- we can **avoid short term crisis decisions** aimed at survival which create long term harm
- we have **reduced reliance on funding support**
- **we have flexibility** over expenditure and investment decisions and to take advantage of opportunities

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Overview (4)

In this review we will:

- explain the **key elements** of our finances
- show how the key elements **work and fit together**
- provide **detailed and meaningful data and explanation**
- be **transparent** over our finances, not selective
- provide a reference point to 'fact check' claims and comment made about our finances, answer questions and see explanations

We are **committed to transparency on a continuing basis** by:

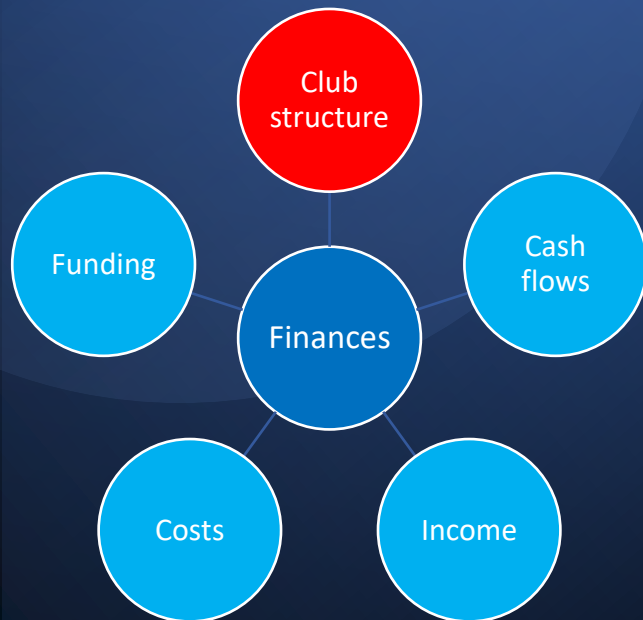
- publishing and updating this detailed explanation to help fans understand the club's finances
- providing detailed Audited Financial Statements – beyond the minimum required by the law and EFL and FA rules
- sharing detailed financial data and trends and key performance indicators
- giving regular financial updates on our website direct to fans
- answering financial questions posed to us by fans through our Fan Engagement activities (CUSG, CUOSC etc)

From time to time, there will be some information we cannot provide that fans would like us to. Where this is the case will say so and explain why.(for example legal and confidentiality reasons).

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Understanding the club's finances

Key elements



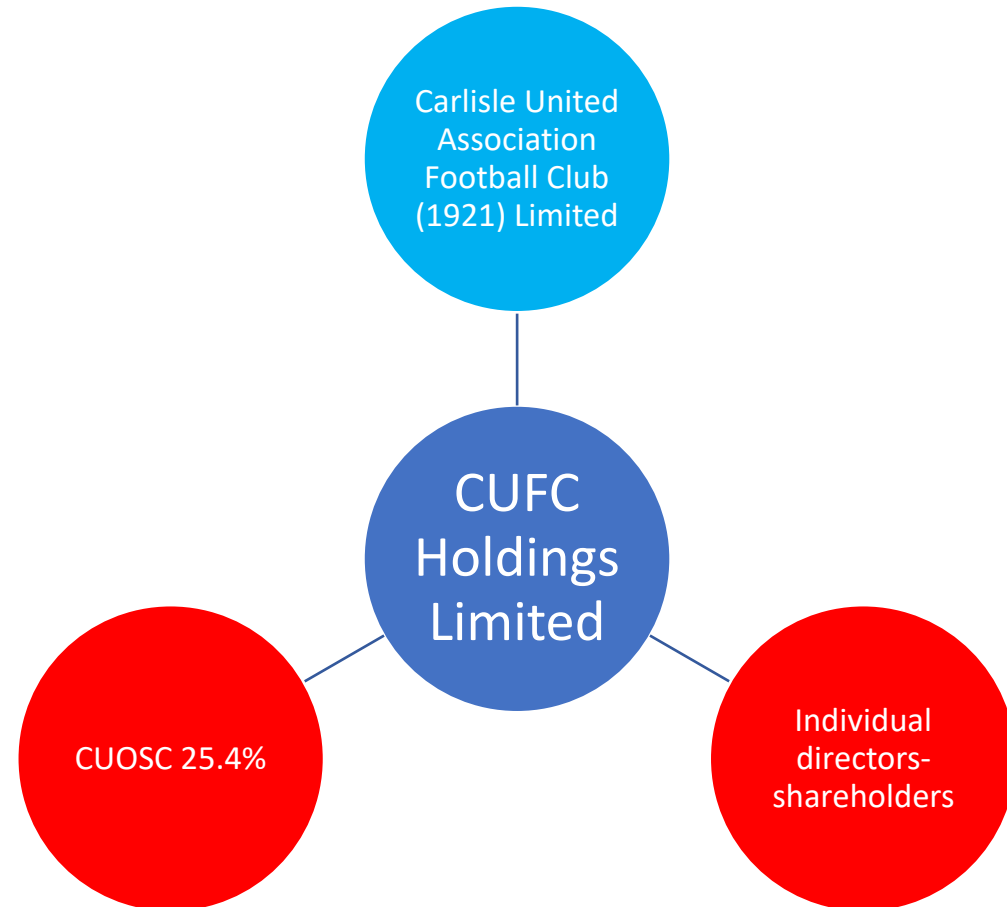
Key elements

There are a number of key elements which **work and fit together** to impact on our finances:

- **Club structure** - legal and operating organisation
- **Income** - how much and where does it come from?
- **Costs** - how much and what do we spend on?
- **Cash flows** - where does our cash come from and where does it go?
- **Funding** - how is the club financed, where does it come from? debt and equity
- **Other financial factors** – other considerations that play an important part:
 - attendances,
 - wages & salaries
 - data, KPIs

Carlisle United Finances

Share structure



CUFC Holdings

- Holding company, non-trading
- 74.6% votes controlled by three individual shareholders
 - A Jenkins Chairman
 - J Nixon
 - S Pattison
- 25.4% voting power CUOSC (Fan trust)
- Holdings owns 93.7% of 1921
- Makes strategic decisions, determines football spending and provides finance

1921

- Trading company for the club
- Owns EFL golden share
- 93.7% owned by Holdings & 6.3% by small shareholders
- Makes operational decisions, undertakes day-to-day management, responsibilities focused on off-the-field

Both companies have separate boards of directors.

Carlisle United Finances

Organisational structure

Board of directors

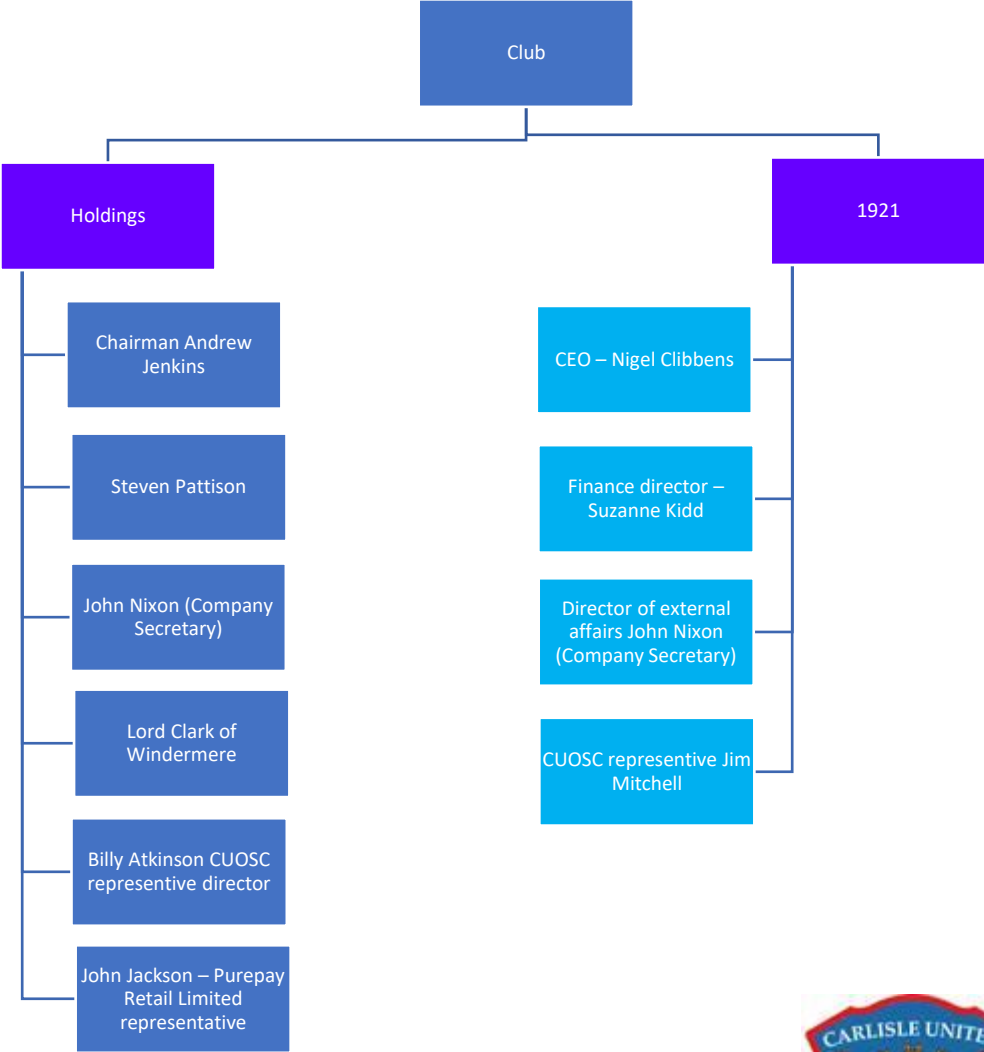
Holdings and 1921 have separate boards of directors with separate roles summarised as follows:

Holdings

- Club organisation and governance
- Strategic decisions – material investments, budget allocations
- Funding
- Football budget, spending and decision making
- Monitoring of 1921 operational control

1921

- Club, Business, Academy and Community day-to-day operational management
- Operational compliance
- Financial control





Carlisle United Finances

Organisational structure

Strategic Activities

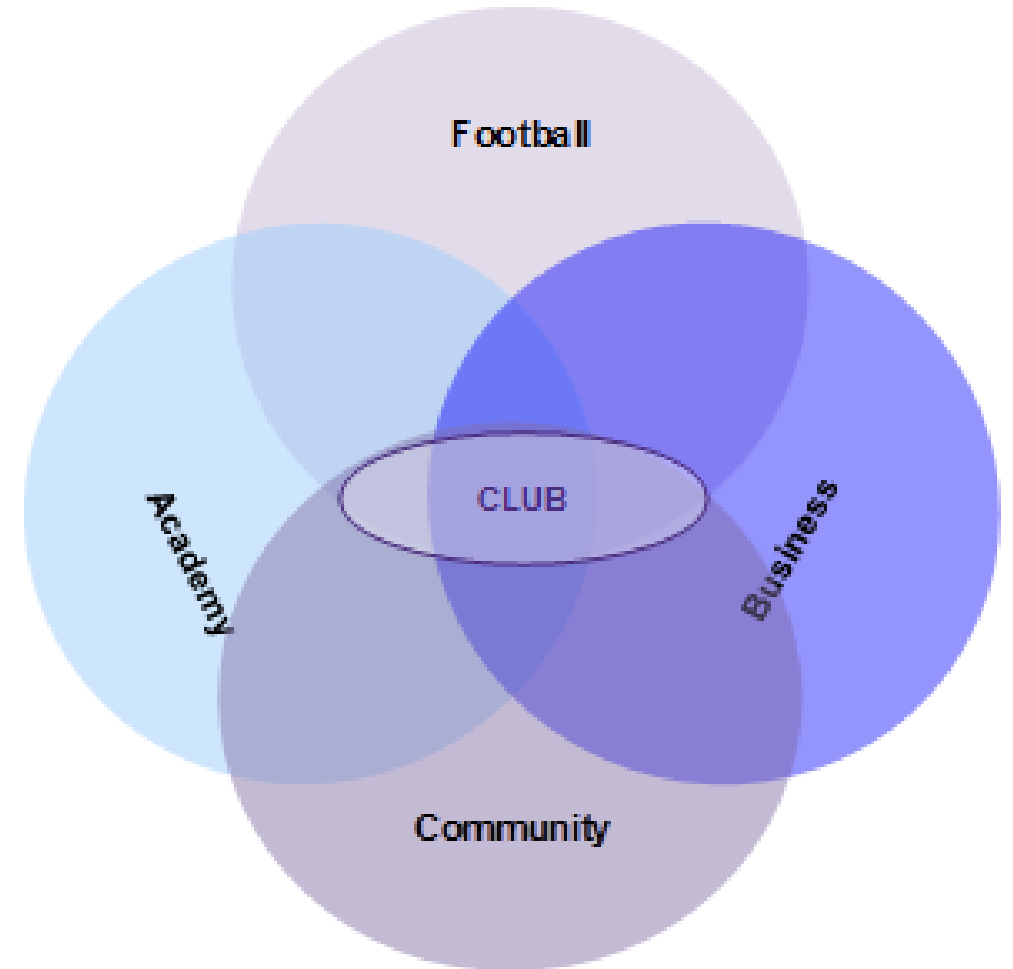
Club comprises five **Strategic Activities** :

- all combine together and are intrinsically linked
- all rely on each other
- all can't succeed alone

The activities have very different issues and challenges. By looking at them individually we can bring accountability and responsibility and management control.

Each has its own financial characteristics which lead to specific matters to manage.

Our financial reporting and information is presented for each activity. We provide further detailed for the departments and operations that are within each activity.



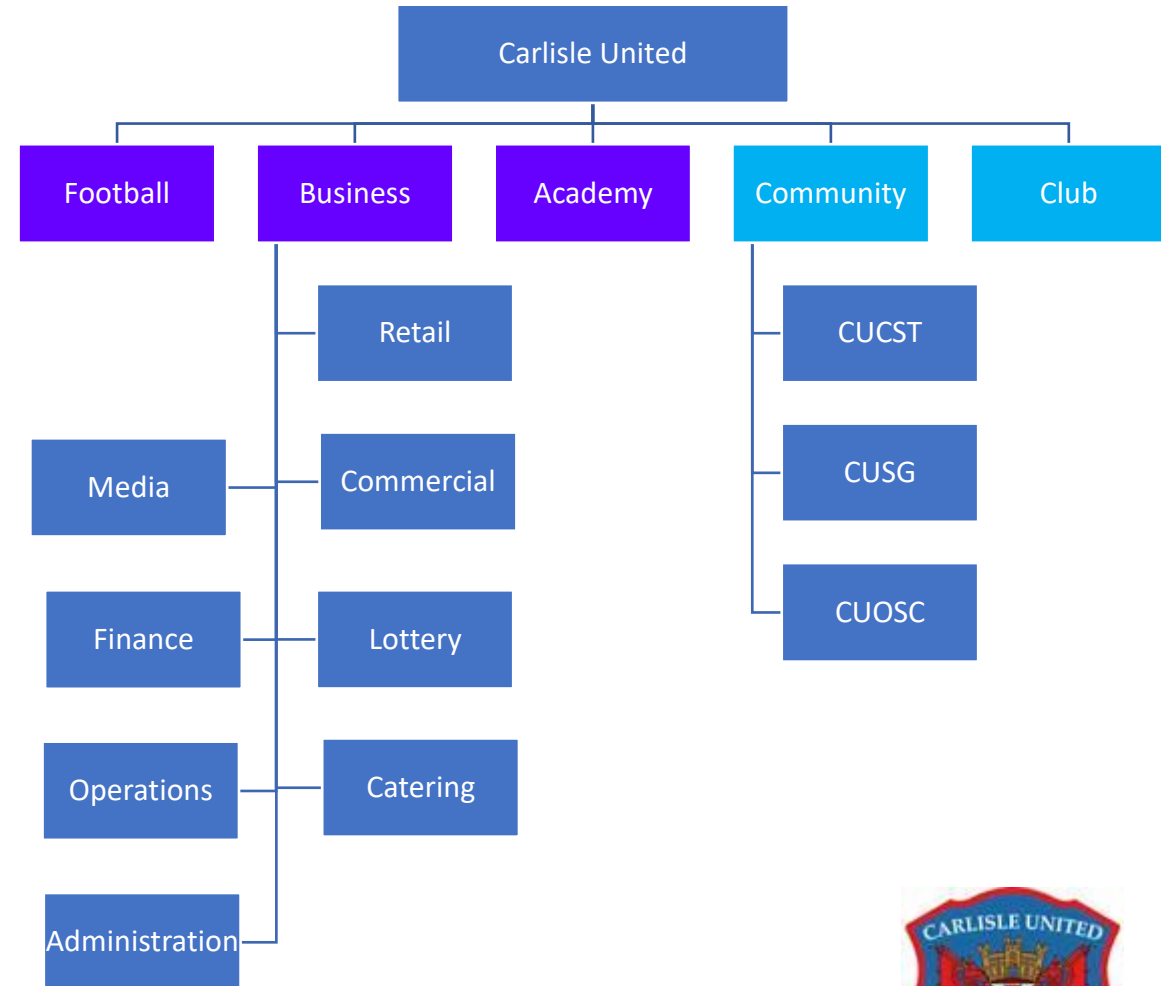
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Organisational structure

Departments

Within the five Strategic Activities sit the **operating departments** of the club:

- **Football** is all the first team operations that go into on-the-field activities - players, football staff, games, training, preparation, training etc
- **Business** comprises the all off-the-field activities of the club.
- **Academy** is the department delivering the youth development programme under the Elite Play Performance Plan (“EPPP”)
- **Community** is the fan and social activities we do – linking with the independent Carlisle United Community Sports Trust (“CUCST”), Carlisle United Supporters’ Groups (“CUSG”)
- **Club** - covers the governance, board and organisation



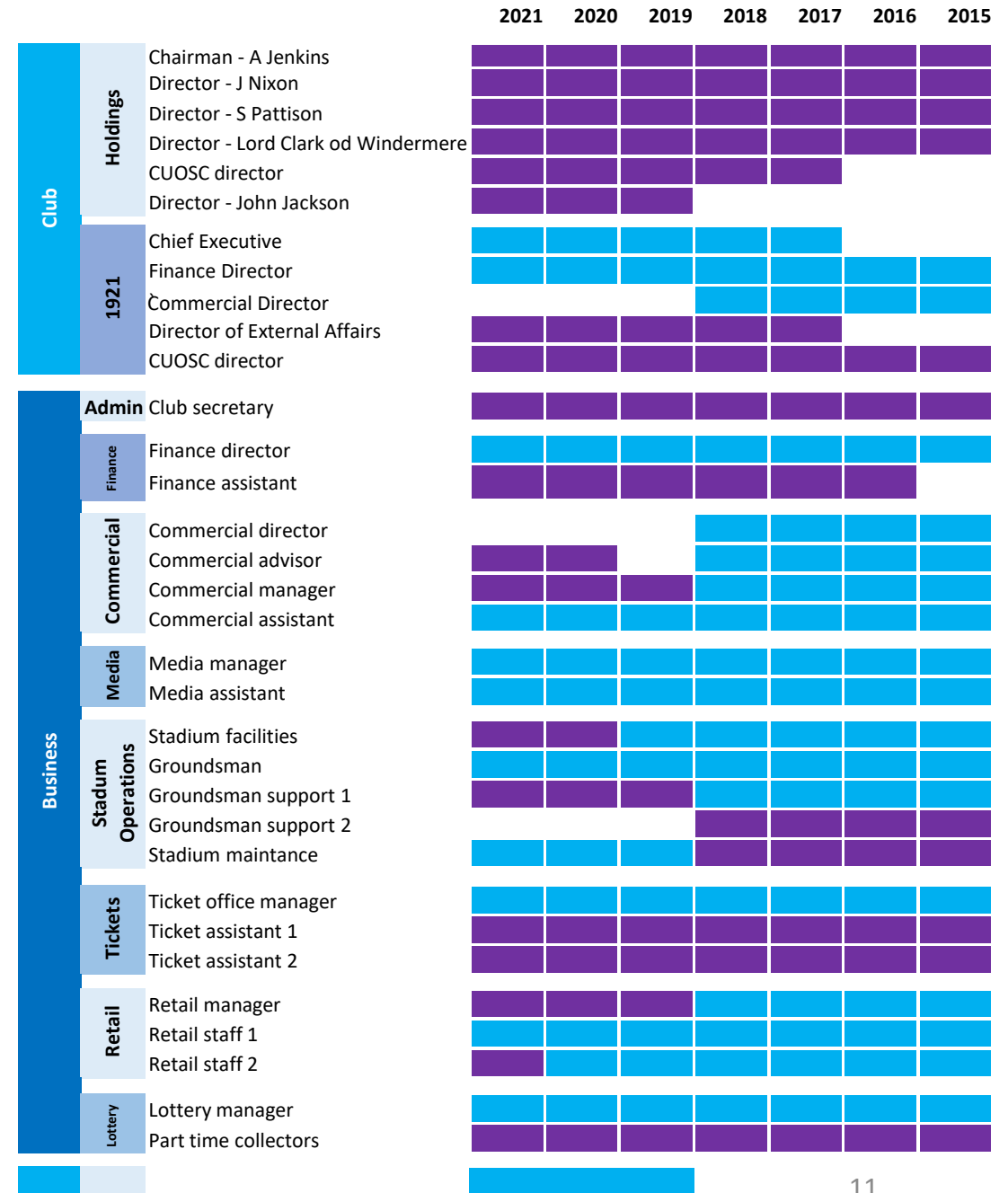
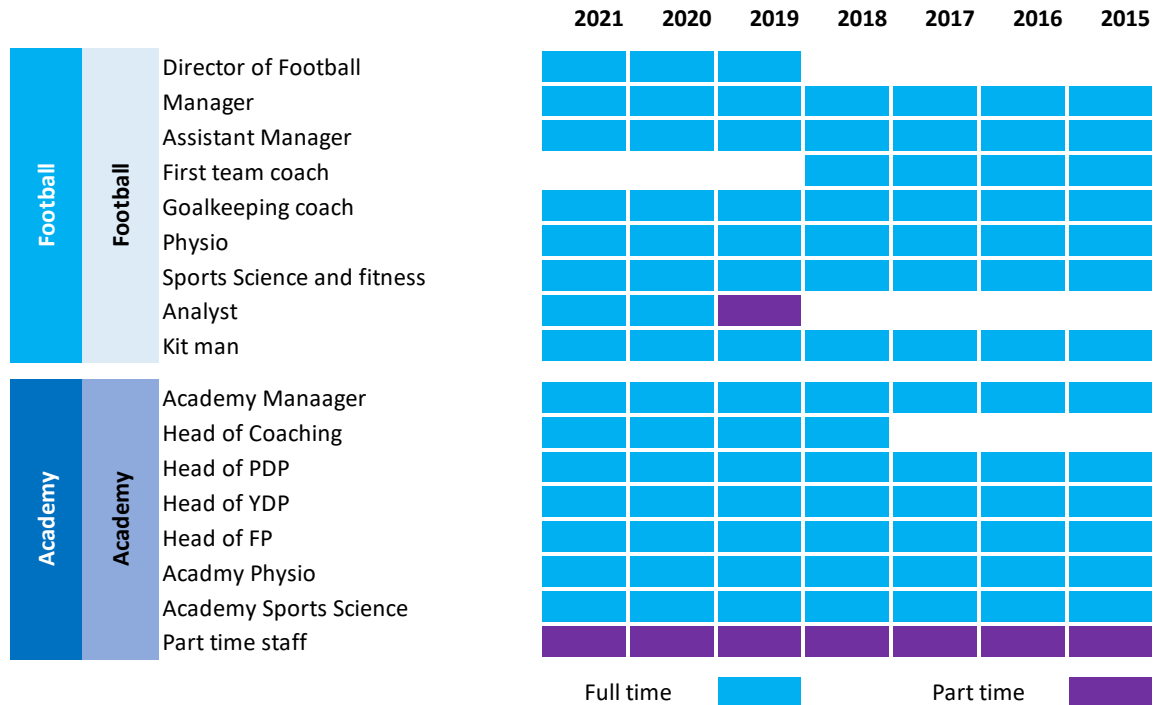
Carlisle United Finances

Departmental – staffing

The staff of the club in recent years is as follows.

There has been a reduction in Business staff numbers and full time staff as efficiencies have been sought and resources directed to Football.

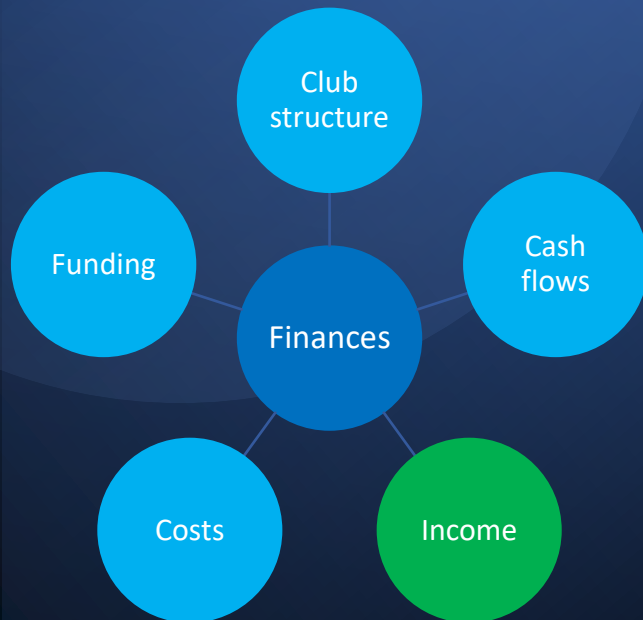
In June 2021 we had 10 FT Business staff and directors plus part time staff (5 FTE) plus Football and Academy Staff. Part time match day staff are additional. The club has no community staff - these are employed CUCST



Carlisle United

Understanding the club's finances

Key elements



Key elements – income

We earn income from recurring and non-recurring activities. The difference is whether the income comes year after year (even if its variable in what we earn) or is totally unpredictable and uncertain if we get anything at all

Recurring income - year in year out

- Business Turnover from Commercial, Matches, Retail, Catering
- Professional Game Income from EFL and Premier League

These arise each year but are still variable. They go up and down but can be predicated to a large extent.

Non-recurring income - highly uncertain and largely unpredictable

- Football Fortune – player sales and cup runs
- Other non-recurring business income – one-offs like concerts, compensation, donations

These are not controllable, unpredictable and cannot be relied on. They can be very large and very irregular and totally distort trends and can lead to misleading conclusions and financial misunderstanding.

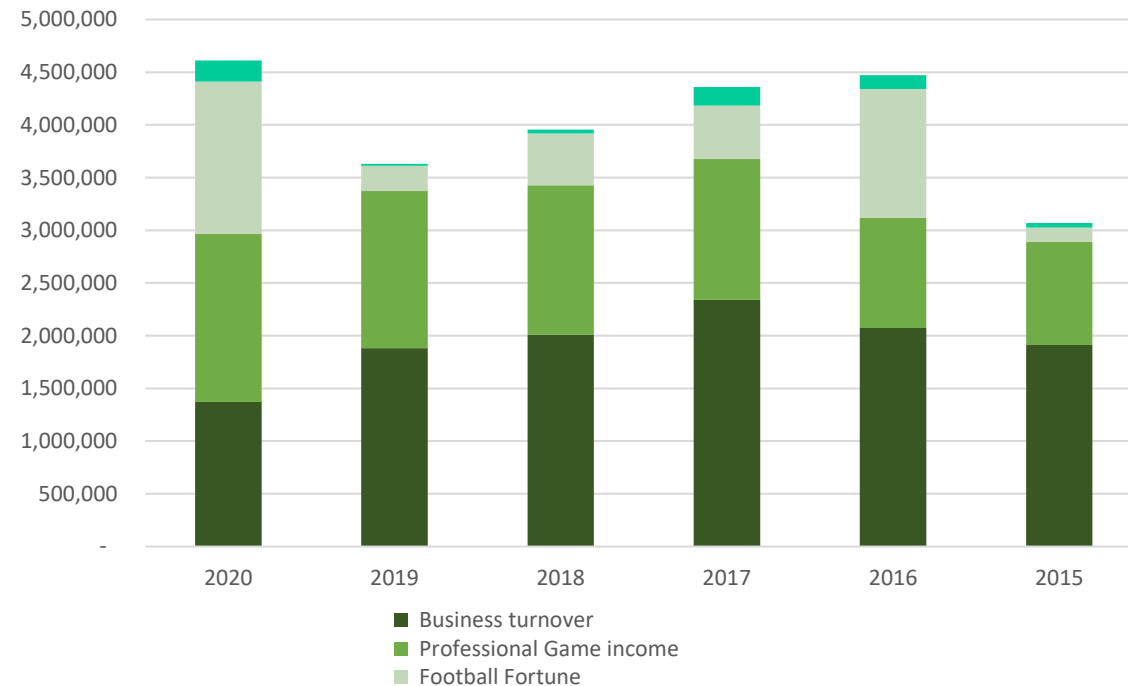
It is crucial to understand the different characteristics of each type of income as it results in different risks and has implications of other decisions.

Carlisle United – Income

Headline turnover

£4.59m 19/20

Headline turnover
2015-2020



Headline turnover – the turnover disclosed in the profit & loss account from all activities together. It comprises:

- **Business Turnover** - income from matches including tickets, commercial, retail and sundry activities (Neil centre hires, donations)
- **Professional Game Income** - comprises EFL income, Premier League Solidarity and EPPP Academy grant income

(Recurring income – comprises Business turnover + PGI)

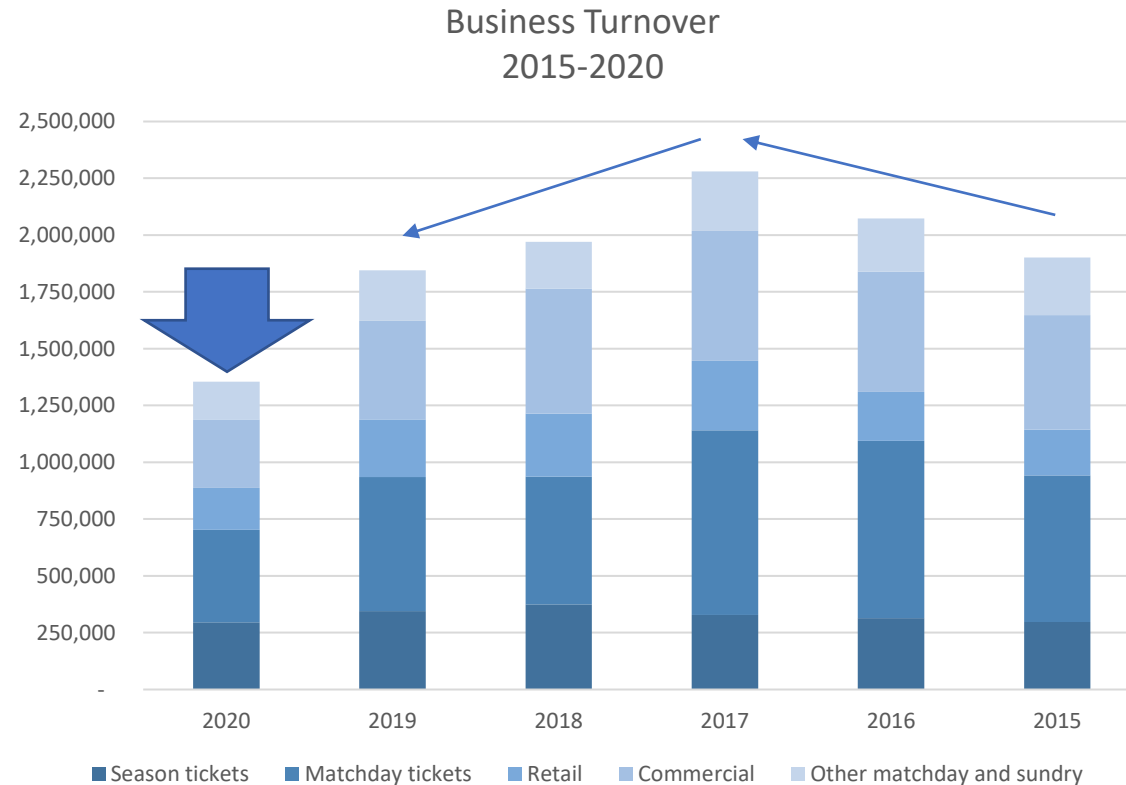
- **Football Fortune** – this is non-recurring income from cup runs (cup match income, TV money and prize money) and player sales
- **Other non-recurring business income** – this is unexpected income which occurs from time to time (insurance, concerts, friendlies, CV19 donations, CV19 Job Retention Scheme)

Can be highly variable leading to a volatile trend

Carlisle United – income trend

Business turnover

Typically £1.8m



19/20 Business turnover is distorted by CV19 and curtailment of the season after 37 games

Typically, circa £1.8m per year. Comprises income from:

- **Ticket income £900k**
 - Walk up tickets £550k and season ticket £350k
 - Sundry – car parking, programmes, Golden Gamble
- **Commercial £650k**
 - Commercial sponsorships (big ticket, naming rights)
 - Hospitality, boxes and match sponsorships
 - Advertising – boards, big screen, posters, social media
 - Catering and pourage (now in-house)
 - Other sundry income
 - Blues lotto, EFL digital (ifollow), Vice Presidents
 - Hires (Neil Centre)
- **Retail £250k** - Bluesstore and on-line

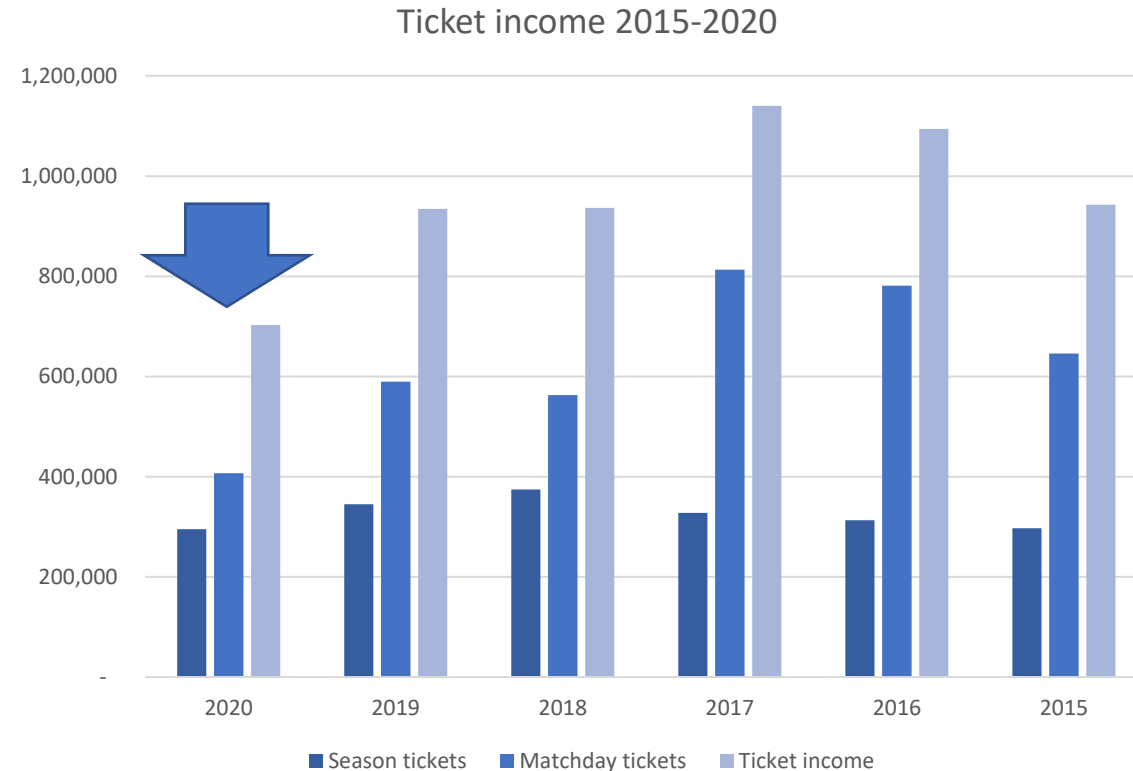
The reduction in Business turnover in 19/20 reflects the early cessation of the season and a loss of income due to Coronavirus.

Match income is directly driven by on-field performance.
Commercial income tends to lag on field performance as deals are done annually.

Carlisle United – income trend

Ticket income

Circa £0.9m



The income is determined by the mix of numbers of tickets sold and the different prices for each ticket category.

The average price per ticket is termed “Ticket Yield”.

Ticket income is typically circa £0.9m per year at present from:

- Walk up tickets £550k and
- Season Ticket £350k

Walk-up match tickets have not changed in price since before 2015.

2016/17 income was high due to improvement in 15/16 carried forward plus a play-off season resulting in higher walk-up match ticket sales during the year (+£200k extra)

2019/20 was lower due to the disappointing season on the pitch before Covid combined with 37 league games player not 46

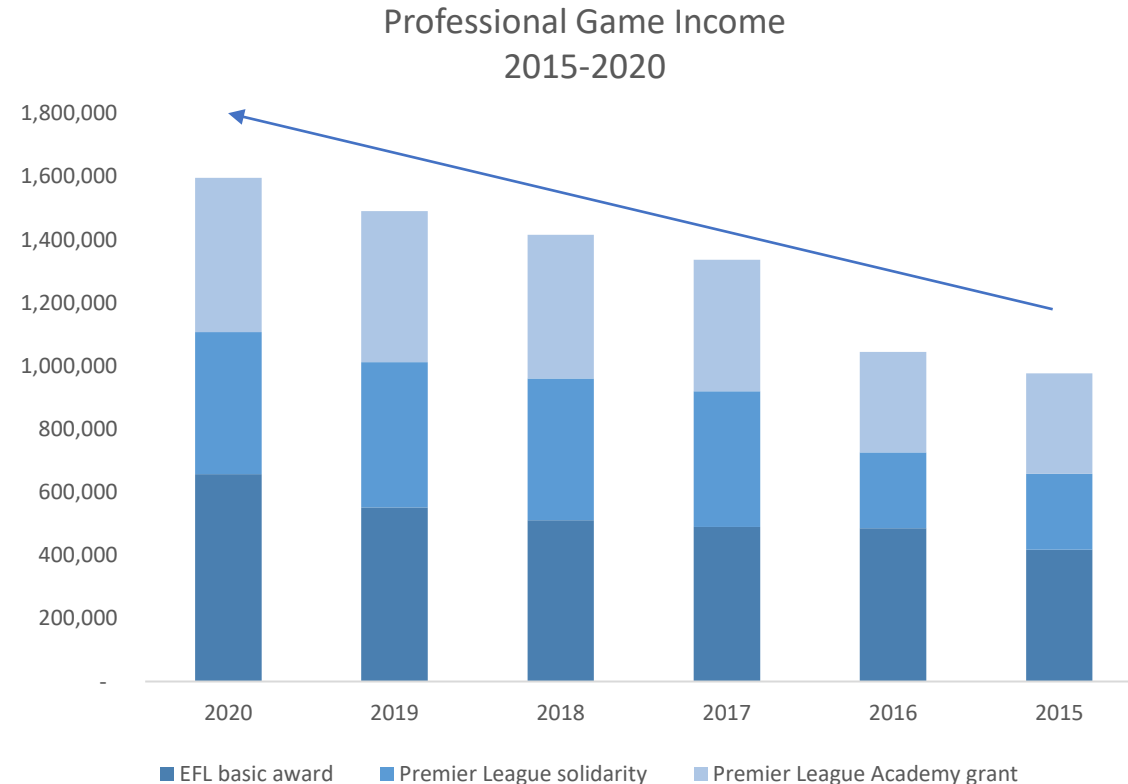


19/20 Business turnover is distorted by CV19 and curtailment of the season after 37 games

Carlisle United – income trend

Professional Game income

£1.6m 19/20



- **EFL basic award income circa £600k** - dependent on divisional status mostly changes based on EFL TV. Received monthly
- **PL solidarity £450k** - dependent on division status
 - L2 clubs get 1.5 x L1 and 10% of Championship (the pot is shared 80/12/8 between the three EFL decisions)
 - Amount is directly tied to PL TV deal
 - It is received in two equal payment in August & January each season
- **EPPP Academy £480k** - grant income depends on Academy categorisation
 - PL grant of £450k is a Category 3 Academy + £30k for specific Head of Coaching role
 - CUFC must match fund the EPPP grant £ for £
 - There is no transfer of EPPP money to the wider club (it must be spent on the Academy).
 - Our spending is reviewed each year and our academy performance and compliance is audited independently on an ongoing basis
 - LFE educational grants and other claims of around £50k are received each year to fund scholar apprenticeships

PGI is predictable and relatively stable but highly dependent on TV broadcasting deals and divisional status

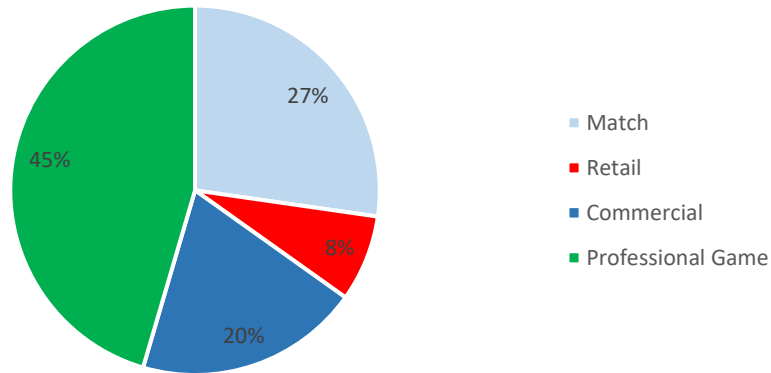
PGI has grown consistently over the period driven by TV deals (both PL and EFL)

Carlisle United – income trend

Recurring turnover mix

£3.3m typical

Recurring turnover – typical mix

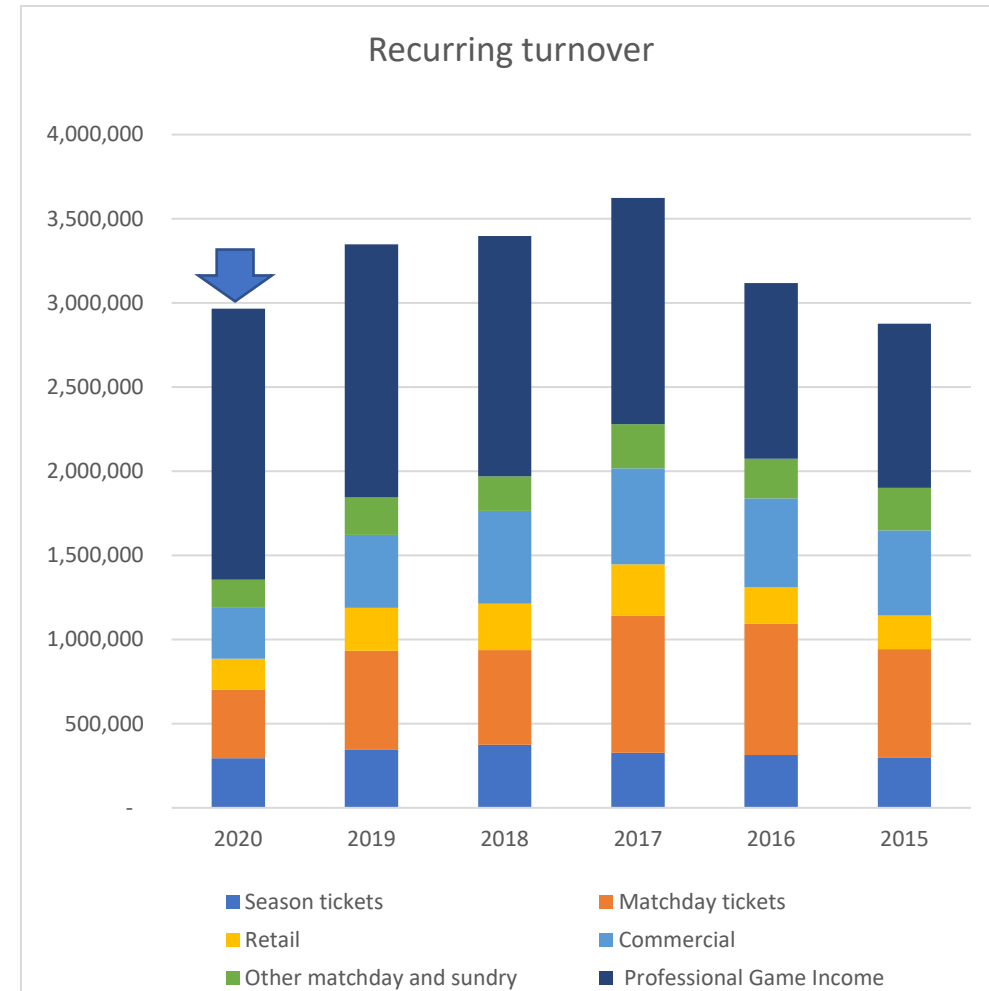


Recurring income – comprises Business turnover + Professional Game Income

- Business turnover comprises retail, commercial and ticket income
- In 19/20 Recurring turnover was £2.97m reduced due to Covid by circa £345k
- In 18/19 (a normal year) Recurring turnover was £3.35m
- 16/17 was high due to reaching the play offs which increased match ticket income (walkup). It also led to increased season ticket income in 17/18



19/20 Recurring turnover is distorted by CV19 and curtailment of the season after 37 games which reduced Business turnover

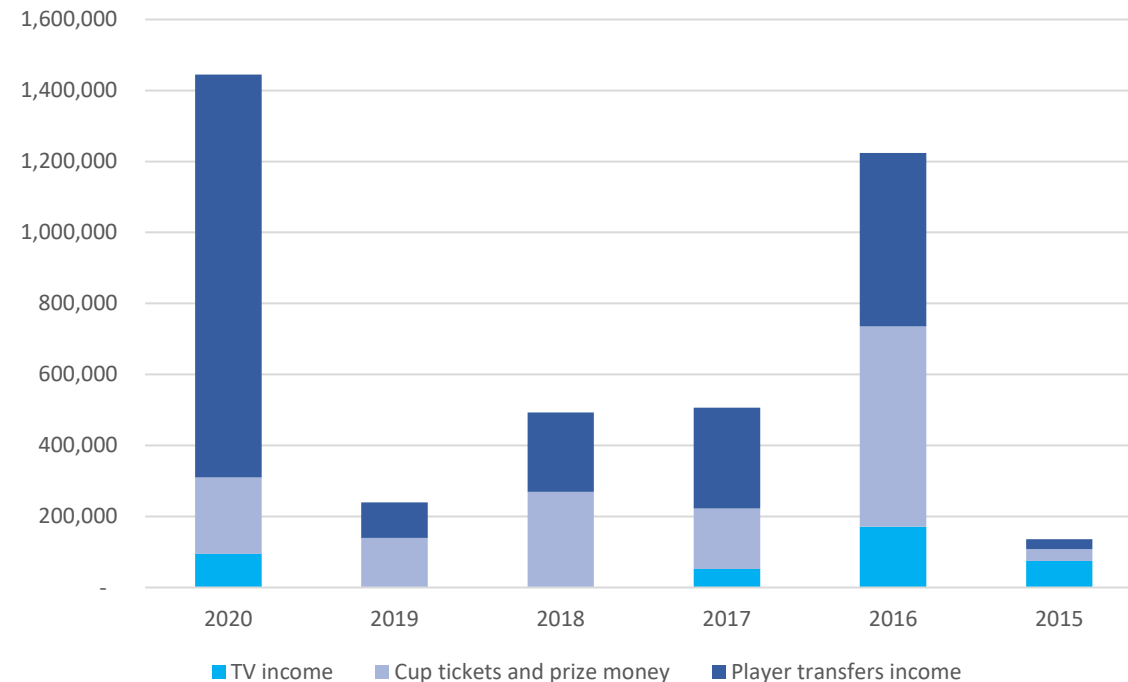


Carlisle United – income trend

Football Fortune

£1.4m 19/20

Football Fortune
2015-2020



Football Fortune comprises non-recurring income from:

- Cup games (cup match income, TV, prize money); In the six years 2015-2020, it has ranged from a high of £0.7m (15/16) to a low of £0.1m
- Recent typical cup income is circa £200k pa (low £0.1m – high £0.7m)
- Player sales income was £1.1m in 19/20, from
 - Guaranteed amounts (heavily driven by Branthwaite sale)
 - Add-ons earned after the transfer (eg appearances)
 - Sell-ons from a subsequent transfer (% of profit)

Note: Cash can be received over a number of years (see later)
- Football Fortune is highly volatile and unpredictable

For budget purposes we only plan to earn amounts which are certain. These comprise:

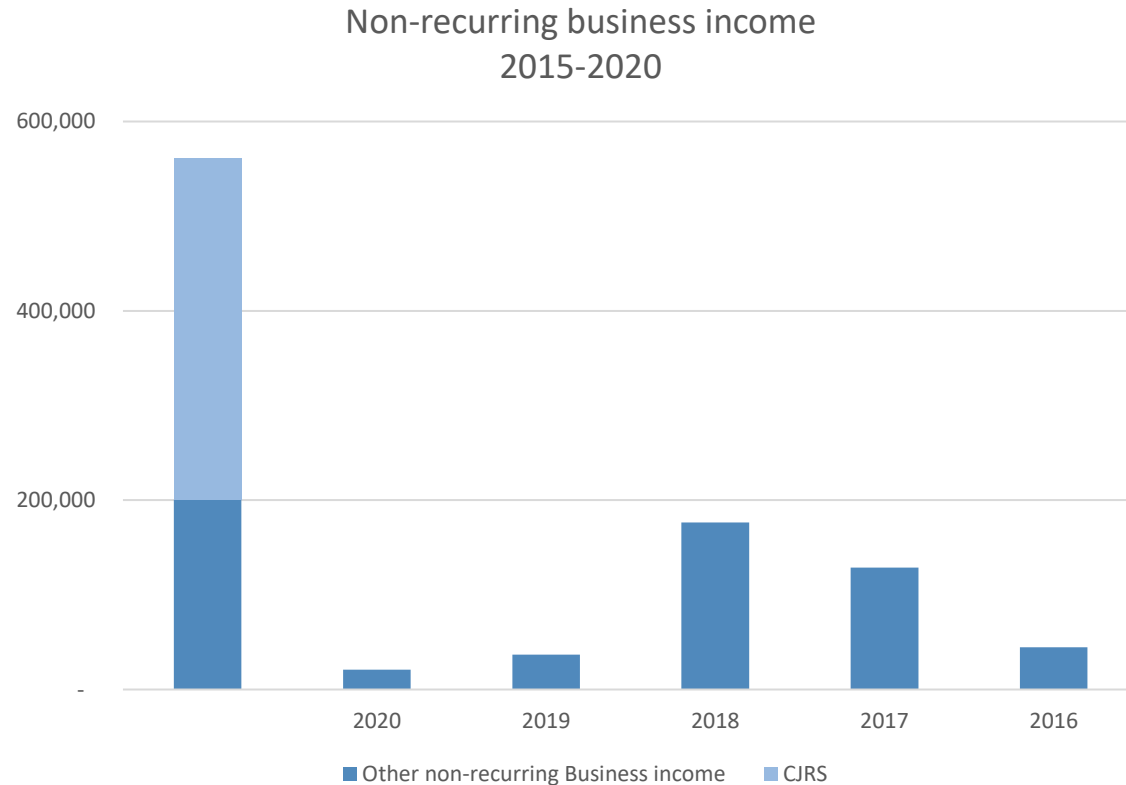
- the £20k participation fee from the EFL Trophy and one game in the FA cup and EFL Cup
- guaranteed transfer income (not add-ons/sell-ons)

Football Fortune can make a huge difference to club finances, with long lasting positive effects.

Carlisle United – income trend

Other non-recurring business income

£0.5m 19/20



This comprises unusual one-off business income that happens from time to time:

- Concerts
- Friendlies
- Donations including CV19 (19/20: £145k)
- Insurance claims (15/16 and 16/17)
- Coronavirus Job Retentions Scheme claims (19/20: £361k)
- Other sundry unexpected income

This is highly volatile and unpredictable income

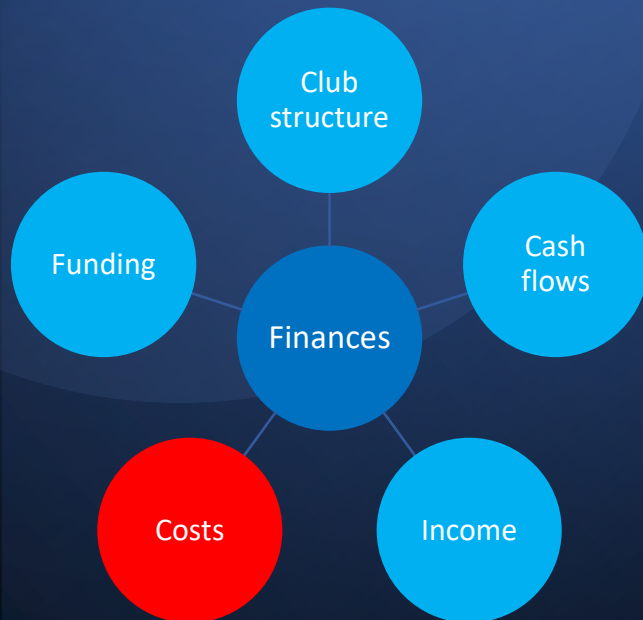
For budget purposes we do not plan to earn income from these sources

In 19/20 we earned £515,000 from these non-recurring sources, which were a direct result of Coronavirus and mitigated the lost Business Turnover we suffered (see previous)

Carlisle United

Understanding the Club's finances

Key elements



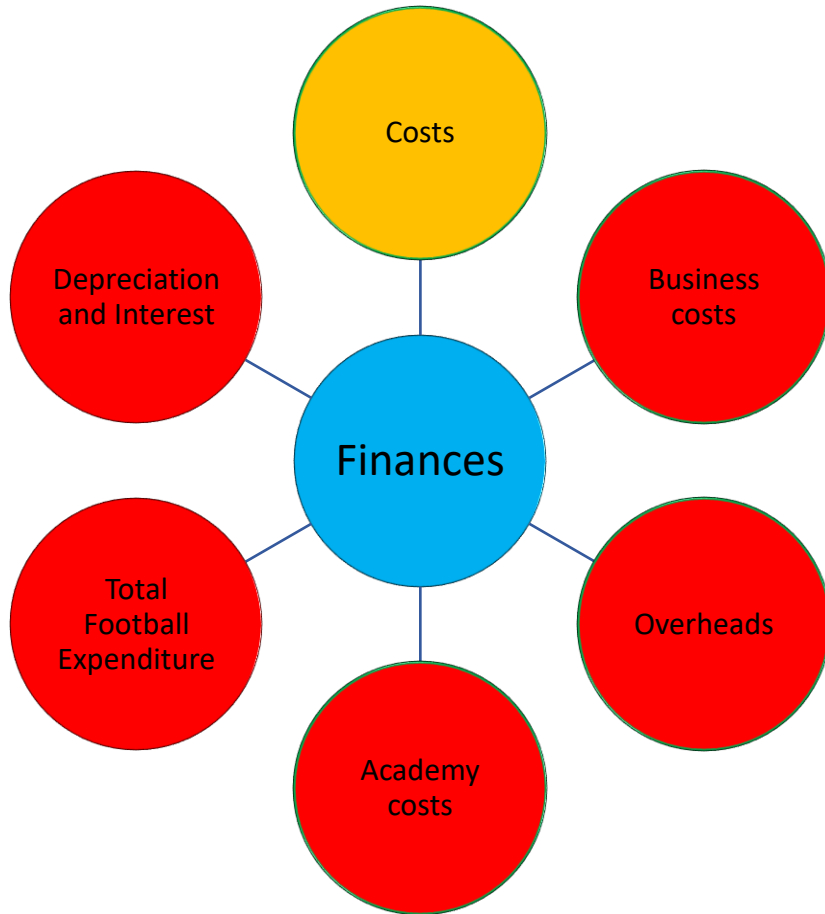
Key elements – Costs

Our costs can be categorised as follows:

- **Business costs** are direct labour costs and expenses of matches (police, stewards, staff), commercial, retail, expenses plus labour costs of sundry activities. Business Costs exclude overheads, depreciation and interest.
- **Overheads** are indirect costs of running the club comprising stadium, rates, utility, repairs and maintenance costs, legal and professional, insurance, director costs (CEO and Finance director), media costs, IT and finance costs
- **Academy costs** comprise scholar and coaching staff wages and expenses of the academy operations
- **Total Football Expenditure** comprises all Player Costs plus Other Football Costs
 - **Player Costs** - comprise all player & development players related employment costs (salaries, bonuses, benefits, employment taxes). Often referred to a “*player budget*”
 - **Other Football Costs** - comprise all coaching costs, manager and staff, Director of Football, payroll and benefits, agent costs, scouting, recruitment, travel, food, football IT, sports science and medical, analytics, football insurance and non-coaching football staff costs.

Carlisle United

Costs – overview



Our costs are managed in line with the Strategic Activities and departments (see previous – Business, Football, and Academy).

The Business departments have costs which are directly linked to doing those activities (eg retail purchases, retail staff).

Wherever possible we match specific costs and all labour expenses with income by activity, so the true financial impact of what we do is clear and accurate. This improves accountability and control.

It is important to understand the nature of our costs for example:

- **fixed costs** – those costs which we incur regardless of levels of activity or success (even with no games – like 19/20 late season) they still are suffered
- **variable costs** – those which directly related to levels of activity – like game costs, retail purchases
- Wages & salaries – are very fixed and if income falls it leaves a cash “hole” to fill (like CV19 in 20/21)

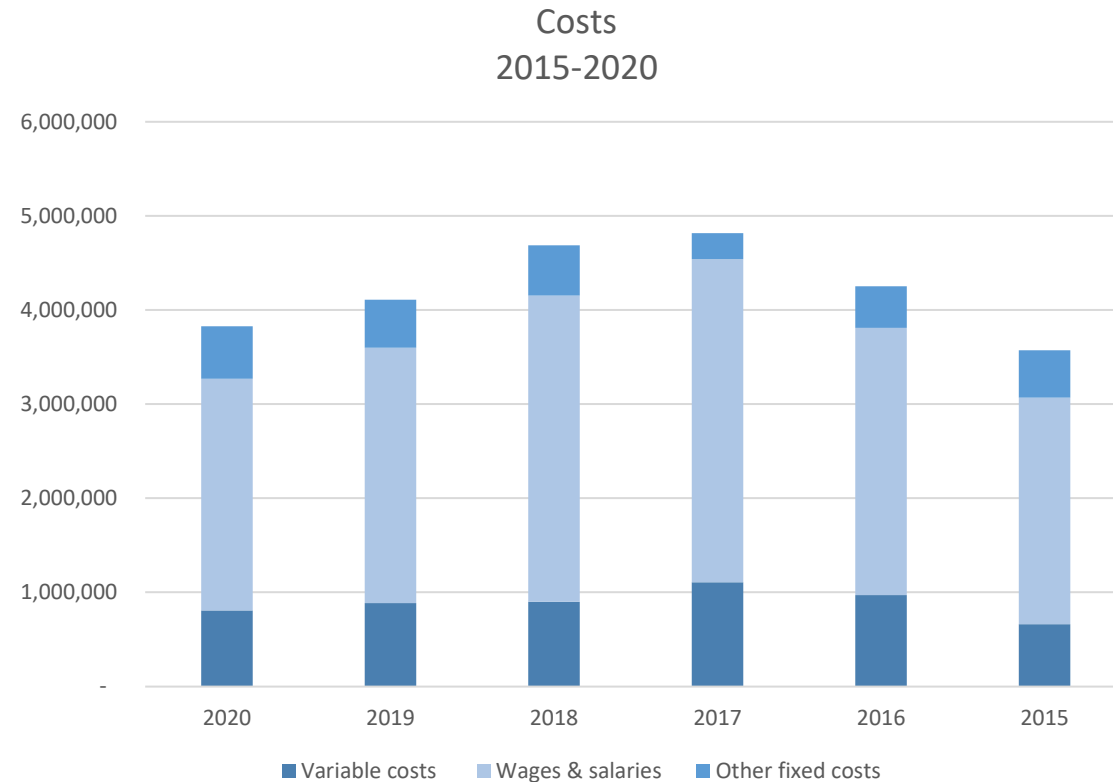
Player costs / Football costs - compared with the costs of rest of the Club, as these are significant, fixed and long lasting, not easily changed once committed to

Site and stadium costs - which tend to be unavoidable (driven by safety and the need to be open for business and fans), very fixed and rising

Carlisle United

Total costs

19/20 £3.8m



Total costs are around £3.8m in 19/20

Total Football Expenditure is around 53% of the total

Fixed costs

Around 80% of the club's cost are fixed.

Fixed costs are not easily reduced. They have fallen in recent years after rising significantly from 2015-2018

They have to be paid for every month regardless of income. High/rising fixed cost and falling income are a bad mix.

Wages and salaries make up around:

- 65% of all our total costs (35% non-wages)
- 80% of all our fixed costs

The other fixed costs (£0.5m) are mainly match game costs

Our **variable costs** are circa £0.8m and mostly comprise retail purchases, commercial purchases and player loans.

Carlisle United

Business costs

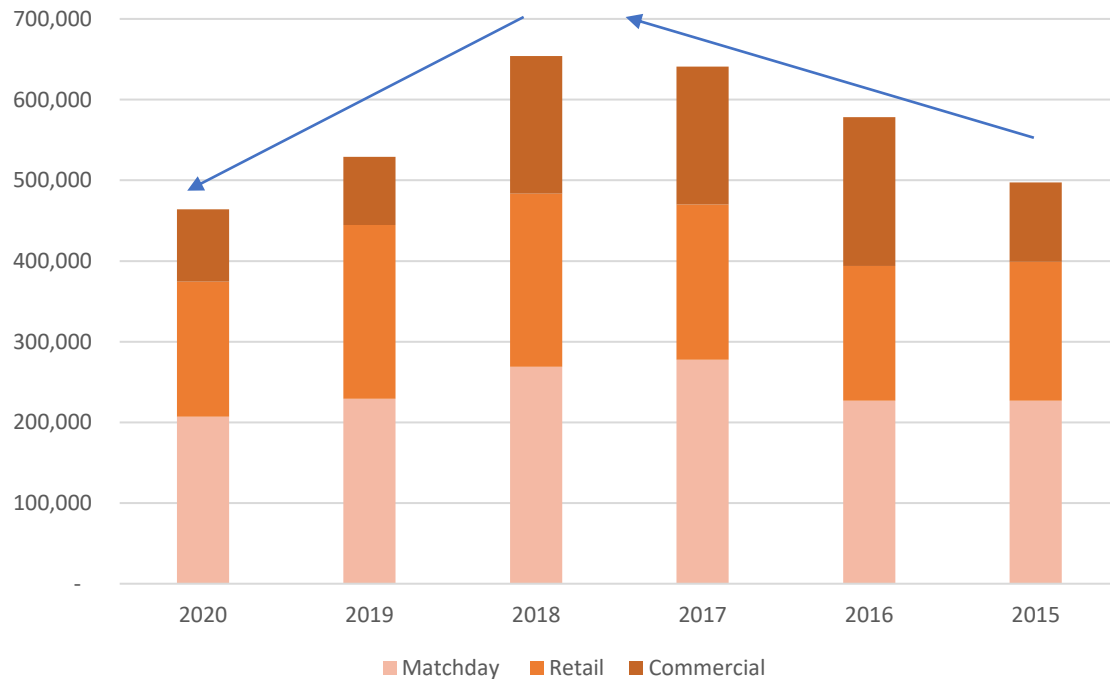
19/20 £464k

Business costs are circa £450k per year and comprise direct labour payroll costs and expenses of:

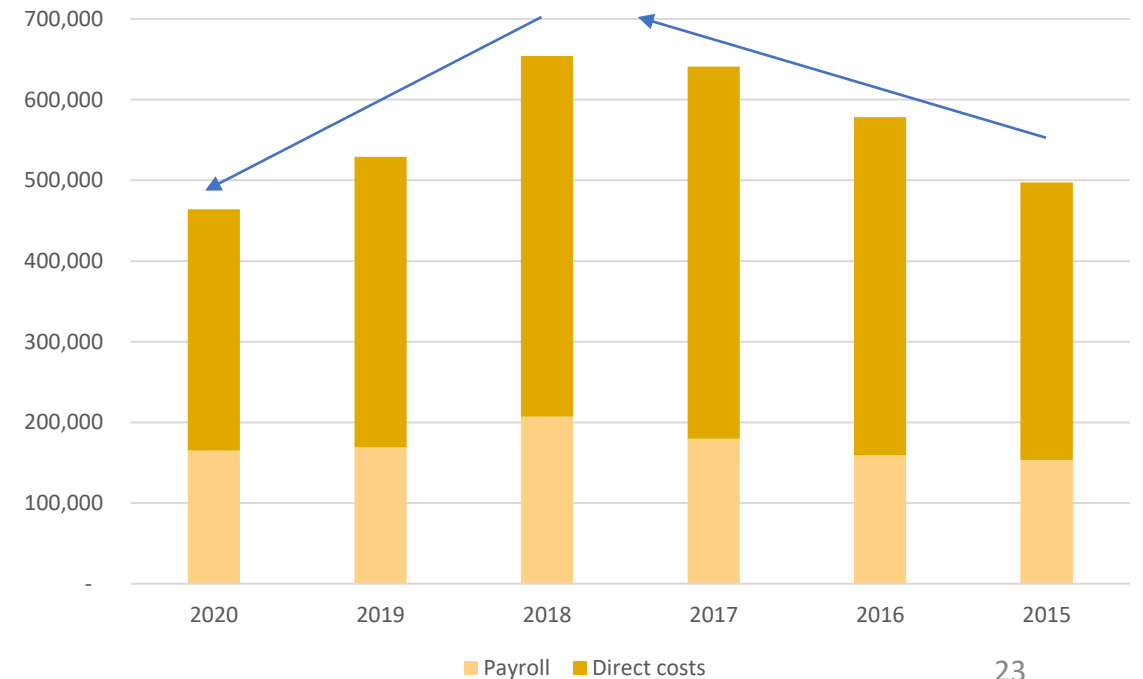
- Matches (police, stewards, staff, safety)
- Commercial (labour, hospitality costs, sponsor costs)
- Retail (purchases, labour, shop costs)

The payroll element of Business Costs have been flat /falling due to falls in staff numbers and pay freezes (see other analysis pages)

Business costs
2015-2020



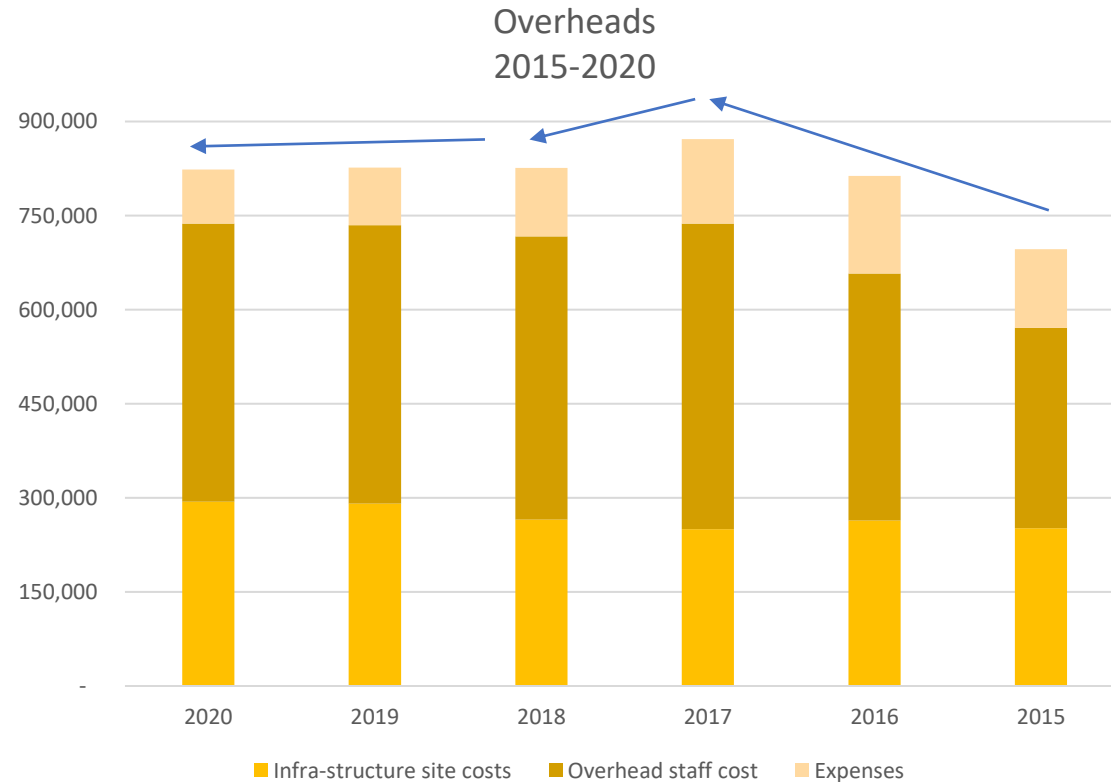
Business costs
2015-2020



Carlisle United

Overheads

19/20 £850k



Overheads are the indirect costs of running the Club comprising:

- stadium costs (repairs and maintenance costs rates, utility), insurance
- legal and professional (audit, lawyers, advisors)
- overhead staff costs including CEO and Finance director (not DOF who is include in Football staff costs and Total Football Expenditure– see below)
- Expenditure on media, IT systems, office costs and finance costs

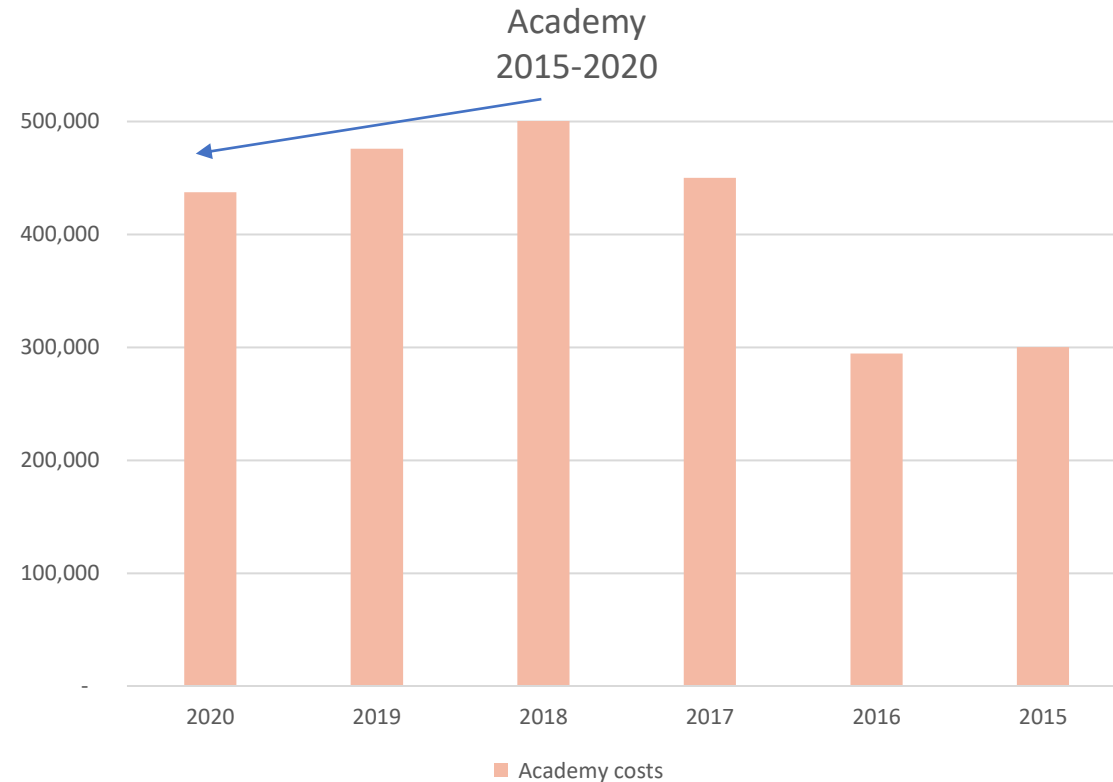
These tend to be relatively fixed and incurred week-in, week-out regardless of games or on-field performance.

Overheads are broadly unchanged over the last 5 years due to payroll wage freezes except for national minimum wage increases, offset by cost savings and staff reductions.

Carlisle United

Academy costs

19/20 £437k



Academy costs comprise:

- scholar and coaching staff wages
- expenses of the academy operations (accommodation, facility hire, travel, games costs)
- the Club receives a Premier League EPPP grant to fund these costs on a matched funding basis
- we also receive a for each scholar from the LFE for education

The fall in 19/20 is due to the curtailment of the Academy season due to Covid – meaning some costs were lower

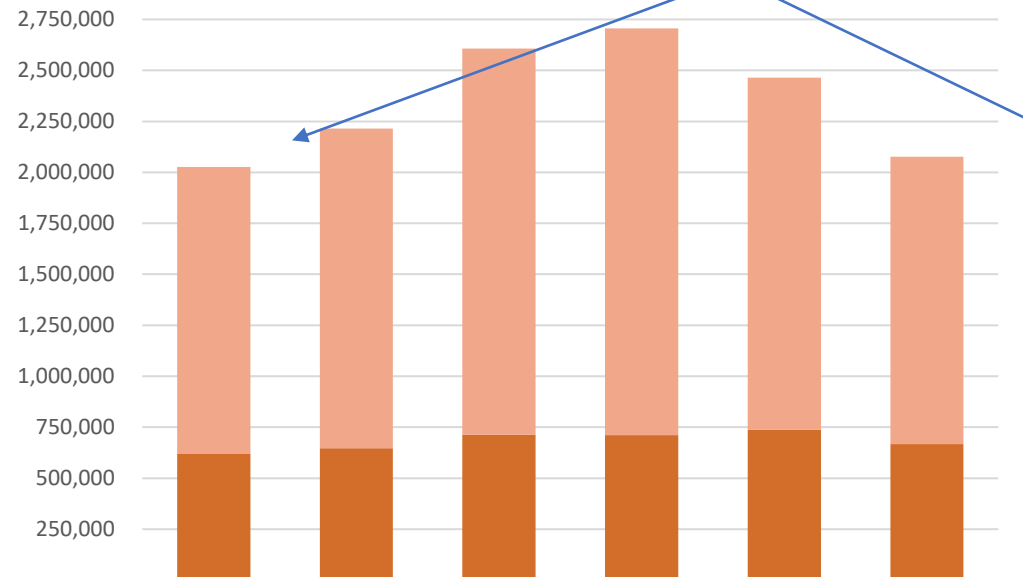
Academy costs are match funded by the PL through the EPPP up to a £450k.

Carlisle United

Total Football Expenditure

19/20 £2m

Total Football Expenditure
2015-2020



	2020	2019	2018	2017	2016	2015
Player Costs	1,408,684	1,568,357	1,893,336	1,994,894	1,725,569	1,407,923
Other football costs	617,863	646,741	713,064	710,847	738,070	667,914

Total Football Expenditure comprises all Player Costs plus Other Football Costs:

- **Player Costs** - comprise all player & development players (not scholars) related employment costs (salaries, match bonuses, expenses, benefits, employment taxes, payoffs); often referred to a “*Player budget*”

Circa £1.4m in 19/20

- **Other Football Costs** - comprise all coaching costs, manager and staff, Director of Football, payroll and benefits, agents’ costs, scouting, recruitment, travel, food, football IT, sports science and medical, analytics, football insurance and non-coaching football staff costs, severance costs

Circa £0.6m in 19/20

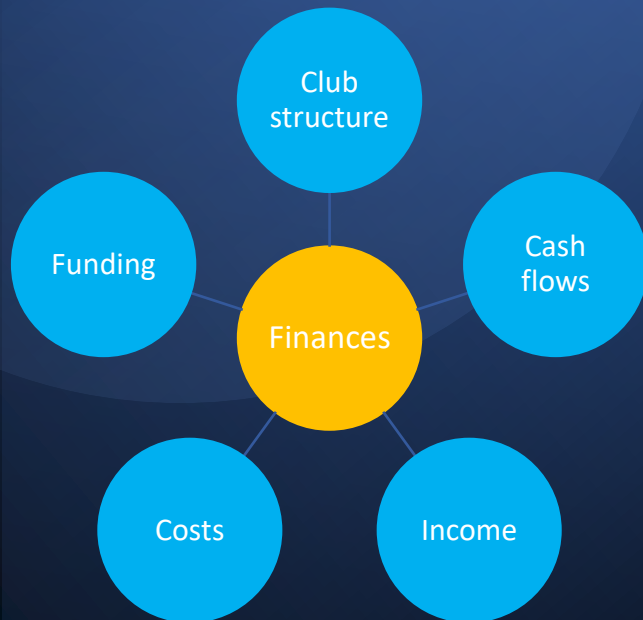
In 19/20 the spend was impacted by lower bonuses due to performance and a short 37 game season

The recent trend has been downwards as the Club has targeted improved Sustainability in the absence of external funding

Carlisle United

Understanding the club's finances

Profitability



The **profitability of the Club** comes from:

- Underlying profitability from trading activities - the normal recurring business the Club carries on
- Total Football Expenditure – what we spend on players and football operations
- Non-recurring income and cost – unexpected, exceptional and extraordinary items that take place
- Football Fortune – Player sales and cup income and costs
- Interest costs – charges we incur, some are paid in cash others just accumulate to be paid at a later date
- Depreciation and amortisation – non-cash expenses which we incur and reduce profits (or increase losses)
- Exceptional debt write-offs

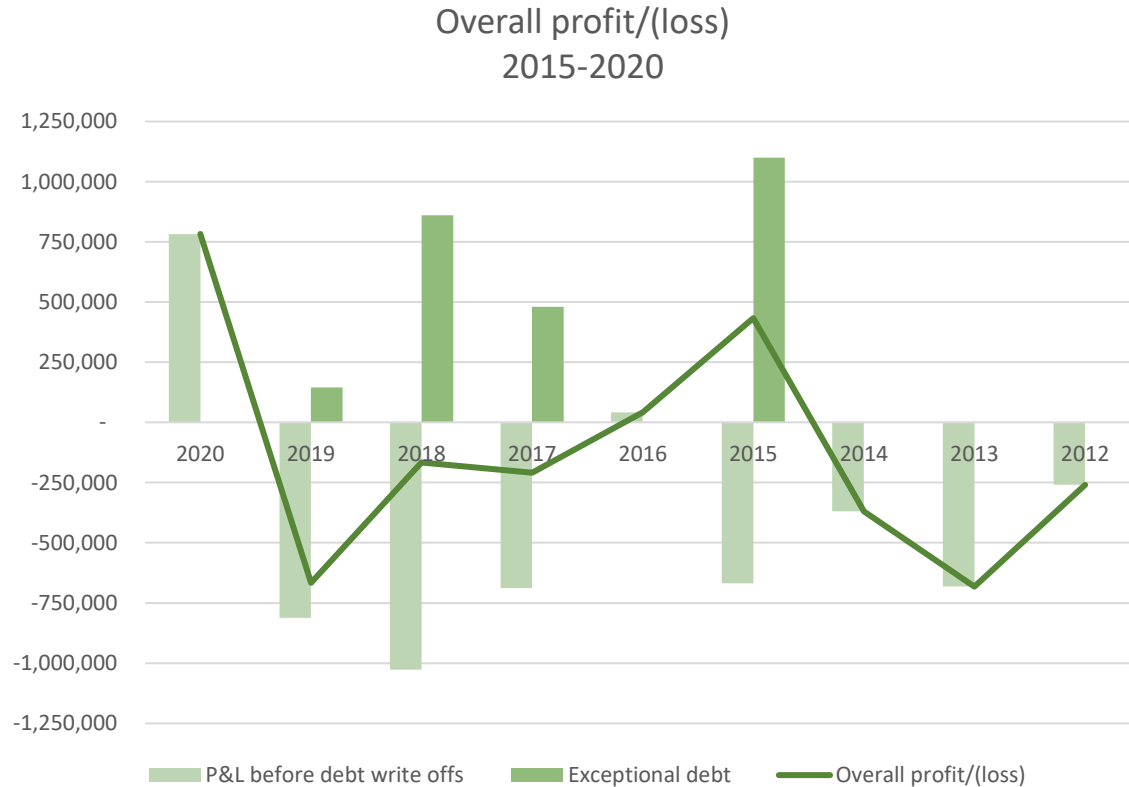
Depending whether you include some or all of these items when analysing profitability can give different insights.

Overall profit includes all income and costs – whether recurring or not, exceptional, extraordinary.

Carlisle United - Profitability - trend

Overall profits/(losses)

19/20 £782k



Overall profit includes all income and costs

Overall profitability (profits before tax) is highly volatile and focussing on it can give a misleading picture, especially in the short term from year-to-year.

As expected, the trend in Overall profits is volatile

Losses are usually funded by loans in the short term, which are regularly simply written off later.

- £2.6m of debt has been written off in the nine years
- Periodic debt write offs give exceptional income gains to reduce the reported overall losses (eg 2015, 2017-2019)

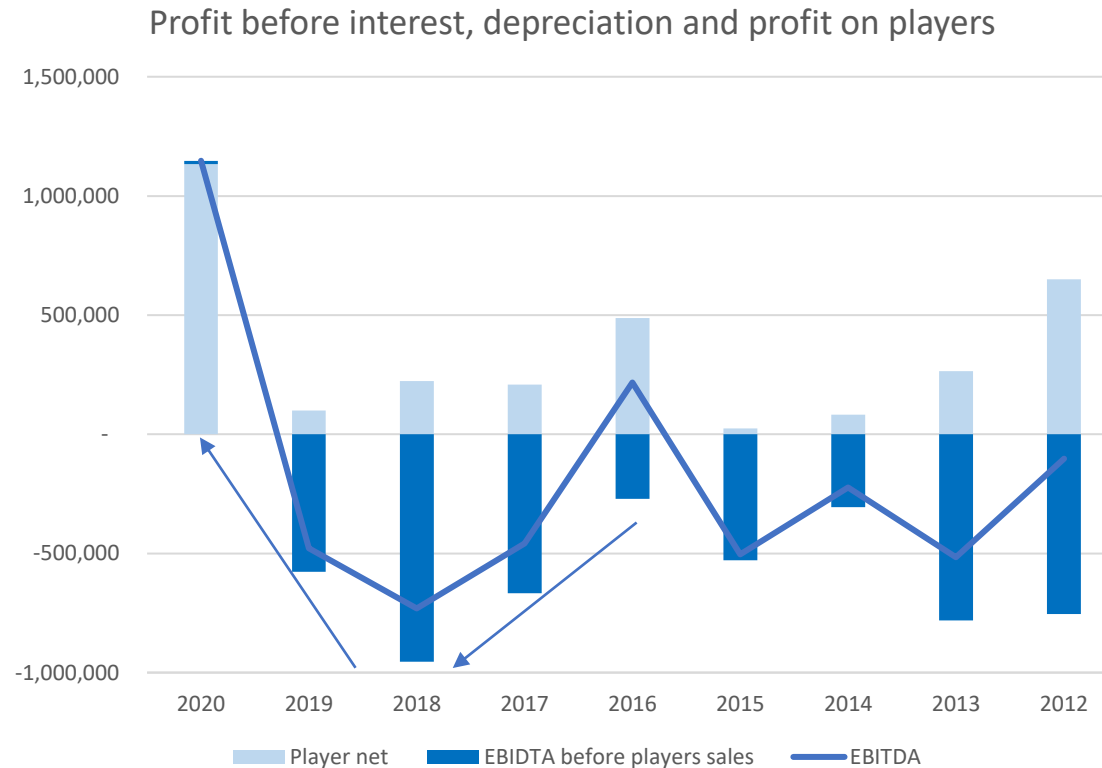
Overall losses total since 2012 are £1m at an average of £125k per year. (This reduced by the £782k profit in 19/20 and the debt write-offs)

Over the nine years 2012-2020, in total losses before debt write-offs are £3.6m at an average of £400k per year

Carlisle United

Profit/loss – EBITDA

£1.35m 19/20 (£13k before players)



In football “cash is king” – when clubs have insufficient cash they go into Administration.

Understanding how profitability impacts on cash is critical in understanding and managing our finances.

Profits before interest, tax and depreciation gives an insight into the cash generated by the Club. This is termed EBITDA:

Excluding £2m of non-cash depreciation and interest rolled up in the nine year period, the cumulative trading “cash” loss is £1.6m

- This is equivalent to circa **£200k loss per year and is again highly volatile from year-to-year.** This is shown by the blue line

However, this nine year £1.6m “cash loss” would be far higher except for £3.2m of net Player sales (light blue bars).

In all years except for 2020, the Club a not made a profit without player sales, depreciation, interest and tax (dark blue line). This shows the importance of player sales to cover losses (and the need for external funding when player sales are low. This is common in football).

The trend (dark blue line) is improving after rapid decline 2016-2018

19/20 £13k profit before player sales is the best for nine years (the whole data period).

Carlisle United

Underlying contribution

19/20 £1.2m

£	Income	Costs	Total
Professional Game Income	1,611,285	- 437,267	1,174,018
Business turnover	1,355,083	- 464,118	890,965
Recurring	2,966,368	- 901,385	2,064,983
Overheads	-	- 823,237	- 823,237
Underlying	2,966,368	-1,724,621	1,241,747
Total Football Expenditure	-	- 2,026,547	- 2,026,547
	2,966,368	-3,751,169	784,800
Other non-recurring Business income	200,262	- 38,367	161,895
Football Fortune	1,445,462	- 35,975	1,409,487
	4,612,092	- 3,825,511	786,582
Coronavirus JRS	360,966	-	360,966
EBITDA	4,973,058	-3,825,511	1,147,548
Depreciation and amortisation	-	- 284,992	- 284,992
Interest	-	- 80,351	- 80,351
Total	4,973,058	-4,190,854	782,205

Underlying contribution is the amount of net income the Club generates to pay for all its Total Football Expenditure from its own activities before any Football Fortune or other non-recurring Business income.

In 19/20 Underlying contribution comprises:

- Recurring income £2.9m
- Recurring costs £1.7m
- Underlying Contribution is £1.24m

All reduced by Coronavirus

Including Coronavirus JRS support (£361k) better reflects the “normal” underlying performance and give of £1.6m and is in line with the recent trend.

What that means is in 19/20 we could afford to spend £1.6m on first team Football – without external support or unpredictable Football Fortune.

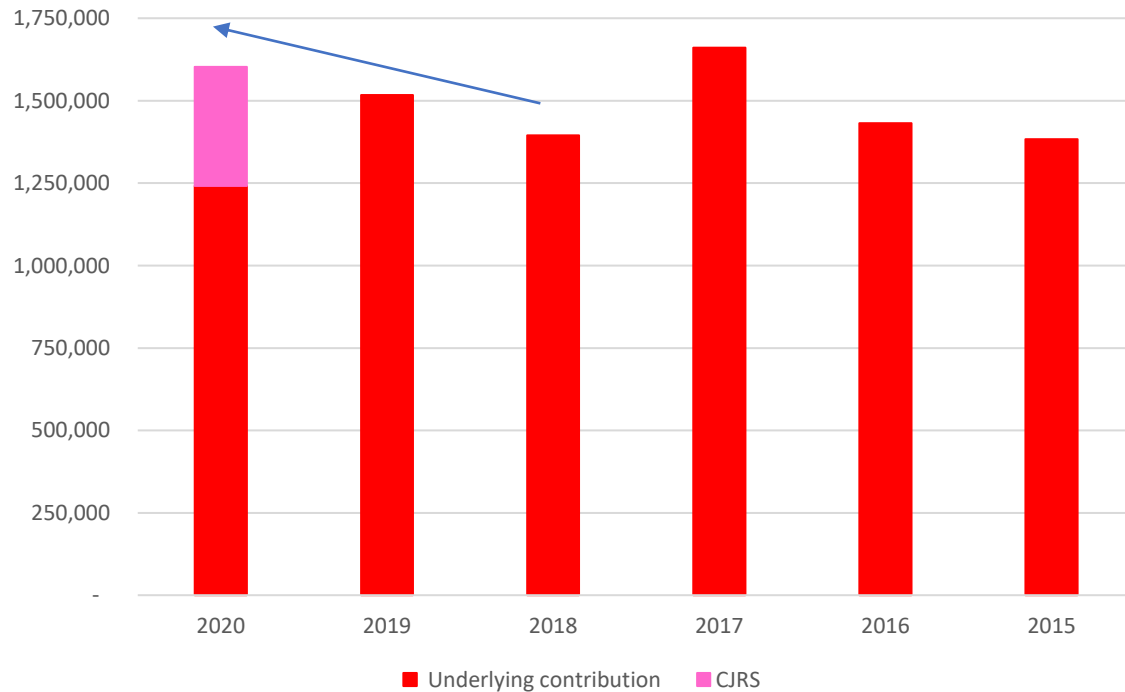
We actually spent £2m leaving a circa £400k overspend to cover from cup income and player sales.

The £1.4m of Football Fortune meant we had sufficient income and cash to cover that “overspending” and still generate a significant profit.

Carlisle United

Underlying contribution - trend

Underlying contribution
2015-2020



Underlying contribution is a measure of the ability to pay for Total Football Expenditure before any extra cash from Football Fortune or shareholder or external funding

It is a key Club objective to grow Underlying Contribution

It is currently typically £1.5m-£1.6m in recent years

- 16/17 was high due to a playoff season on the pitch
- 19/20 is lower in part due to Coronavirus

In recent years falling Business Turnover has been offset by lower Business Costs and growing Professional Game Income

Critical to achieving this objective is to grow Business Turnover

Carlisle United

Illustrative profit performance

Putting all that together we get a picture of the typical P&L performance **before Football Fortune** assuming Player costs of £1.4m:

- Business turnover £1.8m
- Recurring income £3.3m
- Recurring costs £1.75m
- Underlying contribution £1.55m available to spend on Football
- £2m Total Football Expenditure (£1.4m Player Costs and £600k Other Football Costs)
- Cash requirement to be funded £450k
- £350k of non-cash costs
- Overall loss £800k

Increasing Underlying Contribution by growing income and minimising costs increases the available cash for spending on Football before the bonus from Football Fortune or external cash funding.

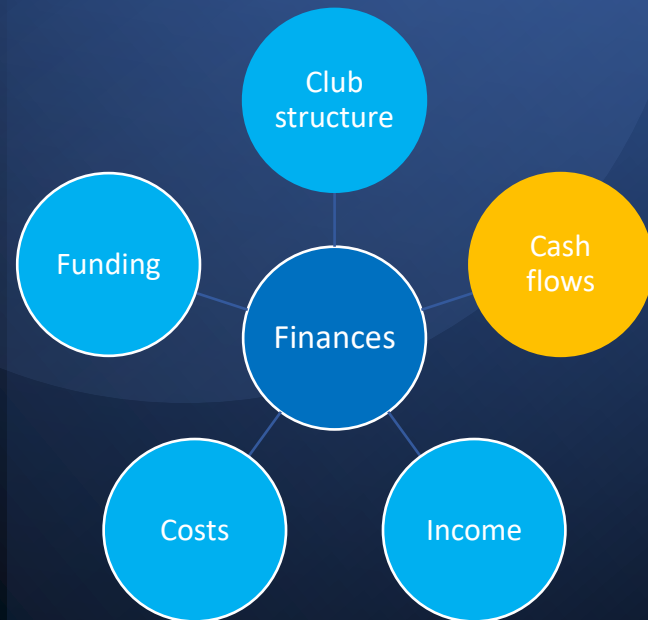
However, before Football Fortune, the Club is inherently heavily loss making and needs cash to fund it – even with Player Costs of £1.4m

Typical P&L		£'000	
Income	Match	Walk up	550
		Season tickets	350
			900
	Retail		250
	Commercial		650
		Business turnover	1800
	PGI	Solidarity	450
		EFL	600
		EPPP	450
			1500
	Recurring income	3300	
Costs	Business costs	-450	
	Academy costs	-450	
	Overheads	-850	
		Recurring costs	-1750
		Underlying contribution	1550
	TFE	Player costs	-1400
Other player costs		-600	
	Cash requirement before Fortune	-450	
	Depreciation	-270	
	Interest	-80	
	Net loss before Fortune and exceptionals	-800	

Carlisle United

Understanding the club's finances

Key elements



Cash flows - overview

There are a number of key sources and uses of cash:

Cash from trading is cash we get/goes out from day-to-day trading:

- Net cash from Business activities - retail, matches, tickets, commercial, catering etc
- Academy spending = money in and out for EPPP player development
- Cash from the Professional Game – EFL and PL and EPPP
- Payments for Football – player and football staff wages and costs, match and training costs
- Other one-off trading cash flows – like manager termination costs, insurance cash, covid JRS cash

When we suffer trading losses, cash flows out of the Club.

Working Capital of the Club – changes in the amount of stock, debtors and creditors we have, affects our cash balance

Investing - cash spent on capital additions (eg stadium, pitch, IT) and players. We occasionally make capex purchases (mini-bus, kit van) funded by finance lease – but these are very small deals and not significant. Investing is mainly in cash.

Interest received/paid – returns on cash deposits we have or charges on our debt. Not all interest we are charged is paid. It can roll up to be paid later (EWM/Purepay).

Football Fortune cash – cash we get from selling players and cup games. We may sell a player in one year, but the cash may be collected over a number of years.

Funding - we get cash in from borrowing money (debt), issuing shares (equity). In most cases, funding is received when the total cash from everything else is still less than we need.

Carlisle United

Cash flows

Cash from trading before football fortune



The Club generates cash from its trading activities and this is mainly spent on Football then investment spending on capex.

The level of Football spending (TFE) is more than the cash we generate which creates trading losses (as detailed above). These losses are “unsustainable” and are unaffordable without other sources of cash to pay for them. This is typical in football.

The scale of our Football spending in excess of what we can “afford” from our trading has been a total of £4.3m over the last 5 years (before Football Fortune) at circa £850k of cash needed per year.

To avoid this funding “need” every year, either Football spending (TFE), Club wages & salaries or other Club costs need to be reduced or income growth achieved to eliminate the “unaffordable” cash outflow and overspending.

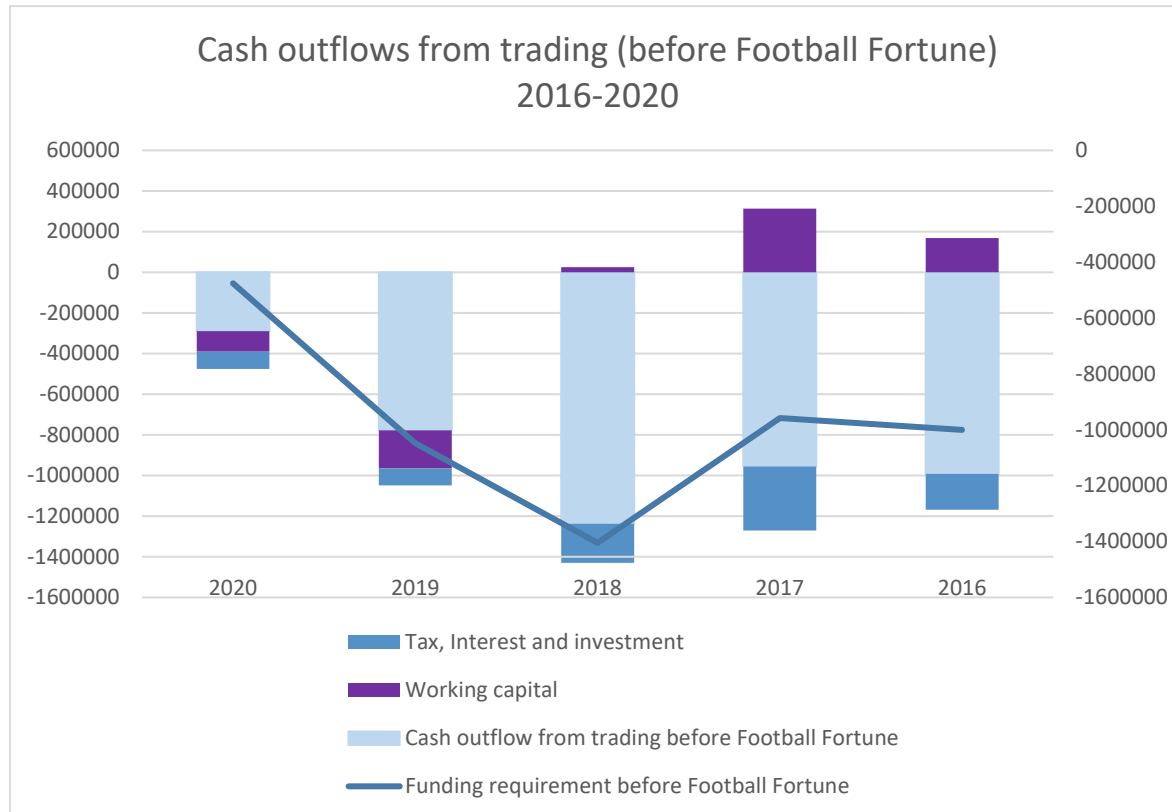
- the high of funding for cash losses was in 17/18 when £1.24m of cash was needed. This was due to Football spending of £2.6m
- Business Cost savings and lower Football spending since 17/18 have improved the trend and reduced the funding requirement to £290k in 19/20.

This cash requirement is before cash needed to for everyday needs (working capital) or investment spending (or to pay interest on borrowing). All which increase the cash needed to operate the Club

Carlisle United

Cash flows

Funding requirement (1) - amount



On top of the cash needed to fund Football “overspending” is further by annual investment spending on the stadium fixed assets of circa £100k per year (plus minimal amounts on tax and interest) and working capital

- the total funding high was in 17/18 at £1.4m
- in 19/20 the total funding requirement was £477k, this is much reduced but still significant

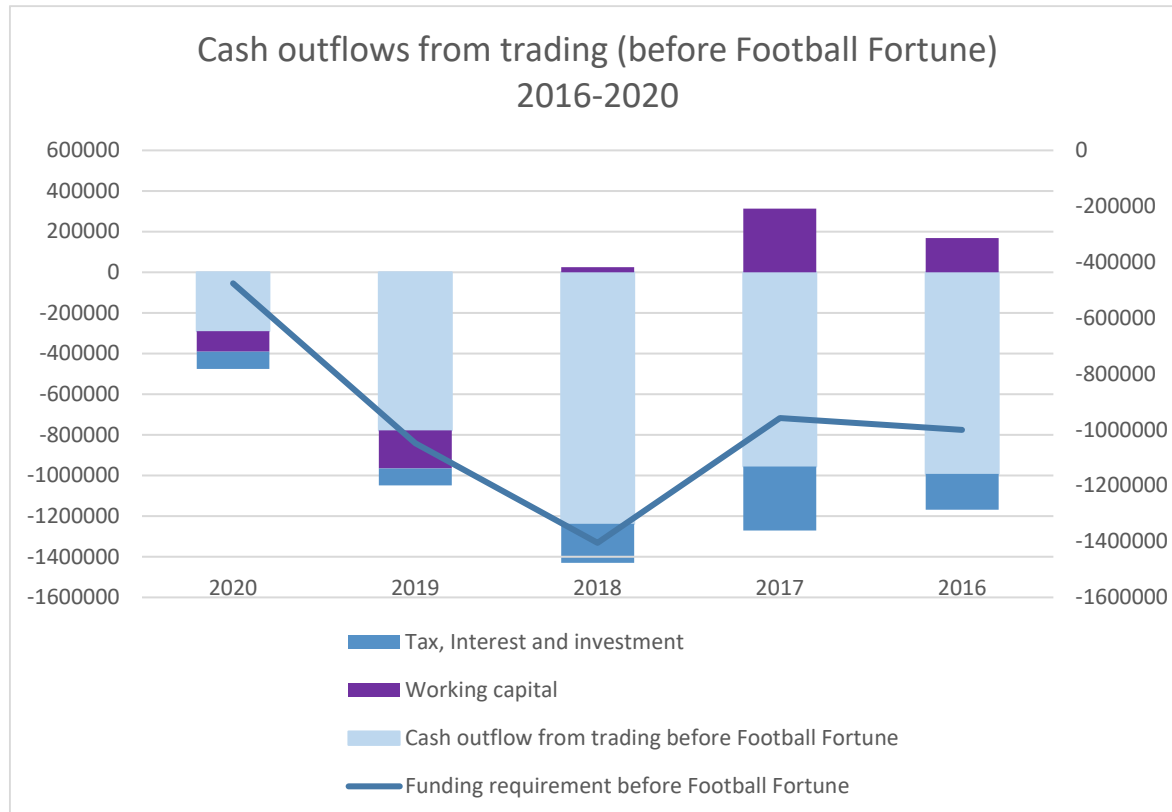
The cash to bridge these gaps can only come from firstly Football Fortune, then any further cash needed coming from borrowing or new shares.

In the five years 15/16-19/20 the total cash needed was £4.9m at nearly £1m per year. This shows the level of spending above that which is affordable on a “sustainable” basis over the period.

Carlisle United

Cash flows

Funding requirement (2) - trend



The recent trend in the funding gap is as follows:

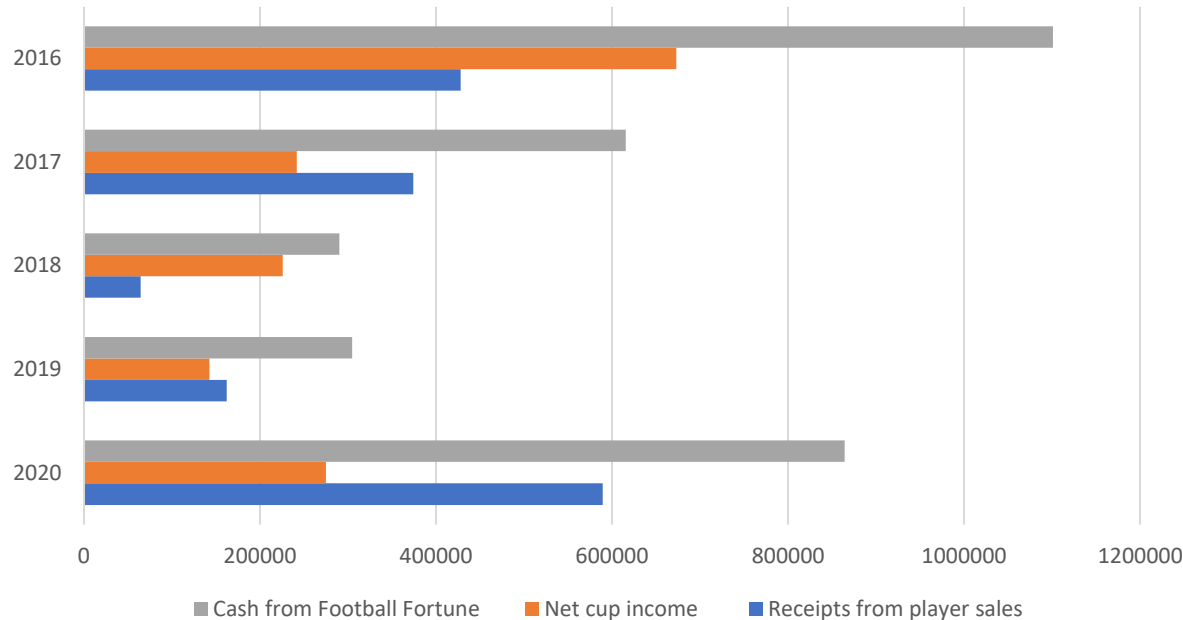
- 15/16 - £1m gap (with TFE £2.5m). This was balanced by £1.1m of Football Fortune (£673k of cup income and £428k of player cash receipts) – no “hole” so other funding was required
- 16/17 - gap was broadly unchanged at £950k (with TFE even higher at £2.7m)
- 17/18 - gap increased to £1.4m (as TFE remained high at £2.6m despite Football Fortune falling to just £300k)
- 18/19 the gap reduced by £400k to £1m (as TPE fell by £400k to £2.2m)
- 19/20 the gap reduced by another £600k to circa £477k as TFE fell again by £200k

The cash gap has fallen from the peak in 17/18 but covering it can only come from Football Fortune. The remaining cash “hole” each year then needs further borrowing or new shares to be provided.

Carlisle United

Funds from Football fortune

Cash from Football Fortune 2016-2020



In the five years ended 30 June 2020 we received a total of £3.2m of Football Fortune cash from:

- Player sales receipts £1.6m (after £55k of payments to buy players)
- Cup income £1.6m

15/16 was an exceptional year with £1.1m of Football Fortune cash

16/17 saw cash receipts of £600k.

This provided a “war chest” to increase football spending in late 15/16 and 16/17.

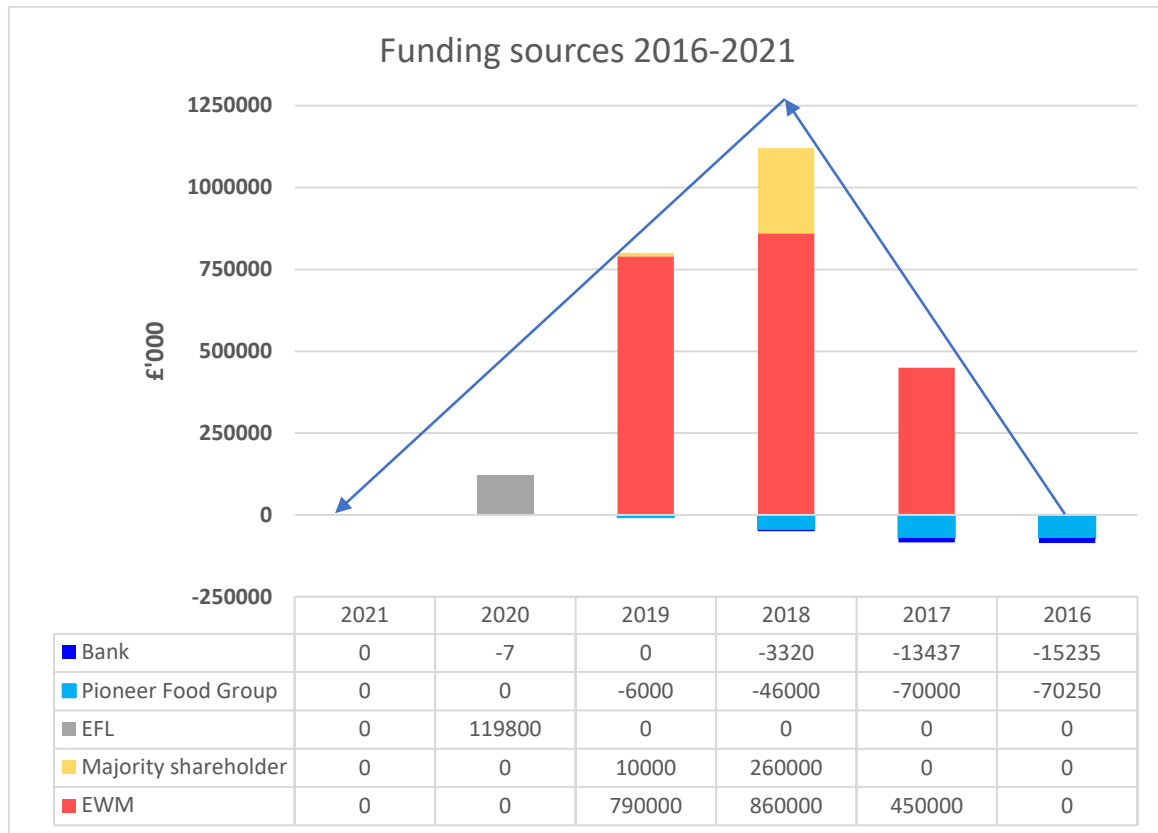
However, when Football Fortune fell back in 17/18 and 18/19, the committed Football spending from January 2016- January 2017 continued and then didn’t cut back quickly enough.

This resulted in losses and a funding requirement - met by borrowing.

Carlisle United

Funding

New debt



Funding - we get cash in from borrowing money (debt), issuing shares (equity).

In the five years ended 30 June 2020 we received a total of £2.49m of funding from: :

- EWM £2.1m (debt)
- Majority shareholder equity £270k (initially debt then converted to equity)
- EFL £120k (debt)

We repaid £225k to Pioneer and on bank mortgages on the Club houses. \Giving a net funding cash inflow of £2.25m.

The graph shows the significant funding injection in the three years 16/17, 17/18 and 18/19, to pay for trading losses from increasing and high player wages (see previous).

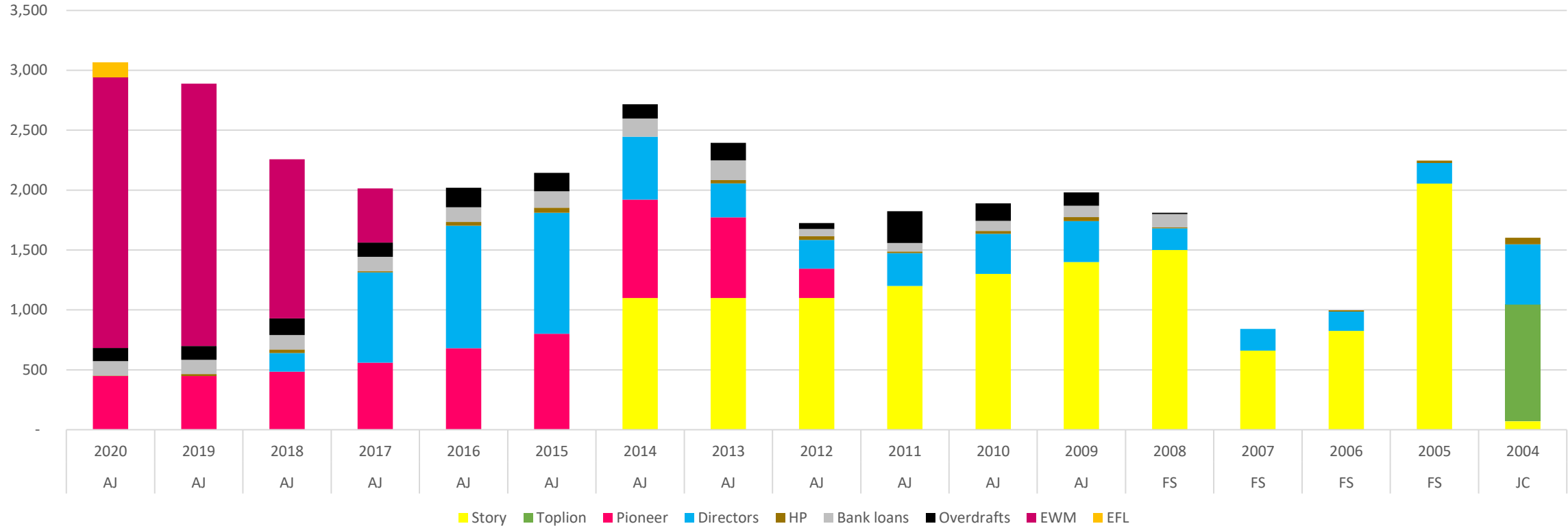
No new funding has been received since May 19 (except the temporary EFL loan – used as reserve for the Covid emergency).

Update at 31 July 2021

We also had £nil new funding in 20/21. We plan to have £nil in 21/22. This is consistent with the aim to be “self financing” and not reliant on external cash.

Carlisle United Funding – Debt trend

Total debt - 2004-2020



The level over the last 15 years has been relatively consistent. From 2008 to 2018 debt has been relatively unchanged circa £1.75m-£2.25m..

Typically, each change of ownership has been associated with debt write off (after John Courtney and Fred Story exits).

£1.485m of director debt (AJ, JN Lord Clark) was exchanged for non-voting equity between June 2017 and June 2019 and £1.1m written off in 14/15 by FS

In 19/20 total debt was £3.1m comprising Purepay £2.26m, Pioneer £449k, EFL £120k with the remainder being bank and HP. This is peak over the period, driven by the advances in the three seasons 16/17, 17/18 and 18/19 after the large increase in Football spending not funded by Football Fortune.

Carlisle United

Understanding the club's finances

Other financial factors

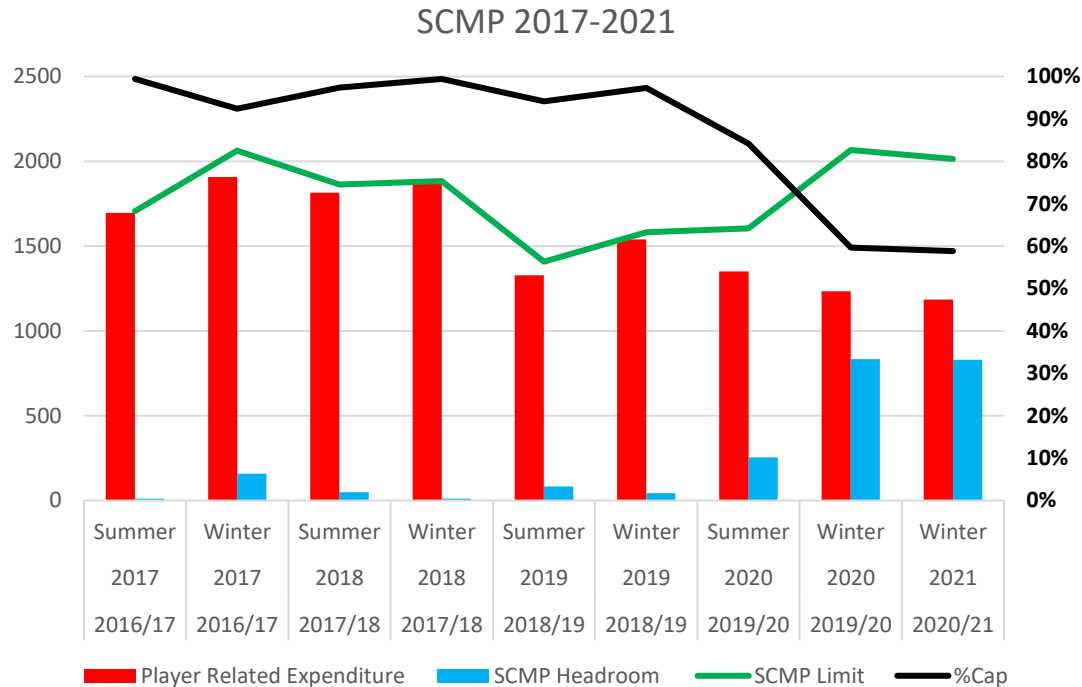


Other financial factors

- SCMP – EFL player spending controls
- Wages & salaries
- Player churn
- Annual Accounts
- Attendances
- Player churn

Carlisle United

SCMP



Note: There is no Summer 2021 data as a £1.5m wage cap was in operation (since reverted back to SCMP for Winter 2021 and 2021/22 season again)

In EFL L2 clubs are subject to restrictions on spending on player costs. The system is called Salary Cost Management Protocols (“SCMP”), L1 operates very similar rules but the Championship is completely different.

In L2, clubs have an allowable SCMP Limit comprising 50% of “Relevant Turnover” plus 100% of “Football Fortune”. They can spend 100% of the SCMP limit on “Player Related Expenditure”.

These terms are strictly and specifically defined under EFL regulations. They are not the same as any definitions used elsewhere. There are exemptions and allowances which mean they are not indicators of income or Player Costs either. **If a club spends less than 100% of the SCMP Limit, they can still incur very significant losses (as we did 16/17, 17/18, 18/19)**

There are four indicators to monitor:

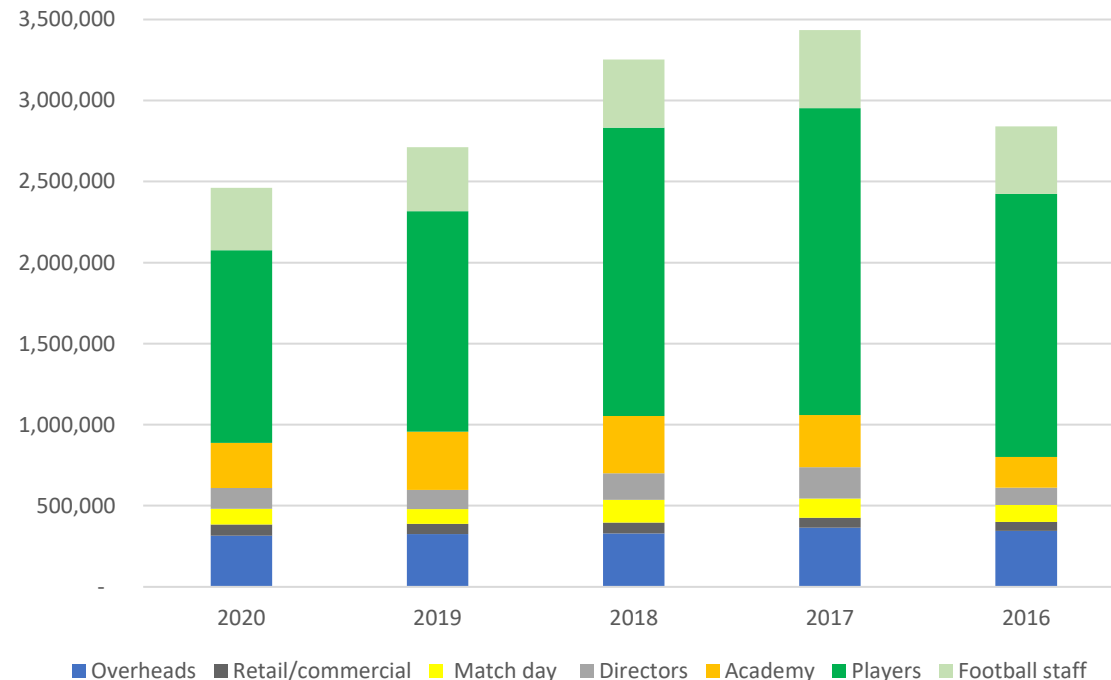
- SCMP limit (green line)
- Player Related Expenditure (red blocks)
- SCMP headroom (SCMP limit less Player Related Expenditure); blue blocks
- Cap% used (Player Related Expenditure as a % of SCMP Limit); the black line

Our Cap% used has fallen as due to higher Football Fortune and lower Player Related Cost (have fallen sharply since 2018). This means our headroom (blue blocks) has increased.

Carlisle United

Wages & salaries Trend

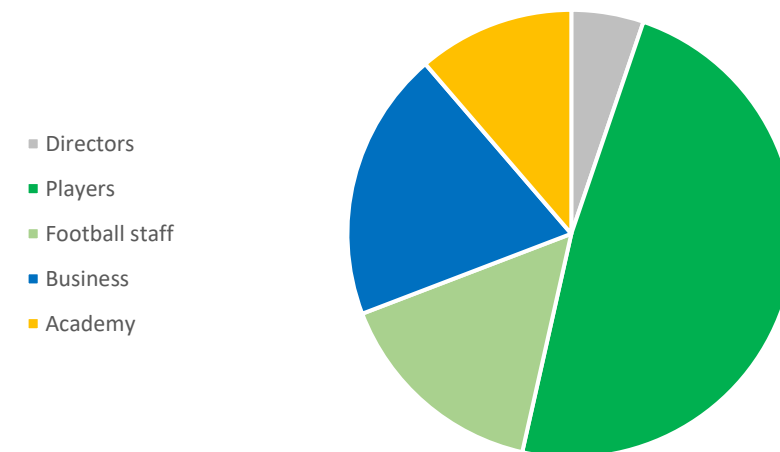
Wages & salaries
2016-2020



Total wages & salary costs (including NI) are around £2.5m in 19/20. W&S are approx. 65% of all Club costs:

- Player wages are around 50% of all Club W&S costs
- Football staff (including) DOF wages are 15% of all Club W&S costs
- Director costs are circa £125k per year (excluding DOF included in Football staff costs) which is 5% of W&S. These are unchanged since the new structure in 15/16 except of exit of Commercial Director (not replaced)
- Off-the-field staff costs are (excluding Directors) 20% of all W&S. They have fallen 5% in the last four years due to pay-freezes and staff reductions offset by national minimum wage rises
- The remaining 10% are Academy

Share of total wages & salaries 2020

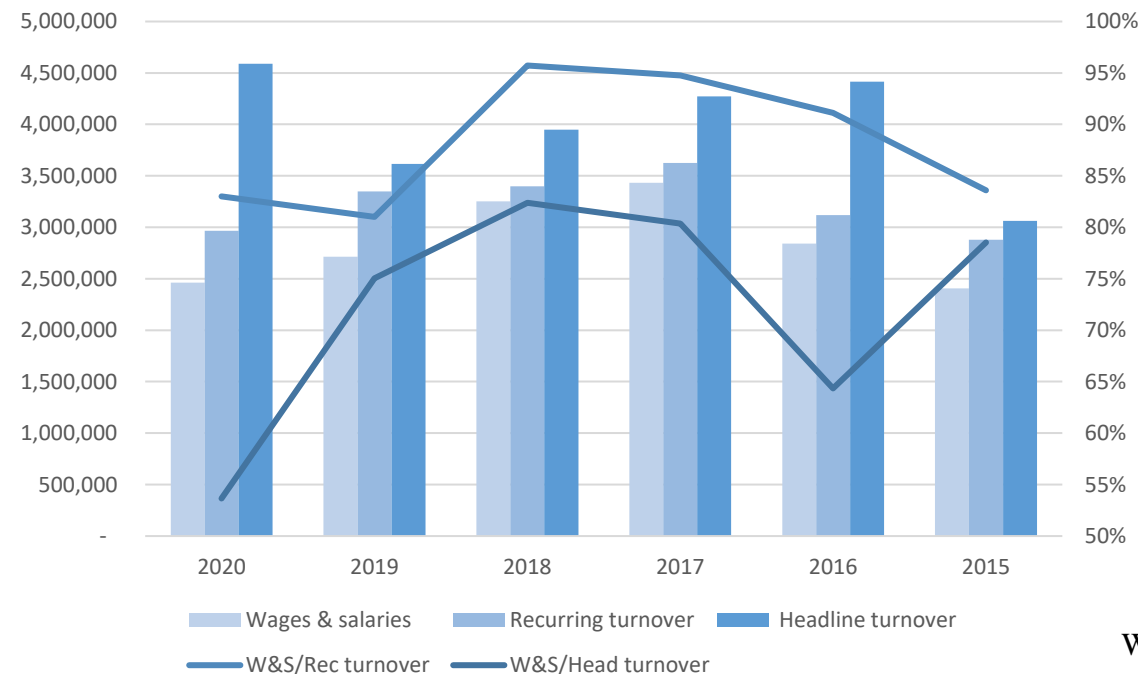


Carlisle United

Wages & salaries

Wages cover

Turnover vs wages & salaries
2015-2020



In 19/20 wages and salaries make up around:

- 65% of total costs
- 80% of all our fixed costs

Over the six years 2015-2020 wages & salaries were:

- 88% of Recurring income (19/20: 83%)
- 72% of Headline turnover

Wages & salaries peaked at £3.4m (95% of Recurring income) in 16/17 before falling to £2.5m in 19/20

This level of W&S is still more than can be afforded given the trading of the Club. The gap is funded by Football Fortune and debt.

In 2020 W&S were:

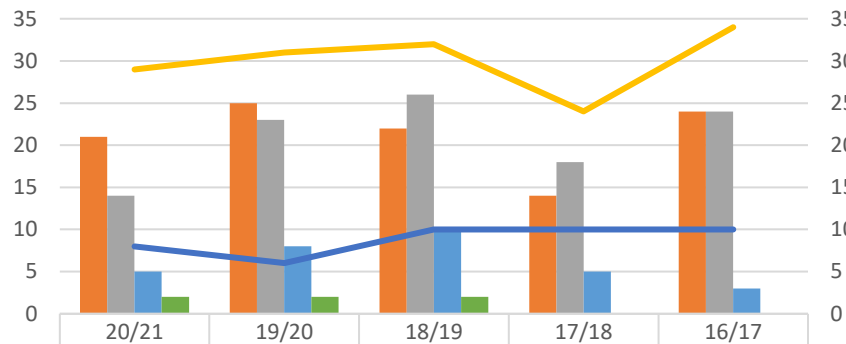
- 54% of Headline Turnover (dark blue line) – it is volatile due to non-recurring income.
- 83% of Recurring Turnover (light-blue line). **The trend is improving since 2018 as W&S fall**

Wages cover ie Wages & Salaries as a % of turnover is often cited as an indicator of financial problems. It can be a very simplistic and misleading measure (when non-recurring turnover is high) however it can offer some insight if interpreted carefully.

Carlisle United

Player churn

Player churn 16/17-20/21



New additions	21	25	22	14	24
Leavers	14	23	26	18	24
Loans	5	8	10	5	3
New academy player in senior squad	2	2	2	0	0
Players contracted during the season	29	31	32	24	34
Retained	8	6	10	10	10

Player churn covers the retention, recruitment and exit of the first team squad:

- Additions come from permanent signing in the summer and winter windows, academy players moving up from the development group and loans in
- Exits come from sales, players releases or pay-offs and loans returning to their home club

In 18/19 we had a huge player churn from:

- Manager changes in June 2018 and again in Jan 2019
- structuring of the Player Costs budget and
- expiry of many contracts entered into from Jan 2016 -Jan 2018

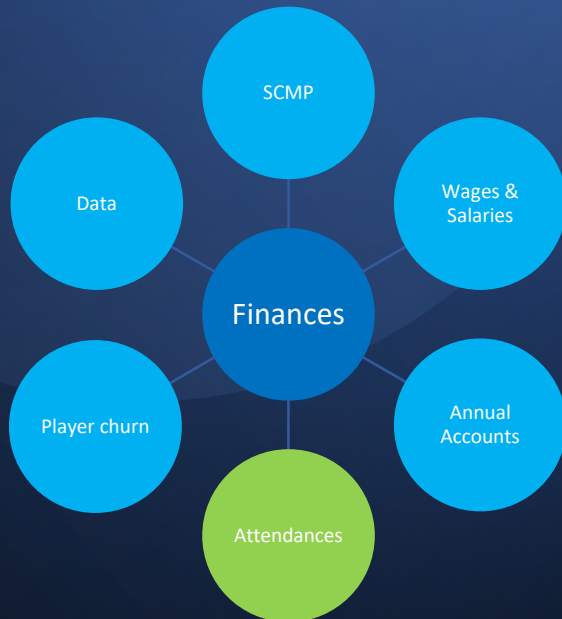
This meant a total rebuild from the summer 2018 window, initially with lots of loans and short-term deals.

Our 23 leavers in 19/20 year means we had the highest level of churn in in the 72 EFL clubs entering the 20/21 season with 8 retained players.

Carlisle United

Understanding the club's finances

Other financial factors

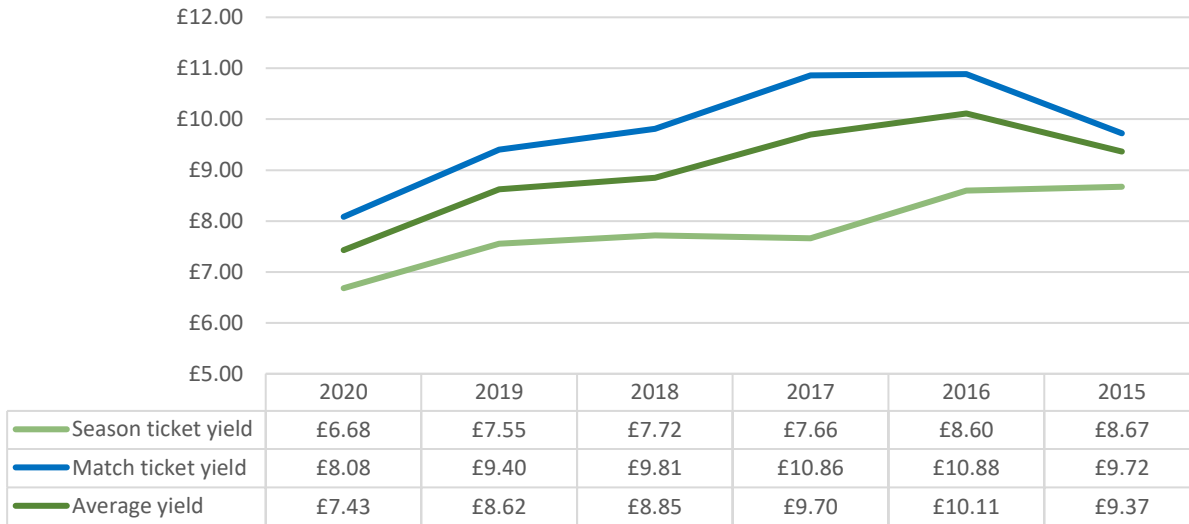


Attendances

Carlisle United – tickets

Ticket yield

Ticket yield
2015-2020



*The headline ticket price paid by fans **includes** 20% VAT.*

A £19 adult match ticket gives £15.80 income per game

A £248 senior terrace season ticket is gives £8.99 income per game

19/20 is distorted by CV19

The average price per ticket is the “Ticket Yield”.

Ticket Yield is determined by the mix of tickets sold between, adults, concessions and complementary tickets and the different prices for each category.

Prices paid by fans **include** VAT. The Club’s income is 83% of what fans pay.

Prices and ticket mix and quantity sold in each category are all important.

Ticket Yield is different for season tickets and Walk-up match tickets as they have different headline prices (Season tickets are cheaper offer better value).

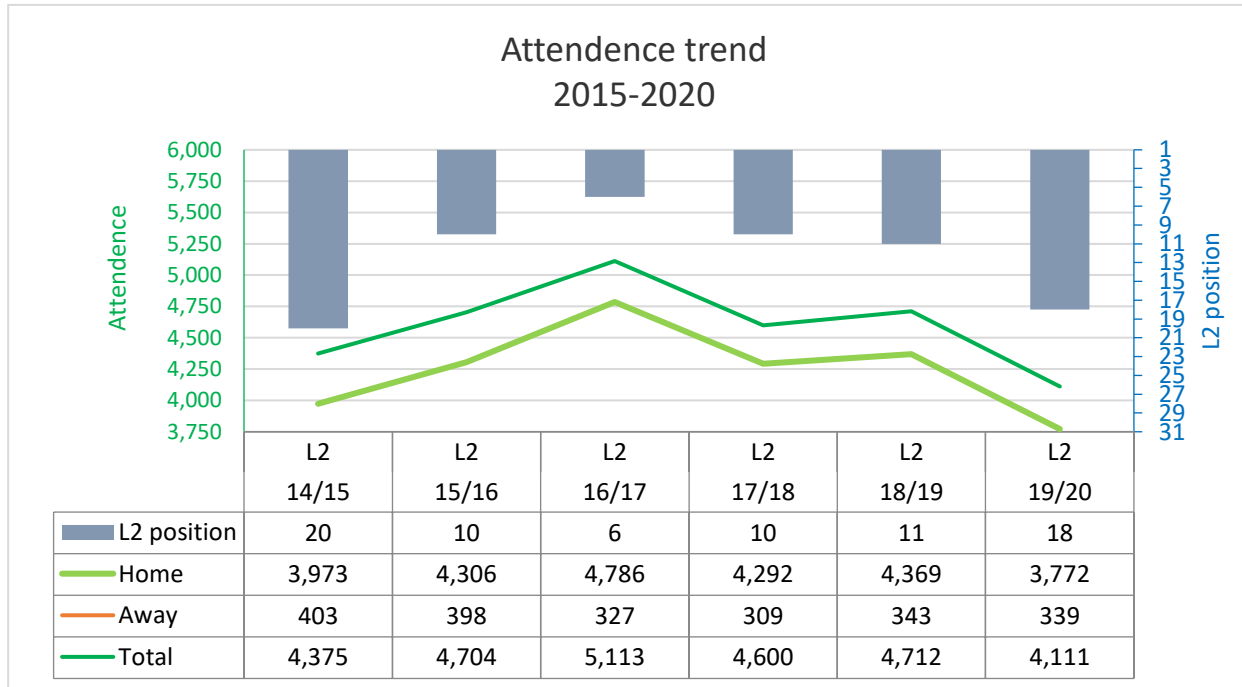
The level of complementary tickets can distort headline attendance data and also Yield as they add volume but no income.

As match ticket prices are unchanged for many years, match Ticket Yield is falling as the proportion of concessions increases (OAPs and kids) and adults falls.

Overall – the more season tickets are sold vs match tickets, it reduces Ticket Yield. The fewer adults and more concessions sold reduces Ticket Yield. Reducing prices does not necessarily increase total income, it depends on the increase in the number and mix of tickets sold

Carlisle United

Attendances - L2 recent



In recent years league game gates have closely followed league placing (see graph):

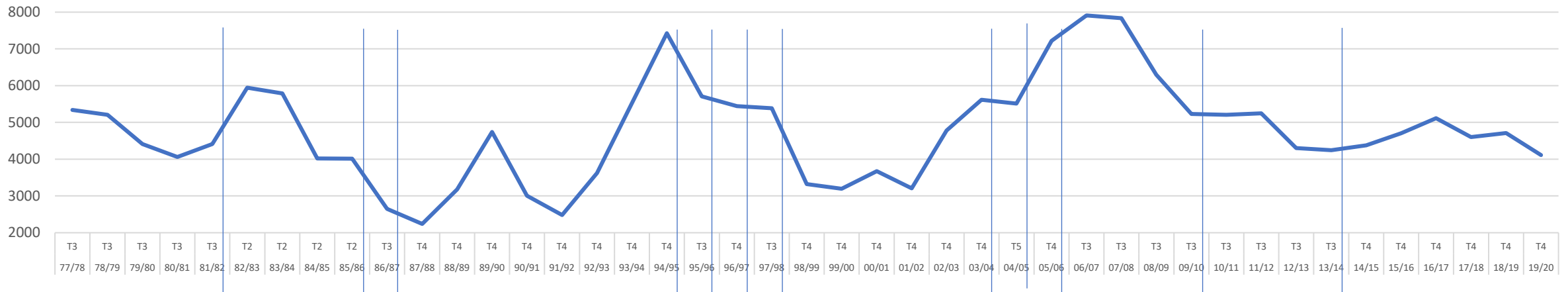
- The recent peak was in 16/17 (playoff season) finishing P6 with average 5,113
- The low was 4,111 accompanying the L2 low of P18

Typically, away fan average attendance have remained consistent at 300-400

Carlisle United

Attendance – long term

Attendances - long term trend 77/78 - 19/20

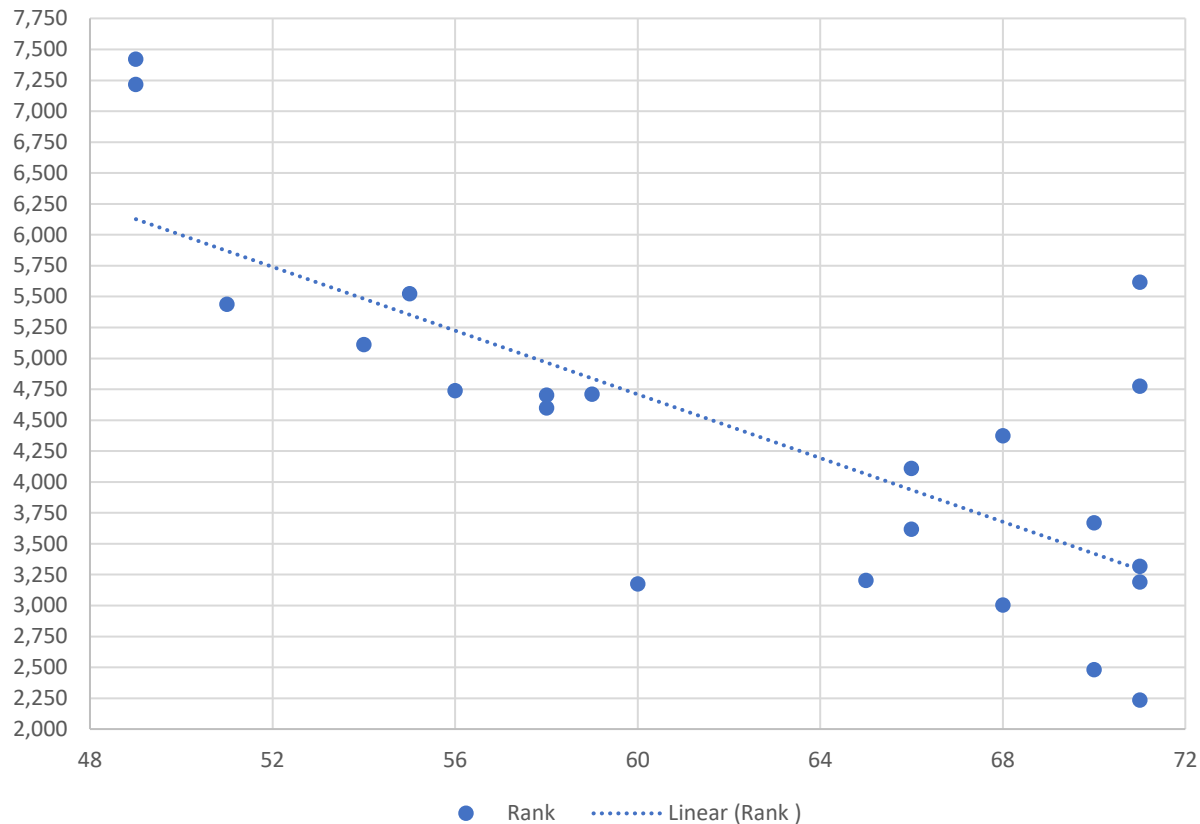


- Club has not averaged over 8,000 in 43 years – peak was 7,907 in 06/07 when being Champions of L1 (tier 3)
- Club has only averaged over 6,000 in 5 years out of the last 43 years – 4 of the 5 were in the 4 year period 05/06 - 07/08 when the Club were promoted from non-league and the Champions of Tier 4 back-to-back and finished P4 (playoffs), P8 and P20 in L1 (tier 3)
- The 43 years have seen two periods where the average attendance was 6,350 or more
 - 5 years 93/94 - 97/98 (two promotions and two relegations)
 - 6 years 03/04 - 08/09 (two promotions and one relegations plus two top 8 finishes in L1)
- Outside these two periods exceptional periods, the average over 32 years is 4221 (compared with 4111 in 19/20 finishing P18 in L2)
- This provides context to measure attendance trends and our current position.
- Comparisons with the short period of on-field success periods point towards the potential, whilst the other f32 years shows the experience the rest of the time

Carlisle United

Attendance L2 history

L2 position vs Attendance



CUFC has been in T4 (L2) for 22 seasons (including 19/20) of the last 33 years since 87/88:

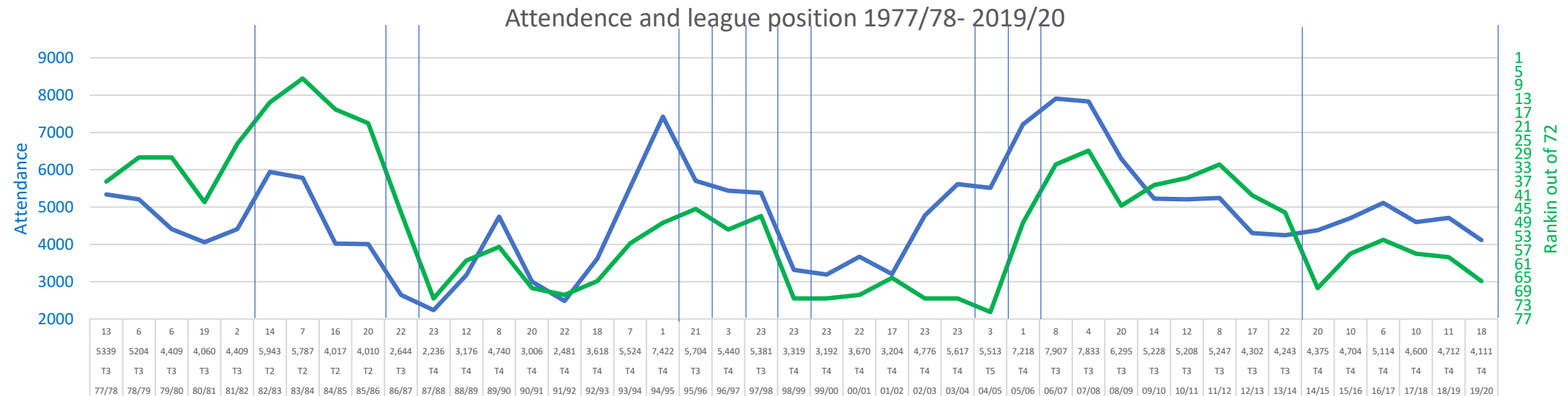
- There is some association between L2 position and attendance
- The relationship is strongest P8-P20 (away from the excitement at the top or the fear of relegation)
- When fears of relegation are high, attendances can increase markedly compared with mid-table

When finishing in the bottom 3 places of L2 the Club has seen attendances ranging from 5,600 to 2,500

When finishing between P8-P20 the L2 average is 4000 and levels are consistent.

Carlisle United

Attendances and league position – season average vs final position



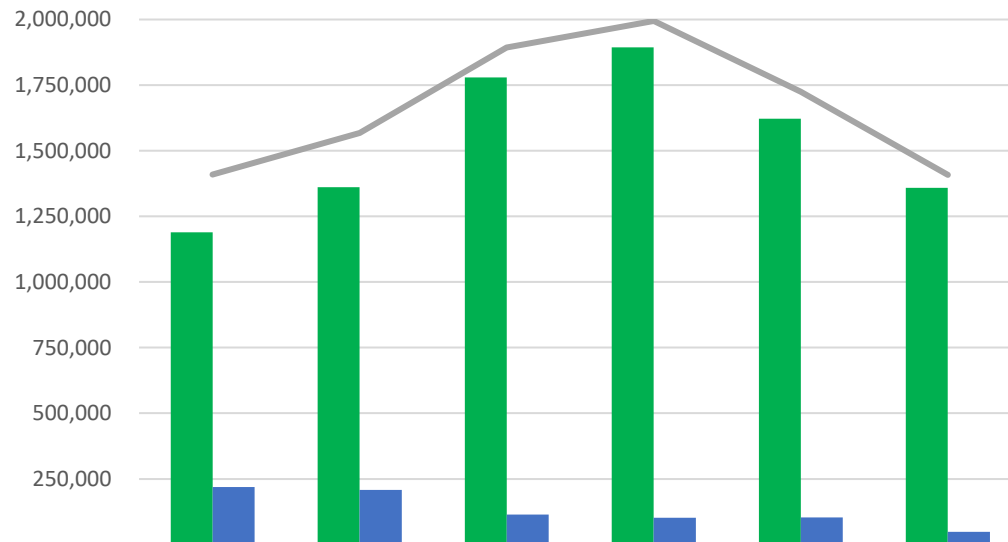
League game attendance closely follow league ranking in the pyramid. Rising and falling with league position. The biggest variances arise when:

- The Club is successful. Attendances get a “super boost” from being at the top of a division. They are also less low when being towards the bottom of a division (81/82, 94/95, 04/05, 05/06) or in Tier 2
- Recurring “Mid table” finishes are accompanied with falling attendance trend (06/07-13/14, 16/17-19/20 ongoing)

Carlisle United

Player costs – trend

Player Costs, Wages & salaries, loans in
2015-2020



	2020	2019	2018	2017	2016	2015
Player wages	1,189,074	1,360,593	1,779,093	1,893,385	1,622,174	1,359,247
Loans in	219,610	207,764	114,243	101,509	103,395	48,676
Player Costs	1,408,684	1,568,357	1,893,336	1,994,894	1,725,569	1,407,923

Player Costs – comprise all wages & salaries for contracted players & development players including related employment costs (salaries, bonuses, benefits, NI employment taxes). It also includes the costs of loan players in.

Often referred to a “Player budget”.

After relegation to L2, Player Costs:

- Increased rapidly by 42% to a peak of £2m in 16/17
- Remained at £1.9m in 17/18
- Reduced back to 14/15 levels at £1.4m in 19/20 (although loan in were higher and own player costs were lower)

Carlisle United

Understanding the club's finances

Annual accounts



Key elements – Annual Accounts

The Annual Accounts are a key part of understanding the club's finances because they:

- are independently audited
- contain profit performance data
- detail a snap-shot of the club position at the year end
- explain the strategy and objectives of the club for the Strategic Activities and Business Departments
- provide key performance indicators over all aspects of the club, both on and off the field
- show trends in the information

Carlisle United Finances

Annual accounts



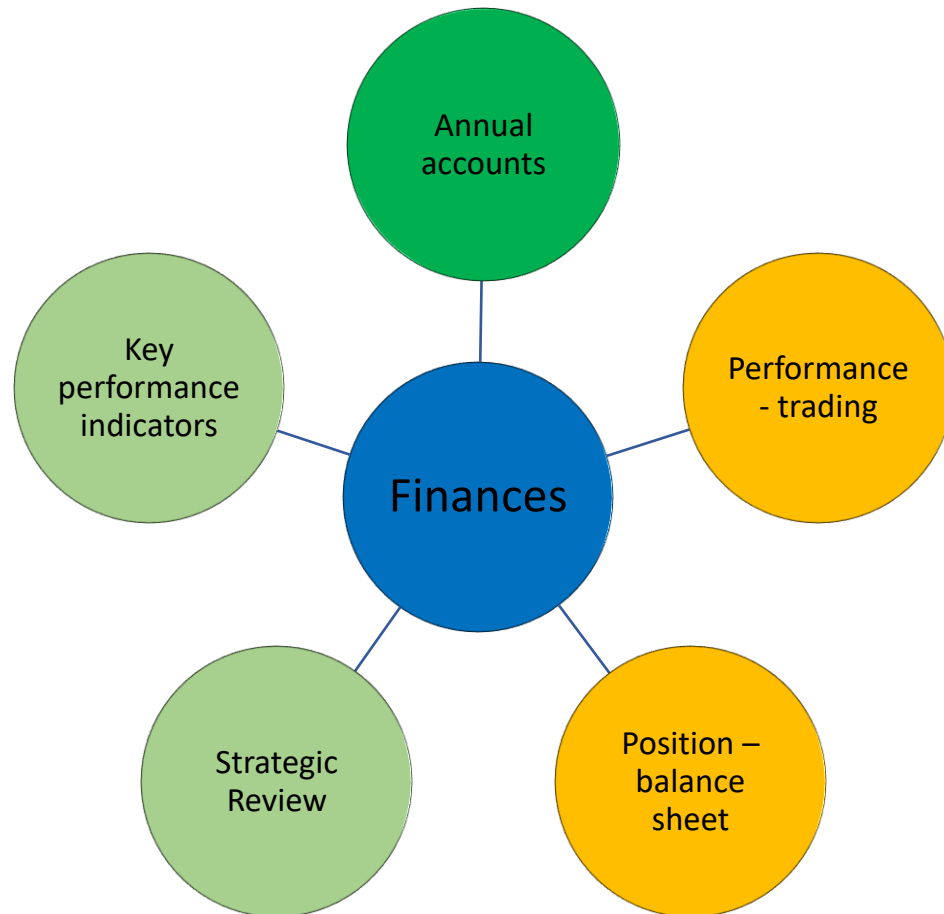
Strategic Review

The annual accounts contain a detailed Strategic Review covering :

- The Club strategy and objectives
- The five Strategic Activities are covered
 - Business
 - Academy
 - Football performance
 - Community
 - Club
- Key risks faced by the Club detailed
- Performance review provided
- Balance sheet and cash flow review
- Prospects for coming year and beyond

Carlisle United Finances

Annual accounts



Performance

Financial performance is managed by considering:

- **Income** - headline turnover, business turnover, Professional Game Income
- **Costs** – business costs, overheads, academy costs, Total Football Expenditure, Playing costs
- **Underlying contribution**
- **Football Fortune**
- **Exceptional income and costs**

Position

Financial position is managed by considering our cash and debt positions

Cash is king in football. Performance can be very heavily distorted by non-cash costs, Football Fortune and Exceptional items. These items need identifying in order to gain a proper understanding of our underlying finances as well as the headlines.

Carlisle United Finances

Annual accounts



Key Performance Indicators

The annual accounts contain trends of KPIs covering :

- Performance
- Position
- Non-financial indicators

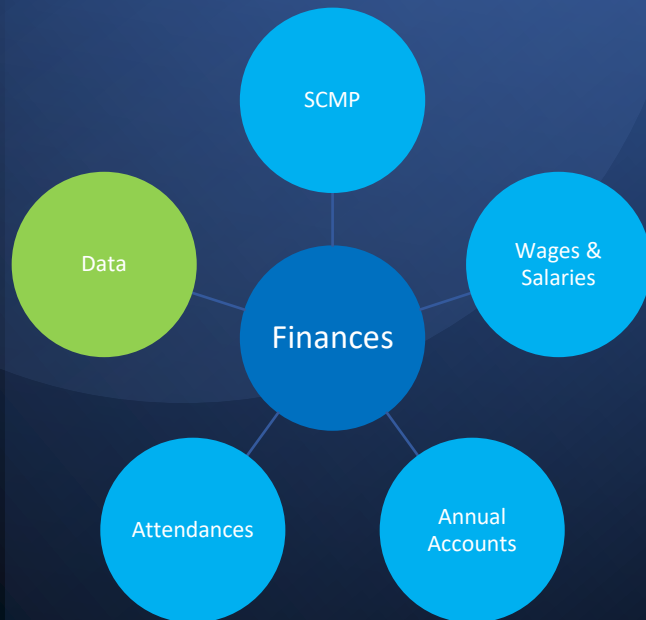
Also see data below

- CUFC 6 year trend
- CUFC data 2012-2020

Carlisle United

Understanding the club's finances

Other financial factors



Data



Carlisle United Finances - 19/20 overview (1)

	Year Audit	Year Audit			
	19/20	18/19	Change	%	
Income					
Match ticket income	£ 702,486	£ 934,421	-£ 231,935	-25%	▶ £42k fall from lower attendences plus £190k from Coronavirus curtaining the season
Commercial	£ 468,378	£ 655,868	-£ 187,490	-29%	▶ Challenging long term trading environment and then £105k Coronavirus impact
Retail	£ 184,220	£ 254,209	-£ 69,989	-28%	▶ Lower gates, challenging trading and then £50k Coronavirus impact
Business turnover	£ 1,355,084	£ 1,844,497	-£ 489,414	-27%	▶ £145k fall relating to Recurring Business and £345k reduction due to Coronavirus
Professional Game Income	£ 1,611,285	£ 1,504,260	£ 107,025	7%	▶ Premier League, EFL and Academy income
Recurring Income	£ 2,966,369	£ 3,348,758	-£ 382,389	-11%	▶ £345k of the change relates to Coronavirus and £37k to normal activity which
Headline turnover	£ 4,589,577	£ 3,614,302	£ 975,275	27%	▶ As detailed in the P&L account within the Audited Statutory Accounts
Costs					
Stadium and site costs	£ 293,876	£ 291,112	£ 2,764	1%	▶ Insurance, Repairs & renewals, Heat, light, power
Business payroll costs	£ 608,307	£ 596,563	£ 11,744	2%	▶ All non football and non-academy wages
Other expenses	£ 385,172	£ 467,902	-£ 82,730	-18%	▶ Cost control and then Coronvirus savings
Recurring Business Costs	£ 1,287,355	£ 1,355,577	-£ 68,222	-5%	
Academy costs	£ 437,267	£ 475,979	-£ 38,712	-8%	▶ Cost control and then Coronavirus savings
	£ 1,724,621	£ 1,831,556	-£ 106,935	-6%	▶ £295k reduction in cash expenses
Underlying Contribution	£ 1,241,747	£ 1,517,202	-£ 275,455		▶ The net income generated by the Club from its Business and the Professional Game
Total Football Expenditure					
Player Costs	£ 1,408,684	£ 1,568,357	-£ 159,672	-10%	▶ Basic pay, bonuses, appearances, expensses of players. Lower due to results and Coronavirus
Other football costs	£ 617,863	£ 646,741	-£ 28,879	-4%	▶ Football staff, DoF, Travel, food&hotels and training. Lower due to Coronavirus (37 games)
Total Football Expenditure	£ 2,026,547	£ 2,215,098	-£ 188,551	-9%	
Wages and salaries	£ 2,462,010	£ 2,712,612	-£ 250,602	-9%	Total wages and salaries of all the club
	54%	75%			Total Club wages and salaries % of headline turnover
EBITDA before exceptional and Football Fortune	-£ 784,800	-£ 697,896	-£ 86,904		



Carlisle United Finances - 19/20 overview (2)

	Year Audit	Year Audit	
	19/20	18/19	Change
Exceptional income/(costs)			
Coronavirus donations	£ -	£ -	£ -
Other sundry income	£ 200,262	£ 21,066	£ 179,196
Debt swap	£ -	£ 145,000	-£ 145,000
Exceptional income	£ 200,262	£ 166,066	£ 34,196
Other - Coronavirus JRS	£ 360,966	£ -	£ 360,966
Other sundry exceptional costs	-£ 38,367	-£ 42,938	-£ 4,952
Total net exceptional	£ 522,861	£ 123,128	£ 399,733
Non-cash expenses			
Depreciation and amortisation	£ 284,992	£ 265,721	£ 19,271
Interest	£ 80,351	£ 68,409	£ 11,942
Total	£ 365,343	£ 334,130	£ 31,213
Operating loss before Football Fortune	-£ 627,282	-£ 908,898	£ 272,093
Football Fortune			
Profit on player sales	£ 1,134,675	£ 99,758	£ 1,034,917
Cup income	£ 310,358	£ 139,710	£ 170,649
Other	£ 429	£ 22,394	-£ 21,966
	£ 1,445,462	£ 261,862	£ 1,183,600
Cup costs	-£ 35,975	-£ 19,647	-£ 16,328
Total	£ 1,409,487	£ 242,216	£ 1,167,271
Overall profit/(loss) after tax	£ 782,205	-£ 666,682	£ 1,448,887
EBITDA	£ 1,147,548	-£ 477,552	£ 1,625,100
Operating loss pre-player profit	-£ 272,119	-£ 843,031	£ 570,913
Operating profit/(loss)	£ 862,556	-£ 743,273	£ 1,605,829
Debt			
Purepay Retail Ltd	-£ 2,259,249	-£ 2,188,225	-£ 71,024
Pioneer	-£ 448,750	-£ 448,750	£ -
	-£ 2,707,999	-£ 2,636,975	-£ 71,024
Bank loans and overdrafts	-£ 233,525	-£ 250,902	£ 17,377
EFL loan	-£ 119,800	£ -	-£ 119,800
Total gross debt	-£ 3,061,324	-£ 2,887,877	-£ 173,447
Cash	£ 505,516	£ 15,335	£ 490,181
Net debt	-£ 2,555,808	-£ 2,872,542	£ 316,734

- ▶ £49k fans and £105k from commercial supporters in lieu of refunds
- ▶ Non-recurring income from business activities (friendlies/ stadium hire)
- ▶ Shareholder loans waived in 2019
- ▶ Furlough income from Coronavirus Job Retention Scheme
- ▶ Non-recurring costs from business activities (bad debts, one-off costs)
- ▶ £515k non-recurring Coronavirus related income and net £8k relating to business

- ▶ Non cash expenses mainly relating to Brunton Park
- ▶ Including £71k of interest accrued but not payable in EWM debt

- ▶ £272k improvement despite Covid

- ▶ Sales in the year and add ons
- ▶ Mainly FA Cup, match, prize and TV
- ▶ Income from players loaned out

Competitions	19/20	18/19
EFL Cup	R2	R1
EFL Trophy	Group	Group
FA Cup	R3	R2
League Two	18	11

- ▶ Additional cup match costs

- ▶ **£782k overall profit in the year**
- ▶ Improvement mainly from £1.135m income from player sales
- ▶ £570k improvement after Coronavirus and before player profit

- ▶ No advances or repayments since May 2019. Increase is interest charged not paid
- ▶ Interest free, unsecured and no repayments

- ▶ Unchanged at £100k interest only mortgage and £150k overdraft facility
- ▶ Three year interest free loan from EFL to support Coronavirus cash losses

- ▶ £506k cash reserves at the year end despite Coronavirus



Carlisle United

P&L data 2012-2020

	YE 2020	YE 2019	YE 2018	YE 2017	YE 2016	YE 2015	YE 2014	YE 2013	YE 2012
Recurring income £	L2	L2	L2	L2	L2	L2	L1	L1	L1
Match day	702,486	934,421	936,660	1,140,284	1,094,352	942,660	921,426	955,037	1,220,737
Commercial	468,378	655,868	756,681	833,719	763,467	758,832	808,149	724,605	833,559
Retail	184,220	254,209	277,467	306,338	215,930	200,139	208,340	194,126	273,048
Business turnover	1,355,084	1,844,497	1,970,807	2,280,340	2,073,749	1,901,632	1,937,915	1,873,767	2,327,344
Business costs	(464,118)	(529,214)	(653,987)	(641,060)	(578,431)	(497,543)	(528,849)	(627,462)	(557,746)
Business margin	890,966	1,315,283	1,316,820	1,639,280	1,495,318	1,404,088	1,409,066	1,246,305	1,769,598
EFL PL	1,122,475	1,025,187	971,411	926,020	725,450	657,736	943,778	924,225	1,011,803
Overheads	(823,237)	(826,362)	(825,837)	(871,905)	(813,150)	(696,673)	(830,809)	(834,996)	(929,635)
Academy net income	51,543	3,095	(67,747)	(32,442)	24,195	18,112	(46,159)	173,464	146,145
Underlying Contribution	1,241,747	1,517,202	1,394,648	1,660,954	1,431,813	1,383,264	1,475,875	1,508,997	1,997,910
Football Fortune net	1,409,487	242,216	449,418	450,641	1,161,065	144,134	332,977	448,812	714,481
Other non-recurring income (net)	522,861	(21,872)	31,686	136,900	88,746	44,609	25,560	30,840	21,483
Total Contribution	3,174,095	1,737,546	1,875,752	2,248,495	2,681,624	1,572,008	1,834,412	1,988,649	2,733,874
Total Football Expenditure	(2,026,547)	(2,215,098)	(2,606,400)	(2,705,741)	(2,463,639)	(2,075,837)	(2,056,729)	(2,504,096)	(2,836,592)
EBITDA	1,147,548	(477,552)	(730,648)	(457,246)	217,985	(503,829)	(222,316)	(515,447)	(102,718)
Depreciation and amortisation	(284,992)	(265,721)	(264,545)	(218,081)	(165,104)	(151,768)	(134,921)	(157,364)	(146,994)
Operating loss	862,556	(743,273)	(995,193)	(675,327)	52,881	(655,597)	(357,237)	(672,811)	(249,713)
Interest payable	(80,351)	(68,409)	(31,323)	(13,231)	(11,297)	(12,164)	(12,203)	(9,360)	(9,632)
Exceptional	-	145,000	860,000	480,000	-	1,100,250	-	-	-
Profit/(loss) before tax	782,205	(666,682)	(166,516)	(208,558)	41,584	432,489	(369,440)	(682,171)	(259,344)



Carlisle United

Cash flow data 2015-2020

	2020	2019	2018	2017	2016	TOTAL		2020	2019	2018	2017	2016	TOTAL	
EBITDA before players sales	12,873	- 577,311	- 954,192	- 666,246	- 270,015	- 2,454,891		Cash outflow from operations	- 391,047	- 965,719	- 1,213,417	- 643,253	- 824,772	- 4,038,207
Net cup income	- 274,812	- 142,457	- 225,874	- 241,641	- 673,065			Receipts from asset sales			12,228			
Non-cash debt amortisation	-	30,000	30,000	50,000				Payments for fixed assets purchases	- 76,090	- 70,367	- 175,981	- 313,275	- 70,970	- 706,683
Non-cash deferred tax	- 28,000	- 29,000	- 29,000		- 50,000			Tax paid			- 1,154	- 93,804	- 94,958	
Non-cash profit on disposal of assets				1,776				Interest paid	- 9,472	- 13,102	- 16,178	- 13,981	- 11,317	- 64,049
Cash from trading before Football Fortune	- 289,939	- 778,768	- 1,239,066	- 956,111	- 993,080	- 4,256,964		Cash funding need of the club	- 476,464	- 1,049,187	- 1,405,570	- 958,685	- 1,000,843	- 4,890,749
Working capital								Net cup income	274,812	142,457	225,874	241,641	673,065	1,557,850
Stock increase/(decrease)	62,705	- 85,438	1,991	1,616	8	26,349		Receipts from player sales	589,410	162,319	119,247	374,000	428,000	1,672,976
Debtors decrease/(increase)	132,051	30,501	3,062	72,685	37,837	12,034		Payments for player purchases	-	-	55,000			55,000
Shareholder trading debtors	- 11,677	20,775	3,291			29,161		Football Fortune cash	864,222	304,776	290,121	615,641	1,101,065	3,175,826
Tax	- 87,196	23,307	30,729	98,743	31,328	73,817		Finance lease repaid	- 11,371	- 14,543	6,530	20,009	12,473	64,926
Season ticket advances	- 340,609	24,125	100,888	94,523	36,572	205,895		New Finance leases	-	-	26,060			26,060
Creditors	- 160,381	2,805	42,747	201,200	656,698	249,564		Pioneer debt repayments	-	6,000	46,000	70,000	70,250	192,250
	- 405,107	- 186,951	25,649	- 82,235	550,953	- 97,691		Shareholder equity	-	10,000	260,000			270,000
Insurance				395,093	382,645	12,448		EWM loans	-	790,000	860,000	450,000		2,100,000
Tax deferral	304,000					304,000		EFL loans	119,800					119,800
Net working capital inflow/(outflow)	- 101,107	- 186,951	25,649	312,858	168,308	218,757		Bank debt repaid	- 7	-	3,320	13,437	15,235	31,999
Cash outflow from operations	- 391,047	- 965,719	- 1,213,417	- 643,253	- 824,772	- 4,038,207		Funding	108,422	779,457	1,090,210	346,554	- 97,958	2,226,685
								Net cash flow	496,180	35,046	- 25,239	3,510	2,264	511,762
								Net Overdraft b/f	- 99,999	- 135,045	- 109,806	- 113,316	- 115,580	- 115,580
								Net Overdraft c/f	396,181	- 99,999	- 135,045	- 109,806	- 113,316	396,182



Carlisle United Finances

Key Performance Indicators

Six year KPI trend (1)

Key indicators	YE 2020 £	YE 2019 £	Change £		YE 2018 £	YE 2017 £	YE 2016 £	YE 2015 £
Headline turnover	£4,589,577	£3,614,302	£975,275	Turnover reported in the profit and loss account	£3,993,252	£4,273,085	£4,415,070	£3,063,515
Match day	£702,486	£934,421	£(231,935)	Season tickets and walk up pay on the day	£936,660	£1,140,284	£1,094,352	£942,660
Commercial	£468,378	£655,868	£(187,490)	Sponsorships, advertising, hospitality, other income	£756,681	£833,719	£763,467	£758,832
Retail	£184,220	£254,209	£(69,989)	Blues store and on-line	£277,467	£306,338	£215,930	£200,139
Recurring Business Turnover	£1,355,084	£1,844,497	£(489,414)	Recurring turnover and other income from all business activities	£1,970,807	£2,280,340	£2,073,749	£1,901,632
Business turnover growth %	-26.5%	-6.4%			-13.6%	10.0%	9.1%	-18.3%
Business margin	£890,966	£1,315,283	£(424,317)	Business turnover less Business costs	£1,316,820	£1,639,280	£1,495,318	£1,404,088
Business margin growth %	-32.3%	-0.1%			-19.7%	9.6%	6.5%	-20.7%
Business margin %	66%	71%		Business margin/ Business turnover	67%	72%	72%	74%
Professional Game Income	£1,611,285	£1,504,260	£107,025	EFL and Premier League income and EPPP Academy grant	£1,426,349	£1,343,637	£1,044,074	£976,109
Business costs	£464,118	£529,214	£(65,097)	Direct costs of Retail, ticketing, commercial and holding matches	£653,987	£641,060	£578,431	£497,543
Overheads	£823,237	£826,362	£(3,126)	Business overheads (excluding all football and Academy costs)	£825,837	£871,905	£813,150	£696,673
Overhead cover	2.45	2.83		Business margin + EFL + PL / Overheads	2.77	2.94	2.73	2.96
Underlying Contribution	£1,241,747	£1,517,202	£(275,455)	Recurring income - recurring costs + net Academy income	£1,394,648	£1,660,954	£1,431,813	£1,383,264
Underlying Contribution growth %	-18.2%	8.8%			-16.0%	16.0%	3.5%	-30.8%



Carlisle United Finances

Key Performance Indicators

Six year KPI trend (2)

Key indicators	YE 2020 £	YE 2019 £	Change £		YE 2018 £	YE 2017 £	YE 2016 £	YE 2015 £
Football Fortune (net)	£1,409,487	£242,216	£1,167,271	Player transfer income, cup income, prizes and tv less cup costs	£449,418	£450,641	£1,161,065	£144,134
Other non-recurring net income	£522,861	£(21,872)	£544,733	Covid income and donations, less exceptional business costs	£31,686	£136,900	£88,746	£44,609
Total Football Expenditure (TFE)	£2,026,547	£2,215,098	£(188,551)	Total expenditure on all first team football costs including Player Costs	£2,606,400	£2,705,741	£2,463,639	£2,075,837
TFE growth %	-8.5%	-15.0%			-3.7%	9.8%	18.7%	0.9%
TFE ratio	1.63	1.46		Total Football Expenditure / Underlying Contribution	1.87	1.63	1.72	1.50
Player Costs	£1,408,684	£1,568,357	£(159,672)	Player basic pay, expenses, bonuses, loans in	£1,893,336	£1,994,894	£1,725,569	£1,407,923
Value on the pitch	51.1%	53.6%		Proportion of Player Costs spent on minutes on the pitch	51.8%	55.7%	*	*
Contingency spending	25.7%	24.0%		Share of player costs not in the matchday '18'	21.0%	18.4%	*	*
Wages and salaries	£2,462,010	£2,712,612	£(250,602)	Total wages & salaries for the whole Club (note 5)	£3,252,062	£3,433,646	£2,841,133	£2,405,962
Total wages/Income %	53.6%	75.1%		Wages & salaries (note 5)/ Headline turnover	81.4%	80.4%	64.4%	78.5%
Total wages/Recurring Income %	83.0%	81.0%		Wages & salaries (note 5)/ Recurring income	94.5%	94.7%	91.1%	83.6%
Operating profit/(loss)	£862,556	£(743,273)	£1,605,829	As per P&L account	£(995,193)	£(675,327)	£52,881	£(655,597)
Overall profit/(loss) after tax	£782,205	£(666,682)	£1,448,887	As per P&L account	£(166,516)	£(208,558)	£41,584	£432,489
EBITDA	£1,147,548	£(477,552)	£1,625,100	Profit/(loss) before interest, tax, depreciation and amortisation	£(730,648)	£(457,246)	£217,985	£(503,829)
EBITDA (excluding player sales)	£12,873	£(577,311)	£590,184		£(954,192)	£(666,246)	£(271,015)	£(531,629)
Recurring EBITDA	£(469,063)	£(377,036)	£(92,027)	EBITDA excluding Non-recurring net income and non-recurring TFE	£(955,478)	£(622,434)	£(705,855)	£(533,528)
Recurring Income	£2,966,369	£3,348,758	£(382,389)	Recurring Business Turnover+Professional Game Income	£3,442,813	£3,623,977	£3,117,823	£2,877,742
Institutional funding	£233,525	£250,902	£(17,377)	Bank overdraft, mortgages, Finance leases	£290,508	£250,119	£314,974	£334,502
Related party debt	£448,750	£448,750	£0	Amounts due to shareholders and connected parties	£640,525	£1,313,234	£1,704,828	£1,810,750
Total gross debt	£3,061,324	£2,887,877	£173,447		£2,258,623	£2,013,353	£2,019,802	£2,145,252
Change in total debt	£173,447	£629,254			£245,270	£(6,449)	£(125,450)	£529,183

*No data

Carlisle United

Understanding the club's
finances