

WHELCO HOLDINGS LIMITED
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2009

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WHELCO HOLDINGS LIMITED

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2009**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	6
Consolidated Profit and Loss Account	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Cash Flow Statement	10
Notes to the Consolidated Cash Flow Statement	11
Notes to the Consolidated Financial Statements	13

WHELCO HOLDINGS LIMITED

COMPANY INFORMATION
for the Year Ended 31 May 2009

DIRECTORS:	D Whelan Mrs P M Whelan
SECRETARY:	J D Greenwood
REGISTERED OFFICE:	DW Stadium Robin Park Loire Drive Wigan Lancashire WN5 0UH
REGISTERED NUMBER:	3033275 (England and Wales)
AUDITORS:	Fairhurst Registered Auditors Chartered Accountants Douglas Bank House Wigan Lane Wigan Lancashire WN1 2TB
BANKERS:	Barclays Bank PLC Market Place Wigan WN1 1QS
SOLICITORS:	Platt & Fishwick The Old Bank King Street Wigan WN1 1DB

**REPORT OF THE DIRECTORS
for the Year Ended 31 May 2009**

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2009

PRINCIPAL ACTIVITIES

The company has one trading division, namely Wroughtington Hotel and Country Club which operates as a hotel, restaurant and leisure club

In addition the company owns an 85% interest in Wigan Football Company Limited, a property owning management company, which includes the trade and net assets of the DW Stadium

Also, the company owns an 86% interest in Wigan Athletic AFC Limited, a professional association football league club playing in the Barclays Premier League

REVIEW OF BUSINESS

Continuing Operations

Wroughtington Hotel and Country Club

Trading within Wroughtington Hotel and Country Club continues to be satisfactory although there has been a slight fall in turnover of 2.2 per cent to £3.4 million from £3.5 million in the previous year. This has resulted in a fall in operating profits to £760,000 from £971,000

These results reflect the impact of the recent general economic conditions which have affected many similar operations. The directors are confident that the quality of the facilities at the site will achieve improved results when there is an upturn in the economy

Wigan Football Company Limited

Wigan Football Company Limited, which operates the DW Stadium, achieved an increase in turnover of 2.6 per cent to £3.5 million from £3.4 million. A slightly higher gross margin was achieved than in the previous year and after taking into account a small increase in operating expenses, resulted in an increase in operating profits to £85,000 from £50,000 last year

Whilst these operations were not materially impacted by the general economic conditions during the year ended 31 May 2009, these conditions are having more of an effect during the current year and the directors consider the company will not achieve the same level of profitability in 2009/10 as in last year. The company has however successfully replaced the stadium name sponsorship from 1 August 2009, with DW Sports Fitness

Wigan Athletic AFC Limited

Turnover in Wigan Athletic AFC Limited increased by 8.0 per cent to £46.3 million from £42.8 million, largely as a result of a higher merit payment from the Barclays Premier League, following the club's success in finishing in 11th place at the end of the 2008/9 season. The percentage increase in net operating costs was slightly higher than the percentage increase in turnover, even after crediting the recovery of £0.8 million of costs following the successful outcome of the long running legal case with the Greater Manchester Police. The operating loss for the year of £17.1 million compared to £16.5 million in the previous year

The profit on the sale of players increased to £12.8 million compared to £7 million in the previous year and after similar interest charges to the previous year, the net loss before taxation was £5.8 million, compared to £11.2 million

The club has again invested heavily in new players with £21.5 million being invested during the year ended 31 May 2009, in addition to £22.2 million which was spent in the previous year. The club recognises both the sporting and commercial reality that a successful team will come under pressure to sell its prized assets. The continued re-investment of sale proceeds in new talent will hopefully allow the squad to maintain its improvement and also continue to generate future income

**REPORT OF THE DIRECTORS – continued
for the Year Ended 31 May 2009**

REVIEW OF BUSINESS – continued

Wigan Athletic AFC Limited – continued

Football is not immune to the current economic challenges and the directors expect all revenue streams to come under pressure during the current season. However, the club has successfully secured a new shirt sponsorship deal for the 2009/10 season with 188 BET.

Even assuming Premier League status can again be maintained, the club is predicted to make trading losses in 2009-10 and 2010-11, before taking into account any profits on the sale of players.

Discontinued Operation

Until its disposal in December 2007, the company owned an 89% interest in Wigan Rugby League Club Limited, a professional rugby league club known as Wigan Warriors, playing in the engage Super League. The results of this company during the year ended 31 May 2008 are shown in the consolidated accounts as the “discontinued operation”.

Group Results

The group operating loss for the year of £16.2 million is identical to that in the previous year. After taking credit for the increased profit on the sale of players and the interest costs, as referred to above, the net loss before tax was £4.9 million compared to £12.4 million the previous year.

Key performance indicators are used by the Board to assess the group’s performance but these are applied to each of the individual activities rather than the group results. These indicators are mainly turnover, gross margin, administrative expenses, net profit/loss before tax and cash receipts and payments.

FUTURE PROSPECTS

The future prospects of the three principal trading operations of the group have been summarised in the above paragraphs. The directors expect that the group operating losses for 2009/10 will be similar to, or only slightly worse than those for the year ended 31 May 2009. The directors also believe that the profit on the sale of players and interest costs should be at least equivalent to those in 2008/9, which will leave the net loss before taxation at a similar level to that year.

FINANCIAL RISKS

The group and company’s activities expose it to a number of financial risks, as set out below.

Cash Flow Risk

The only foreign currency transactions of the group are the occasional payment and receipt for the purchase or sale of players and because their frequency cannot be forecasted, then it is not possible to hedge against those foreign currency transactions.

The group has a material cost on its bank borrowings but with the comparatively low level of interest rates the directors do not consider the introduction of any interest rate hedge to be necessary.

Credit Risk

The group’s principal financial asset is debtors. The credit risk arising from debtors is limited by adhering to credit worthiness checks before the opening of new customer accounts and by the constant monitoring and following-up of any overdue balances.

REPORT OF THE DIRECTORS – continued
for the Year Ended 31 May 2009

FINANCIAL RISKS – continued

Liquidity Risk

The company shares a bank overdraft and loan facility with its subsidiaries and a number of associated undertakings, all of which are controlled by Mr D Whelan and his family. The cash facilities available to the company and all its other group associated undertakings have been compared to their likely credit requirements over the next 12 months, from the date of signing these financial statements, and Mr D Whelan has confirmed that these requirements will be met from a combination of bank borrowings, supported by funds to be made available by himself, his family, or from trusts that are under their control.

Turnover Risk

The group's turnover includes income generated from Wigan Athletic's current Barclays Premier League status. The loss of this status in any future football season would have a significantly detrimental impact upon turnover.

RESULTS AND DIVIDENDS

The results for the year and financial position of the group and company are as shown in the financial statements. The group operating loss for the year of £16,231,905 (2008 operating loss - £16,210,699) is stated before a profit on transfer of players of £12,797,676 (2008 - £6,981,718) and the net interest costs shown on the face of the consolidated profit and loss account.

It is proposed that the group loss after tax of £4,938,044 (2008 loss - £12,424,951) be taken to reserves. No dividend will be paid (2008 - £Nil).

POST BALANCE SHEET EVENTS

Significant post balance sheet events are detailed in note 26 of the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2008 to the date of this report.

D Whelan

Mrs P M Whelan

GROUP'S POLICY ON PAYMENT OF CREDITORS

It is the group's policy in respect of all suppliers to agree payment terms in advance of the supply and to adhere to these payment terms.

INTANGIBLE FIXED ASSETS

In accordance with FRS-10, Wigan Athletic AFC Limited have capitalised fees payable on the transfer of players and manager registrations, with an amortisation charge based on the length of the players and manager contracts (see note 9 of the notes to the financial statements).

TANGIBLE FIXED ASSETS

The changes in tangible fixed assets are set out in note 10 of the notes to the financial statements and arose in the normal course of business.

EMPLOYEES

Regular meetings are held involving directors, managers and supervisory staff to convey information to employees regarding group performance and other factors affecting the business.

The group's policy is, wherever practicable, to encourage and assist the employment of disabled people, having regard to the nature of the work and their disability.

**REPORT OF THE DIRECTORS – continued
for the Year Ended 31 May 2009**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

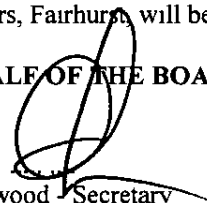
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:


J D Greenwood Secretary

Date

9 April 2010

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WHELCO HOLDINGS LIMITED (Registered number. 3033275)**

We have audited the financial statements of Whelco Holdings Limited for the year ended 31 May 2009 on pages seven to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2009 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Mr J B S Fairhurst BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst
Registered Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB



Date

9/3/10

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 May 2009

	Notes	2009		2008	
		£	£	£	£
TURNOVER	2		53,236,017		51,834,220
Continuing operations		53,236,017		49,793,396	
Discontinued operation		<u>-</u>		<u>2,040,824</u>	
 Cost of sales	3		<u>(1,687,574)</u>		<u>(1,873,493)</u>
GROSS PROFIT	3		51,548,443		49,960,727
Net operating expenses	3		<u>(67,780,348)</u>		<u>(66,171,426)</u>
OPERATING LOSS	5		(16,231,905)		(16,210,699)
Continuing operations		(16,231,905)		(15,739,803)	
Discontinued operation		<u>-</u>		<u>(470,896)</u>	
 Profit on sale of players			12,797,676		6,981,718
Loss on disposal of investment			<u>-</u>		<u>(1,526,666)</u>
			(3,434,229)		(10,755,647)
 Interest receivable			<u>97,836</u>		<u>71,712</u>
			(3,336,393)		(10,683,935)
 Interest payable	6		<u>(1,601,651)</u>		<u>(1,741,016)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(4,938,044)		(12,424,951)
Tax on loss on ordinary activities	7		<u>-</u>		<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION	19		<u>(4,938,044)</u>		<u>(12,424,951)</u>

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the losses for the current year and previous year, as disclosed above

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

CONSOLIDATED BALANCE SHEET
31 May 2009

	Notes	2009		2008	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		25,882,570		23,547,253
Tangible assets	10		<u>43,171,811</u>		<u>43,838,801</u>
			69,054,381		67,386,054
CURRENT ASSETS					
Stocks	12	58,873		70,043	
Debtors (£2,000,000 (2008 £2,000,000) due after more than one year)	13	12,859,344		13,328,251	
Cash in hand		<u>11,900</u>		<u>3,337,473</u>	
			12,930,117		16,735,767
CREDITORS					
Amounts falling due within one year	14	<u>(41,748,722)</u>		<u>(42,323,001)</u>	
NET CURRENT LIABILITIES			<u>(28,818,605)</u>		<u>(25,587,234)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			40,235,776		41,798,820
CREDITORS					
Amounts falling due after more than one year	15		<u>(38,080,961)</u>		<u>(34,705,961)</u>
NET ASSETS			<u><u>2,154,815</u></u>		<u><u>7,092,859</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		54,780,254		54,780,254
Profit and loss account	19		<u>(52,625,439)</u>		<u>(47,687,395)</u>
SHAREHOLDERS' FUNDS	20		<u><u>2,154,815</u></u>		<u><u>7,092,859</u></u>

The financial statements were approved by the Board of Directors on its behalf by

9 March 2010 and were signed on



D Greenwood – ~~Power of Attorney~~ for D Whelan (Director)


WHELCO HOLDINGS LIMITED (Registered number: 3033275)

COMPANY BALANCE SHEET
31 May 2009

	Notes	2009		2008	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		142,466		160,811
Tangible assets	10		9,889,996		9,817,367
Investments	11		<u>31,696,612</u>		<u>31,696,612</u>
			41,729,074		41,674,790
CURRENT ASSETS					
Stocks	12	20,046		31,637	
Debtors (£45,411,694 (2008 £42,632,584) due after more than one year)	13	45,674,734		43,011,812	
Cash at bank and in hand		<u>206,619</u>		<u>2,864,566</u>	
		45,901,399		45,908,015	
CREDITORS					
Amounts falling due within one year	14	<u>(647,078)</u>		<u>(1,414,793)</u>	
NET CURRENT ASSETS			<u>45,254,321</u>		<u>44,493,222</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			86,983,395		86,168,012
CREDITORS					
Amounts falling due after more than one year	15		<u>(27,004,961)</u>		<u>(27,004,961)</u>
NET ASSETS			<u><u>59,978,434</u></u>		<u><u>59,163,051</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		54,780,254		54,780,254
Profit and loss account	19		<u>5,198,180</u>		<u>4,382,797</u>
SHAREHOLDERS' FUNDS	20		<u><u>59,978,434</u></u>		<u><u>59,163,051</u></u>

The financial statements were approved by the Board of Directors on its behalf by

9 March 2010 and were signed on


D Greenwood – Power of Attorney for D Whelan (Director)

The notes form part of these financial statements

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

**CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 May 2009**

	Notes	2009 £	2008 £
Net cash inflow from operating activities	1	6,554,321	2,528,649
Returns on investments and servicing of finance	2	(1,503,815)	(1,669,304)
Capital expenditure	2	(6,115,190)	(12,338,693)
Disposal of investments	2	<u>-</u>	<u>490,134</u>
		(1,064,684)	(10,989,214)
Financing	2	<u>3,375,000</u>	<u>12,500,000</u>
Decrease in net debt		<u><u>2,310,316</u></u>	<u><u>1,510,786</u></u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in net debt		<u>2,310,316</u>	<u>1,510,786</u>
Change in net debt resulting from cash flows		<u>2,310,316</u>	<u>1,510,786</u>
Movement in net debt in the period		2,310,316	1,510,786
Net debt at 1 June 2008		<u>(20,342,639)</u>	<u>(21,853,425)</u>
Net debt at 31 May 2009		<u><u>(18,032,323)</u></u>	<u><u>(20,342,639)</u></u>

The notes form part of these financial statements

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 May 2009**

1 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating loss	(16,231,905)	(16,210,699)
Amortisation of intangible fixed assets	14,436,976	12,545,007
Depreciation of tangible fixed assets	1,364,270	1,345,061
Impairment of players and manager registration fees	1,435,600	1,267,007
Loss on disposal of tangible assets	7,693	3,698
Grant release	-	(100,002)
Release of compensation provision	-	(361,327)
Decrease in stocks	11,170	3,416
Decrease/(Increase) in debtors	468,907	(5,606,279)
Increase in creditors	<u>5,061,610</u>	<u>9,642,767</u>
Net cash inflow from operating activities	<u><u>6,554,321</u></u>	<u><u>2,528,649</u></u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	97,836	71,712
Interest paid	<u>(1,601,651)</u>	<u>(1,741,016)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(1,503,815)</u></u>	<u><u>(1,669,304)</u></u>
Capital expenditure		
Payments to acquire intangible fixed assets	(21,482,163)	(22,240,898)
Payments to acquire tangible fixed assets	(736,258)	(334,471)
Receipts from sale of intangible fixed assets	16,071,946	10,238,774
Receipts/payments from sale of tangible fixed assets	<u>31,285</u>	<u>(2,098)</u>
Net cash outflow for capital expenditure	<u><u>(6,115,190)</u></u>	<u><u>(12,338,693)</u></u>
Acquisitions and disposals		
Fixed assets	-	1,237,275
Goodwill	-	3,313,368
Stocks	-	22,981
Debtors	-	661,836
Creditors	-	(1,218,660)
Profit on disposal	-	(1,526,666)
Deferred loan	<u>-</u>	<u>(2,000,000)</u>
Net cash inflow for acquisitions and disposals	<u><u>-</u></u>	<u><u>490,134</u></u>

The notes form part of these financial statements

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT – continued
for the Year Ended 31 May 2009**

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2009 £	2008 £
Financing		
New loans in year	3,375,000	7,500,000
Amount introduced by directors	-	5,000,000
Amount withdrawn by directors	(1,250,000)	-
Amount transferred to shareholders loan	<u>1,250,000</u>	<u>-</u>
Net cash inflow from financing	<u><u>3,375,000</u></u>	<u><u>12,500,000</u></u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/6/08 £	Cash flow £	At 31/5/09 £
Net cash			
Cash at bank and in hand	3,337,473	(3,325,573)	11,900
Bank loan and overdrafts	<u>(23,680,112)</u>	<u>5,635,889</u>	<u>(18,044,223)</u>
Total	<u><u>(20,342,639)</u></u>	<u><u>2,310,316</u></u>	<u><u>(18,032,323)</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2009

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements include the results of Whelco Holdings Limited and its subsidiary undertakings drawn up to 31 May 2009

The acquisition method of accounting has been adopted under which the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the separate net assets acquired, is capitalised and amortised over its estimated useful life of twenty years. Impairment reviews are undertaken on the carrying value of goodwill at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible fixed assets

Intangible fixed assets include purchased goodwill on the acquisition of businesses with recognisable trading names at cost. Amortisation has been provided to write off the cost of this goodwill over its estimated useful life of 20 years in equal instalments, based upon the directors' estimation of the longevity of the businesses acquired.

Players and manager registration and signing on fees

Transfer fees for players and manager registrations are capitalised as intangible fixed assets and are amortised on a straight line basis over the period of the respective contracts. Agents fees are expensed to the profit and loss account in the period to which they relate.

The net book value of players and manager registration fees are assessed on an annual basis and impairment losses arising are charged to the profit and loss account in the period in which they arise. Any surpluses arising are not accounted for.

Players and manager signing on fees have been expensed to the profit and loss account as wages and salaries over the period to which they relate. The profit/(loss) on the sale of a player registration is calculated after charging any unamortised registration fees and any further fees which become payable as a result of the sale.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation on tangible fixed assets is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life, on a straight line basis.

Freehold property	- 1% on cost
Long leasehold property	- over the remaining term of the 99 year lease with some assets being written off over an estimated useful life of 32.5 years
Short leasehold property	- over the remaining term of the lease
Plant and machinery, fixtures and fittings	- 10% and 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009

1 ACCOUNTING POLICIES - continued

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

Stocks

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

Deferred tax

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

Turnover

Turnover represents the invoice value of goods and services provided, including all amounts received and receivable in respect of football matches played, broadcasting rights, sponsorship and advertising and other related income, net of discounts and Value Added Tax, in the normal course of business and arose wholly in the United Kingdom

Operating leases

Rentals paid under operating leases are charged against income on a straight line basis over the lease term

Repairs and renewals and ground upkeep

All expenditure is written off as incurred

Grants

Revenue grants are credited to the profit and loss account in the period to which they relate Capital grants are treated as deferred income and written off over the life of the assets to which they relate

2 TURNOVER

The turnover is attributable to the principal activities of the group

An analysis of turnover by entity is given below

	2009 £	2008 £
Wrightington Hotel and Country Club	3,441,052	3,514,757
Wigan Football Company Limited	3,522,051	3,434,014
Wigan Athletic AFC Limited	46,272,914	42,844,625
Wigan Rugby League Club Limited	<u>-</u>	<u>2,040,824</u>
	<u>53,236,017</u>	<u>51,834,220</u>

3 ANALYSIS OF OPERATIONS

	Continuing £	2009 Discontinued £	Total £
Cost of sales	<u>1,687,574</u>	<u>-</u>	<u>1,687,574</u>
Gross profit	<u>51,548,443</u>	<u>-</u>	<u>51,548,443</u>
Net operating expenses			
Administrative expenses	68,487,233	-	68,487,233
Other operating income	<u>(706,885)</u>	<u>-</u>	<u>(706,885)</u>
	<u>67,780,348</u>	<u>-</u>	<u>67,780,348</u>

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009**

3 ANALYSIS OF OPERATIONS - continued

	Continuing £	2008 Discontinued £	Total £
Cost of sales	<u>1,781,771</u>	<u>91,722</u>	<u>1,873,493</u>
Gross profit	<u>48,011,625</u>	<u>1,949,102</u>	<u>49,960,727</u>
Net operating expenses			
Administrative expenses	64,436,290	2,551,051	66,987,341
Other operating income	<u>(684,862)</u>	<u>(131,053)</u>	<u>(815,915)</u>
	<u>63,751,428</u>	<u>2,419,998</u>	<u>66,171,426</u>

4 STAFF COSTS

	2009 £	2008 £
Wages and salaries	40,634,733	38,671,997
Social security costs	<u>4,656,290</u>	<u>4,396,850</u>
	<u>45,291,023</u>	<u>43,068,847</u>

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

	2009	2008
Administration	35	60
Stadium and hotel staff	183	182
Sales and marketing	6	8
Playing and coaching staff	<u>58</u>	<u>96</u>
	<u>282</u>	<u>346</u>

5 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2009 £	2008 £
Amortisation of goodwill	18,345	18,345
Amortisation of players and manager registration fees	14,418,631	12,526,662
Depreciation of tangible fixed assets	1,364,270	1,345,061
Impairment of player registration fees	1,435,600	1,267,007
Hire of plant and machinery	36,631	52,776
Auditors' remuneration - audit fees	30,000	33,000
- accountancy and taxation services	20,843	24,334
Grants release	-	(100,002)
Rents receivable	<u>(52,713)</u>	<u>(81,580)</u>
Directors' remuneration	<u>-</u>	<u>-</u>

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009

6 INTEREST PAYABLE

	2009	2008
	£	£
Bank interest	<u>1,601,651</u>	<u>1,741,016</u>

7 TAXATION

There is no charge to corporation tax due to trading losses and the effects of group loss relief

A deferred tax asset has not been recognised in respect of timing differences relating to tax trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £13,500,000. The asset would be recovered if sufficient taxable trading profits arose in the future.

8 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £815,383 (2008 - £(2,613,479) loss).

9 INTANGIBLE FIXED ASSETS

Group

	Goodwill	Players and manager registration fees	Totals
	£	£	£
COST			
At 1 June 2008	366,890	44,032,593	44,399,483
Additions	-	21,482,163	21,482,163
Disposals	-	<u>(16,055,115)</u>	<u>(16,055,115)</u>
At 31 May 2009	<u>366,890</u>	<u>49,459,641</u>	<u>49,826,531</u>
AMORTISATION			
At 1 June 2008	206,079	20,646,151	20,852,230
Amortisation for year	18,345	14,418,631	14,436,976
Eliminated on disposal	-	<u>(12,780,845)</u>	<u>(12,780,845)</u>
Impairments	-	<u>1,435,600</u>	<u>1,435,600</u>
At 31 May 2009	<u>224,424</u>	<u>23,719,537</u>	<u>23,943,961</u>
NET BOOK VALUE			
At 31 May 2009	<u>142,466</u>	<u>25,740,104</u>	<u>25,882,570</u>
At 31 May 2008	<u>160,811</u>	<u>23,386,442</u>	<u>23,547,253</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009

9 INTANGIBLE FIXED ASSETS - continued

Company	Goodwill £
COST	
At 1 June 2008	
and 31 May 2009	<u>366,890</u>
AMORTISATION	
At 1 June 2008	206,079
Amortisation for year	<u>18,345</u>
At 31 May 2009	<u>224,424</u>
NET BOOK VALUE	
At 31 May 2009	<u>142,466</u>
At 31 May 2008	<u>160,811</u>

10 TANGIBLE FIXED ASSETS

Group	Freehold property £	Long leasehold property £	Short leasehold property £
COST			
At 1 June 2008	11,225,305	35,759,740	695,966
Additions	<u>75,258</u>	<u>-</u>	<u>-</u>
At 31 May 2009	<u>11,300,563</u>	<u>35,759,740</u>	<u>695,966</u>
DEPRECIATION			
At 1 June 2008	1,882,413	3,333,540	160,980
Charge for year	113,006	412,431	52,632
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 May 2009	<u>1,995,419</u>	<u>3,745,971</u>	<u>213,612</u>
NET BOOK VALUE			
At 31 May 2009	<u>9,305,144</u>	<u>32,013,769</u>	<u>482,354</u>
At 31 May 2008	<u>9,342,892</u>	<u>32,426,200</u>	<u>534,986</u>

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009**

10 TANGIBLE FIXED ASSETS - continued

Group – continued

	Plant and machinery, fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 June 2008	5,598,966	233,786	988,826	54,502,589
Additions	558,969	19,663	82,368	736,258
Disposals	(320,000)	(63,973)	-	(383,973)
At 31 May 2009	<u>5,837,935</u>	<u>189,476</u>	<u>1,071,194</u>	<u>54,854,874</u>
DEPRECIATION				
At 1 June 2008	4,455,360	109,991	721,504	10,663,788
Charge for year	621,467	36,879	127,855	1,364,270
Eliminated on disposal	(320,000)	(24,995)	-	(344,995)
At 31 May 2009	<u>4,756,827</u>	<u>121,875</u>	<u>849,359</u>	<u>11,683,063</u>
NET BOOK VALUE				
At 31 May 2009	<u>1,081,108</u>	<u>67,601</u>	<u>221,835</u>	<u>43,171,811</u>
At 31 May 2008	<u>1,143,606</u>	<u>123,795</u>	<u>267,322</u>	<u>43,838,801</u>

Company

	Freehold property £	Plant and machinery, fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 June 2008	11,225,305	3,007,762	48,551	97,289	14,378,907
Additions	75,258	441,434	-	21,819	538,511
Disposals	-	(320,000)	-	-	(320,000)
At 31 May 2009	<u>11,300,563</u>	<u>3,129,196</u>	<u>48,551</u>	<u>119,108</u>	<u>14,597,418</u>
DEPRECIATION					
At 1 June 2008	1,882,413	2,582,185	24,058	72,884	4,561,540
Charge for year	113,006	319,344	9,710	23,822	465,882
Eliminated on disposal	-	(320,000)	-	-	(320,000)
At 31 May 2009	<u>1,995,419</u>	<u>2,581,529</u>	<u>33,768</u>	<u>96,706</u>	<u>4,707,422</u>
NET BOOK VALUE					
At 31 May 2009	<u>9,305,144</u>	<u>547,667</u>	<u>14,783</u>	<u>22,402</u>	<u>9,889,996</u>
At 31 May 2008	<u>9,342,892</u>	<u>425,577</u>	<u>24,493</u>	<u>24,405</u>	<u>9,817,367</u>

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009**

11 FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 June 2008
and 31 May 2009

31,696,612

NET BOOK VALUE

At 31 May 2009

31,696,612

At 31 May 2008

31,696,612

In the opinion of the directors, the aggregate value of the company's investments is not less than the value included in the balance sheet

Details of the subsidiary undertakings, all of which are registered in England and Wales, at 31 May 2009 are as follows

Company	Activities	Percentage of ordinary capital owned
Wigan Athletic AFC Limited	Professional Association Football League Club	<u>86%</u>
Wigan Football Company Limited	Property owning management company	<u>85%</u>

12 STOCKS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Raw materials and consumables	<u>58,873</u>	<u>70,043</u>	<u>20,046</u>	<u>31,637</u>

13 DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts falling due within one year				
Trade debtors	2,810,747	964,914	123,066	110,733
Debtors arising from player transfers	5,017,734	6,698,414	-	-
Other debtors and prepayments	2,914,872	3,539,619	121,424	189,191
Amounts owed by associated undertakings	<u>115,991</u>	<u>125,304</u>	<u>18,550</u>	<u>79,304</u>
	<u>10,859,344</u>	<u>11,328,251</u>	<u>263,040</u>	<u>379,228</u>

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009**

13 DEBTORS - continued

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts falling due after more than one year				
Amounts owed by subsidiary undertakings	-	-	43,411,694	40,632,584
Other debtors	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
	<u>2,000,000</u>	<u>2,000,000</u>	<u>45,411,694</u>	<u>42,632,584</u>
 Aggregate amounts	 <u>12,859,344</u>	 <u>13,328,251</u>	 <u>45,674,734</u>	 <u>43,011,812</u>

14 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loan and overdraft (see note 16)	18,044,223	23,680,112	-	610,619
Trade creditors	1,580,809	1,775,581	245,933	302,622
Creditors arising from player transfers	10,558,959	7,991,593	-	-
Social security and other taxes	3,407,334	2,135,425	108,150	138,732
Other creditors	79,638	99,504	55,998	46,903
Deferred income	1,571,500	480,720	72,318	80,693
Accrued expenses	<u>6,506,259</u>	<u>6,160,066</u>	<u>164,679</u>	<u>235,224</u>
	<u>41,748,722</u>	<u>42,323,001</u>	<u>647,078</u>	<u>1,414,793</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Directors loan account	25,754,961	27,004,961	25,754,961	27,004,961
Loans from associated undertakings (note 24)	1,375,000	-	-	-
Other loans (note 24)	<u>10,951,000</u>	<u>7,701,000</u>	<u>1,250,000</u>	<u>-</u>
	<u>38,080,961</u>	<u>34,705,961</u>	<u>27,004,961</u>	<u>27,004,961</u>

The other loans of £10,951,000 (company £1,250,000) are unsecured, have no fixed repayment date and an element of the loans accrue interest at 5% p a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009

16 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loan and overdraft	<u>18,044,223</u>	<u>23,680,112</u>	<u>-</u>	<u>610,619</u>

17 SECURED DEBTS

The following secured debts are included within creditors

	Group	
	2009	2008
	£	£
Bank loan and overdraft	<u>18,044,223</u>	<u>23,680,112</u>

Bank loan and overdrafts

Barclays Bank Plc has a fixed and floating charge over the assets of the company and its subsidiaries (and associated undertakings) and by cross guarantees given to/from those undertakings. Banking facilities are reviewed periodically and are repayable on demand, subject to such reviews. The company has provided an unlimited guarantee to the bank on behalf of Wigan Athletic AFC Limited, which is supported by a limited personal guarantee provided by Mr D Whelan.

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2009	2008
Number	Class	Nominal value	£	£
54,780,254	Ordinary	£1	<u>54,780,254</u>	<u>54,780,254</u>

19 RESERVES

Group	Profit and loss account £
At 1 June 2008	(47,687,395)
Loss for the year after taxation	<u>(4,938,044)</u>
At 31 May 2009	<u>(52,625,439)</u>

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009**

19 RESERVES - continued

Company

	Profit and loss account £
At 1 June 2008	4,382,797
Profit for the year	<u>815,383</u>
At 31 May 2009	<u><u>5,198,180</u></u>

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2009 £	2008 £
Loss for the financial year	<u>(4,938,044)</u>	<u>(12,424,951)</u>
Net reduction of shareholders' funds	(4,938,044)	(12,424,951)
Opening shareholders' funds	<u>7,092,859</u>	<u>19,517,810</u>
Closing shareholders' funds	<u><u>2,154,815</u></u>	<u><u>7,092,859</u></u>

Company

	2009 £	2008 £
Profit/(Loss) for the financial year	<u>815,383</u>	<u>(2,613,479)</u>
Net addition/(reduction) to shareholders' funds	815,383	(2,613,479)
Opening shareholders' funds	<u>59,163,051</u>	<u>61,776,530</u>
Closing shareholders' funds	<u><u>59,978,434</u></u>	<u><u>59,163,051</u></u>

21 COMMITMENTS

Lease

A formal lease agreement has been entered into with Wigan Metropolitan Borough Council for the use of the land at Robin Park, comprising the DW Stadium and surrounds, for 99 years from 4 August 1999. The initial rental period was agreed at £205,000 per annum, which has been waived every year from 1999 by Wigan Metropolitan Borough Council in return for usage of the DW Stadium and adjoining land and sports facilities at Robin Park. The main terms of the lease include five year rent reviews and the operation of a capital refurbishment schedule.

Wigan Football Company Limited has granted licences to the two companies operating Wigan Athletic and Wigan Warriors for use of the DW Stadium up to May 2025, with the option of a further 25 years thereafter, for their first team fixtures and also rents the stadium for other prestige matches.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009

22 OTHER FINANCIAL COMMITMENTS

The group had the following annual contractual obligations, relating to player and manager contracts in Wigan Athletic AFC Limited which are due to expire -

	2009 £	2008 £
Within one year	10,568,194	10,729,673
After more than one year	<u>13,817,209</u>	<u>13,647,174</u>
	<u>24,385,403</u>	<u>24,376,847</u>

The group had the following annual commitments under non-cancellable operating leases -

	Land and buildings 2009 £	2008 £
Expiry date		
Within one year	-	-
Between two and five years	-	-
After more than five years	<u>61,000</u>	<u>61,000</u>

23 CONTINGENT LIABILITIES

There are composite guarantees covering all group companies as security for bank borrowings (see note 17)

There are contractual obligations to pay players and coaching staff employed by Wigan Athletic AFC Limited, dependent on future performance criteria which have not been provided for in these accounts. Performance related payments are written off in the accounting period in which the fulfilment has been completed.

In addition, the terms of certain contracts with other football clubs in respect of players' transfers include the payment of additional amounts upon fulfilment of specific conditions in the future. These payments are written off in the accounting period in which the specific conditions have been fulfilled.

Wigan Athletic AFC Limited is continuing to assist H M Revenue & Customs with their enquiry into the correct operation of PAYE/NI on certain payments and expenses made to/on behalf of current and former employees. Currently no agreement has been reached and no liabilities admitted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009

24 RELATED PARTY DISCLOSURES

Mr D Whelan has a significant financial interest in Pooles of Wigan Limited, which has incurred management charges made by the group and supplied goods and services to the group during the year, as follows -

Pooles of Wigan Limited

Management charges made by the group	Goods supplied to the group	Services supplied to the group	Amount owed to the group at 31/05/09
£	£	£	£
<u>97,441</u>	<u>20,528</u>	<u>148,669</u>	<u>115,991</u>

The above transactions have been conducted on an arms length basis and in the ordinary course of business

Subsidiaries

The company is owed monies by its subsidiary undertakings as follows

	Owing to the group at 31/05/09 £	Owing to the group at 31/05/08 £
Amounts falling due after more than one year		
Wigan Athletic AFC Limited	38,991,694	35,641,694
Wigan Football Company Limited	4,420,000	4,990,890
Aggregate amounts	<u>43,411,694</u>	<u>40,632,584</u>

Associated undertakings

Other undertakings in which Mr D Whelan has an interest have provided loan monies totalling £1,375,000 during the year to Wigan Athletic AFC Limited, being £700,000 from Pooles of Wigan Limited, £100,000 from Yeshil Reflective Material Co Limited and £575,000 from E-view Properties Limited

Other loans

Other loans include -

The Trustees of the P Whelan Trust provided additional loan monies to Wigan Athletic AFC Limited during the year amounting to £2,000,000, with a total outstanding of £2,200,000 at the year end

The Trustees of the David Whelan Accumulation Maintenance Settlement provided loan monies to Wigan Athletic AFC Limited with an amount outstanding of £7,500,000 at the year end.

25 MINORITY INTERESTS

A £Nil value has been attributed to the minority interests' share of the subsidiary undertakings Wigan Athletic A F C Limited and Wigan Football Company Limited due to trading losses for the year and/or accumulated losses brought forward

WHELCO HOLDINGS LIMITED (Registered number: 3033275)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2009

26 POST BALANCE SHEET EVENTS

Wigan Athletic AFC Limited has been involved in several player acquisitions and sales subsequent to 31 May 2009, the most significant of which has been the transfer of Luis Antonio Valencia to Manchester United FC for a fee in excess of £15 million

27 ULTIMATE CONTROLLING PARTY

The group and company are controlled by Mr D Whelan and his family