

**REGISTERED NUMBER: 3033275**

**WHELCO HOLDINGS LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2010**

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**WHELCO HOLDINGS LIMITED**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the Year Ended 31 May 2010**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Consolidated Profit and Loss Account</b>	<b>8</b>
<b>Consolidated Balance Sheet</b>	<b>9</b>
<b>Company Balance Sheet</b>	<b>10</b>
<b>Consolidated Cash Flow Statement</b>	<b>11</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>12</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>14</b>

**WHELCO HOLDINGS LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 May 2010**

<b>DIRECTORS:</b>	D Whelan Mrs P M Whelan
<b>SECRETARY:</b>	J D Greenwood
<b>REGISTERED OFFICE:</b>	DW Stadium Robin Park Loire Drive Wigan Lancashire WN5 0UH
<b>REGISTERED NUMBER:</b>	3033275 (England and Wales)
<b>AUDITORS:</b>	Fairhurst Statutory Auditors Chartered Accountants Douglas Bank House Wigan Lane Wigan Lancashire WN1 2TB
<b>BANKERS</b>	Barclays Bank PLC 1 <sup>st</sup> Floor 3 Hardman Street Spinningfields Manchester M3 3HF
<b>SOLICITORS:</b>	DLA Piper UK LLP 101 Barbirolli Square Manchester M2 3DL

## **WHELCO HOLDINGS LIMITED**

### **REPORT OF THE DIRECTORS for the Year Ended 31 May 2010**

The Directors present their Report with the Financial Statements of the Company and the Group for the year ended 31 May 2010

#### **PRINCIPAL ACTIVITIES**

The company has one trading division, the Wroughtington Hotel and Country Club, which operates as a hotel, restaurant and leisure club. There is also a small head office finance and management operation.

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

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. Both Wigan Athletic, operated by a subsidiary undertaking, and Wigan Warriors, a rugby league club which is not part of the Whelco Group, hold licenses to play in the Stadium.

#### **REVIEW OF BUSINESS**

##### **Wroughtington Hotel and Country Club**

The Wroughtington trading division has achieved very similar results to those of the previous year. Turnover of £3.456 million was slightly higher than that achieved in the previous year with a small increase in direct costs and administrative expenses, largely resulting from the impact of inflation, with an increase in the operating profit to £798,000 compared to £760,000 in the previous year.

With the continuing economic conditions, the Directors believe that the current year's results will be slightly lower than those for the year ended 31 May 2010.

##### **Wigan Football Company Limited**

Turnover in Wigan Football Company Limited, which operates the DW Stadium, fell by 7.6 percent to £3.256 million from £3.522 million. This results from the general economic conditions which have had an impact upon the attendances for football and rugby matches at the Stadium and upon the Company's conference income. Savings in administrative expenses were achieved to offset the lower level of turnover, resulting in the Company achieving an operating profit of £167,000 compared to £85,000 in the previous year.

The Directors are confident that steps they are taking to minimise the impact of inflation will mean broadly similar trading results in the current year to those of last year.

##### **Wigan Athletic AFC Limited**

Turnover fell by 6.9 per cent to £43.1 million from £46.3 million in the previous year, mainly as a result of a lower Barclays Premier League merit payment which resulted from the Club finishing in 16<sup>th</sup> position in the League, compared to 11<sup>th</sup> in the previous season. Close control over administrative expenses achieved a reduction in costs which resulted in an operating loss of £16.4 million compared to £17.1 million in the previous year.

The profit on disposal of intangible fixed assets (the sale of players), was £13.3 million compared to £12.8 million in the previous year, after lower interest charges than the previous year, the loss before taxation fell to £4.0 million from £5.8 million.

The final results for the current year will again be impacted by two factors which will not be known until the end of the football season, namely the Club's finishing position in the Barclays Premier League and more significantly, by the level of profit/losses made from sales of players.

# WHELCO HOLDINGS LIMITED

## REPORT OF THE DIRECTORS – continued for the Year Ended 31 May 2010

### Group Results and Dividends

The results for the year and financial positions of the Group and Company are shown in the financial statements

The Group operating loss for the year of £15,508,098 compares to £16,231,905 in the previous year and after a slightly higher profit on the disposal of intangible fixed assets and lower interest costs, the net loss after taxation is £3,046,277, compared to £4,938,044 last year

It is proposed that the net loss after taxation be taken to reserves. The Directors have not recommended the payment of a dividend (2009 £nil)

### FUTURE PROSPECTS

The future prospects of the three principal trading operations of the Group have been referred to in the previous paragraphs. From a Group perspective, the continuing difficult economic conditions will have a slightly adverse impact upon the current year's results but the net loss before tax for the whole year will be more severely impacted by the fact that up to date there has been no sale of players by Wigan Athletic AFC Limited on a scale to produce a profit to compare to the significant profit that was made during the year ended 31 May 2010

### EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in Note 25 to the financial statements

### KEY PERFORMANCE INDICATORS

Key performance indicators are used by the Board to measure and evaluate the Group's performance but these are applied to each of the three individual activities, rather than to Group results. The principal key performance indicators employed in the Group are -

	<u>Group Figures</u>	
	2010 £	2009 £
Turnover	49,795,405	53,236,017
Cost of sales	(1,627,959)	(1,687,574)
Staff Costs	(42,450,240)	(45,291,023)
Operating loss	(15,508,098)	(16,231,905)
Profit on sale of intangible fixed assets	13,293,909	12,797,676
Net interest payable	(740,194)	(1,503,815)
Net loss before taxation	(2,954,383)	(4,938,044)
Level of net debt (including loans made by Companies and trusts controlled by Mr D Whelan and his family)	59,599,873	56,125,184
	<u>Wigan Athletic AFC Limited only</u>	
	2010 £	2009 £
Finishing position in the Premier League	16th	11th
Average league attendance	<u>17,998</u>	<u>18,350</u>

## **WHELCO HOLDINGS LIMITED**

### **REPORT OF THE DIRECTORS - continued for the Year Ended 31 May 2010**

#### **RISKS AND UNCERTAINTIES**

The Board are responsible for continually assessing the risks applicable to the businesses operated by the Group

Because of the scale of the Wigan Athletic AFC business, a key risk to the Group is the continuance of the Club's Premier League status. The Board seeks to reduce this performance risk by continual investment in both the playing squad and management.

Other risks mainly relate to financial items, as set out below

#### **Cash Flow Risks**

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

The Group suffers a material interest 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.

#### **Liquidity Risk**

The Company shares a bank loan facility with its subsidiaries and a number of associated undertakings, all of which are ultimately controlled by Mr D Whelan and his family. The cash facilities available to the Company and all its other Group and 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 as a result of Wigan Athletic's continued Premier League status. The loss of this status in any football season would have a significantly detrimental impact upon turnover.

#### **GOING CONCERN**

The Group is dependent on the continued financial support of Barclays Bank PLC and Mr D Whelan and his family. However, along with assurances from Mr D Whelan, the Bank has indicated its continuing support, subject to ongoing periodic reviews. On this basis, together with recent trading results and forecasts, the Directors consider it reasonable to rely on the bank facility and funds under the control of Mr D Whelan and his family and for it to be appropriate to prepare the financial statements on the going concern basis (see Note 1 to the financial statements).

#### **DIRECTORS**

The Directors shown below have held office during the whole of the period from 1 June 2009 to the date of this report.

D Whelan

Mrs P M Whelan

#### **INTANGIBLE FIXED ASSETS**

In accordance with FRS-10, Wigan Athletic AFC Limited have capitalised fees payable on the transfer of player registrations and management contracts, with an amortisation charge based on the length of player and management contracts (see Note 8 of the notes to the financial statements).

#### **TANGIBLE FIXED ASSETS**

The changes in tangible fixed assets are set out in Note 9 of the Notes to the financial statements and arose in the normal course of business.

**REPORT OF THE DIRECTORS - continued**  
**for the Year Ended 31 May 2010**

**GROUP'S POLICY ON 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

**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.

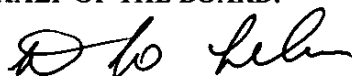
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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:**



D Whelan - Director

Date

27/3/11

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WHELCO HOLDINGS LIMITED**

We have audited the financial statements of Whelco Holdings Limited for the year ended 31 May 2010 on pages eight to twenty seven. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **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

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 May 2010 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.

Without qualifying our opinion, we draw your attention to the disclosures made in Note 1 to the Group's financial statements regarding the working capital requirements of the Group and its ability to continue as a going concern.

The Group incurred a loss after taxation of £3,046,277 during the year ended 31 May 2010 and had net liabilities of £891,462 at that date.

The Parent Company has a loan outstanding from Wigan Athletic AFC Limited, a subsidiary undertaking, of £39,791,694, which has no fixed repayment term but is regarded as only being due after more than one year. Wigan Athletic AFC Limited incurred a net loss of £3,995,411 during the year ended 31 May 2010 and had net liabilities of £57,985,706 at that date, with further losses anticipated in 2011 and 2012.

These conditions, along with other matters as set out in Note 1 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group were unable to continue as a going concern, as it is not practicable to determine or quantify them.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WHELCO HOLDINGS LIMITED – continued (REGISTERED NUMBER: 3033275)**

**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 our audit have not been received from branches not visited by us, or
- the Parent Company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

John B S Fairhurst BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of Fairhurst

Statutory Auditors

Chartered Accountants

Douglas Bank House

Wigan Lane

Wigan

Lancashire

WN1 2TB



Date

29/3/11

**WHELCO HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the Year Ended 31 May 2010

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	49,795,405	53,236,017
Cost of sales		<u>(1,627,959)</u>	<u>(1,687,574)</u>
<b>GROSS PROFIT</b>		48,167,446	51,548,443
Administrative expenses		<u>(64,227,421)</u>	<u>(68,487,233)</u>
		(16,059,975)	(16,938,790)
Other operating income		<u>551,877</u>	<u>706,885</u>
<b>OPERATING LOSS</b>	4	(15,508,098)	(16,231,905)
Profit on disposal of intangible fixed assets		<u>13,293,909</u>	<u>12,797,676</u>
		(2,214,189)	(3,434,229)
Interest receivable		<u>113,822</u>	<u>97,836</u>
		(2,100,367)	(3,336,393)
Interest payable and similar charges	5	<u>(854,016)</u>	<u>(1,601,651)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,954,383)	(4,938,044)
Tax on loss on ordinary activities	6	<u>(91,894)</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>	18	<u><u>(3,046,277)</u></u>	<u><u>(4,938,044)</u></u>

**CONTINUING OPERATIONS**

None of the Group's activities were acquired or discontinued during the current year or previous year

**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

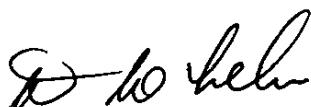
The notes form part of these financial statements

**WHELCO HOLDINGS LIMITED (REGISTERED NUMBER: 3033275)**

**CONSOLIDATED BALANCE SHEET**  
**31 May 2010**

	Notes	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8		20,101,183		25,882,570
Tangible assets	9		42,120,723		43,171,811
Investments	10		<u>-</u>		<u>-</u>
			62,221,906		69,054,381
<b>CURRENT ASSETS</b>					
Stocks	11	82,349		58,873	
Debtors	12	7,046,870		12,859,344	
Cash in hand		<u>12,465</u>		<u>11,900</u>	
		7,141,684		12,930,117	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>(31,349,197)</u>		<u>41,748,722</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(24,207,513)</u>		<u>(28,818,602)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			38,014,393		40,235,776
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(38,813,961)		(38,080,961)
<b>PROVISION FOR LIABILITY</b>	16		<u>(91,894)</u>		<u>-</u>
<b>NET (LIABILITIES)/ASSETS</b>			<u>(891,462)</u>		<u>2,154,815</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		54,780,254		54,780,254
Profit and loss account	18		<u>(55,671,716)</u>		<u>(52,625,439)</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u>(891,462)</u>		<u>2,154,815</u>

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



D Whelan - Director

29/3/11

and were signed on

The notes form part of these financial statements

**WHELCO HOLDINGS LIMITED (REGISTERED NUMBER: 3033275)**

**COMPANY BALANCE SHEET**  
**31 May 2010**

	Notes	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8		124,121		142,466
Tangible assets	9		9,543,287		9,889,996
Investments	10		<u>31,696,612</u>		<u>31,696,612</u>
			41,364,020		41,729,074
<b>CURRENT ASSETS</b>					
Stocks	11	15,656		20,046	
Debtors (£44,281,694 (2009 £45,411,694) due after more than one year)	12	46,912,989		45,674,734	
Cash at bank and in hand		<u>133,962</u>		<u>206,619</u>	
		47,062,607		45,901,399	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>(636,202)</u>		<u>(647,078)</u>	
<b>NET CURRENT ASSETS</b>			<u>46,426,405</u>		<u>45,254,321</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			87,790,425		86,983,395
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<u>(26,937,961)</u>		<u>(27,004,961)</u>
<b>NET ASSETS</b>			<u>60,852,464</u>		<u>59,978,434</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		54,780,254		54,780,254
Profit and loss account	18		<u>6,072,210</u>		<u>5,198,180</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u>60,852,464</u>		<u>59,978,434</u>

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



D Whelan (Director)

29/3/11

and were signed on

The notes form part of these financial statements

**WHELCO HOLDINGS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**for the Year Ended 31 May 2010**

	Notes	2010 £	2009 £
<b>Net cash (outflows)/inflows</b>			
From operating activities	1	(8,220,449)	6,554,321
From returns on investments and servicing of finance	2	(740,194)	(1,503,815)
From capital expenditure	2	<u>5,486,519</u>	<u>(6,115,190)</u>
		(3,474,124)	(1,064,684)
Financing	2	<u>733,000</u>	<u>3,375,000</u>
(Increase)/Decrease in net debt		<u>(2,741,124)</u>	<u>2,310,316</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
(Increase)/Decrease in net debt		<u>(2,741,124)</u>	<u>2,310,316</u>
Change in net debt resulting from cash flows		<u>(2,741,124)</u>	<u>2,310,316</u>
<b>Movement in net debt</b>		(2,741,124)	2,310,316
<b>Net debt at 1 June 2009</b>		<u>(18,032,323)</u>	<u>(20,342,639)</u>
<b>Net debt at 31 May 2010</b>		<u>(20,773,447)</u>	<u>(18,032,323)</u>

The notes form part of these financial statements

**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
for the Year Ended 31 May 2010**

**1 RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2010	2009
	£	£
Operating loss	(15,508,098)	(16,231,905)
Amortisation of intangible fixed assets	11,968,966	14,436,976
Depreciation of tangible fixed assets	1,270,614	1,364,270
Impairment of intangible fixed assets	1,400,285	1,435,600
Loss on disposal of tangible fixed assets	-	7,693
(Increase)/Decrease in stocks	(23,476)	11,170
Decrease in debtors	5,812,474	468,907
(Decrease)/Increase in creditors	<u>(13,141,214)</u>	<u>5,061,610</u>
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(8,220,449)</u></b>	<b><u>6,554,321</u></b>

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

	2010	2009
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest receivable	113,822	97,836
Interest payable and similar charges	<u>(854,016)</u>	<u>(1,601,651)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(740,194)</u></b>	<b><u>(1,503,815)</u></b>
<b>Capital expenditure</b>		
Payments to acquire intangible fixed assets	(14,936,820)	(21,482,163)
Payments to acquire tangible fixed assets	(221,202)	(736,258)
Receipts from sale of intangible fixed assets	20,642,865	16,071,946
Receipts from sale of tangible fixed assets	<u>1,676</u>	<u>31,285</u>
<b>Net cash inflow/(outflow) for capital expenditure</b>	<b><u>5,486,519</u></b>	<b><u>(6,115,190)</u></b>
<b>Financing</b>		
Net loans from associated undertakings	800,000	1,375,000
Other loans	-	2,000,000
Amount withdrawn by Directors	(67,000)	(1,250,000)
Amount transferred to shareholders loan	<u>-</u>	<u>1,250,000</u>
<b>Net cash inflow from financing</b>	<b><u>733,000</u></b>	<b><u>3,375,000</u></b>

The notes form part of these financial statements

**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT – continued**  
**for the Year Ended 31 May 2010**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1/6/09 £	Cash flow £	At 31/5/10 £
Net cash			
Cash at bank and in hand	11,900	565	12,465
Bank loan and overdrafts	<u>(18,044,223)</u>	<u>(2,741,689)</u>	<u>(20,785,912)</u>
Total	<u>(18,032,323)</u>	<u>(2,741,124)</u>	<u>(20,773,447)</u>

The notes form part of these financial statements

## WHELCO HOLDINGS LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 May 2010

#### 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 2010

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.

##### **Basis of preparation**

These financial statements have been prepared on the basis that the Group continues to be a going concern.

The group incurred a loss after taxation of £3,046,277 for the year ended 31 May 2010 and had net liabilities of £891,462 at that date.

The following decisions and actions have been taken by the Directors to manage the working capital requirements of the Group:

- Profit and loss and cashflow forecasts have been prepared for a 24 month period until 31 May 2012, which indicate that, although losses will continue, they will be met by existing facilities and additional loan funding from funds under the control of Mr D Whelan and his family.
- Meetings have been held with representatives of Barclays Bank PLC and, subject to periodic reviews, the Bank has indicated their continuing support.

On this basis, the Directors believe that Whelco Holdings Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason they consider it reasonable to rely on the support from Mr D Whelan and his family and funds under their control and that it is therefore appropriate to prepare the financial statements on the going concern basis.

##### **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.

Intangible fixed assets also include the capitalisation of transfer fees for player and management registrations which are amortised on a straight line basis over the period of the respective player or management contracts.

The net book value of player and management registrations are assessed on an annual basis and impairment losses arising are recognised in the financial statements in the period in which they arise. Any surpluses arising are not accounted for. The profit or loss arising on the sale of a player or management registration is calculated after charging any unamortised registration fees and any further fees which become payable as a result of the sale.



# WHELCO HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2010

### 1 ACCOUNTING POLICIES - continued

#### **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

#### **Investments**

Fixed asset investments are stated at cost less any 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.

#### **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.

#### **Operating leases**

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

#### **Player and management signing on fees**

Player and management signing on fees are recognised in the financial statements as wages and salaries in the period during which the payment has been made.

#### **Agents Fees**

Agents fees are expensed to the financial statements in the accounting period in which they are incurred.

#### **Repairs and renewals and ground maintenance**

All expenditure is written off as incurred.

# WHELCO HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2010

### 2 TURNOVER

The turnover is attributable to the principal activities of the group

An analysis of turnover by entity is given below

	2010 £	2009 £
Wrightington Hotel and Country Club	3,456,636	3,441,052
Wigan Football Company Limited	3,255,926	3,522,051
Wigan Athletic AFC Limited	<u>43,082,843</u>	<u>46,272,914</u>
	<u>49,795,405</u>	<u>53,236,017</u>

### 3 STAFF COSTS

	2010 £	2009 £
Wages and salaries	37,979,692	40,634,733
Social security costs	<u>4,470,548</u>	<u>4,656,290</u>
	<u>42,450,240</u>	<u>45,291,023</u>

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

	2010	2009
Administration	33	35
Stadium and hotel staff	159	183
Sales and marketing	6	6
Playing and coaching staff	<u>61</u>	<u>58</u>
	<u>259</u>	<u>282</u>

### 4 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2010 £	2009 £
Amortisation of intangible fixed assets	11,968,966	14,436,976
Depreciation of tangible fixed assets	1,270,614	1,364,270
Impairment of intangible fixed assets	1,400,285	1,435,600
Loss on disposal of tangible fixed assets	-	7,693
Hire of plant and machinery	38,975	36,631
Auditors' remuneration - audit fees	30,000	30,000
- accountancy and taxation services	51,607	20,843
Agents fees	3,127,066	2,382,010
Rents receivable	<u>(53,605)</u>	<u>(52,713)</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 May 2010

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010	2009
	£	£
Bank interest	479,016	1,226,651
Other loan interest	<u>375,000</u>	<u>375,000</u>
	<u>854,016</u>	<u>1,601,651</u>

**6 TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows -

	2010	2009
	£	£
Deferred tax	<u>91,894</u>	-
Tax on loss on ordinary activities	<u>91,894</u>	-

**Factors affecting the tax on loss on ordinary activities.**

The difference between the loss on ordinary activities before taxation at the standard rate of corporation tax, compared to the nil corporation tax charge in the accounts, is explained below

	2010	2009
	£	£
Loss on ordinary activities before taxation	<u>(2,954,383)</u>	<u>(4,938,044)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	(827,227)	(1,382,652)
Effects of		
Capital allowances in excess of depreciation	260,145	253,689
Disallowable expenses	12,962	13,410
Timing differences	105,000	76,911
Losses created in the year	<u>449,120</u>	<u>1,038,642</u>
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

No liability to UK corporation tax arose on the loss on ordinary activities for the year ended 31 May 2010 nor the year ended 31 May 2009

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 asset not recognised is £14.6 million. The asset could be recovered if sufficient trading profits arose in the future.

**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 May 2010

**7 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 £874,030 (2009 £815,384)

**8 INTANGIBLE FIXED ASSETS**

**Group**

	Goodwill £	Player and management registration fees £	Totals £
<b>COST</b>			
At 1 June 2009	366,890	49,459,641	49,826,531
Additions	-	14,936,820	14,936,820
Disposals	-	(22,344,630)	(22,344,630)
At 31 May 2010	<u>366,890</u>	<u>42,051,831</u>	<u>42,418,721</u>
<b>AMORTISATION</b>			
At 1 June 2009	224,424	23,719,537	23,943,961
Amortisation for year	18,345	11,950,621	11,968,966
Eliminated on disposal	-	(14,995,674)	(14,995,674)
Impairments	-	1,400,285	1,400,285
At 31 May 2010	<u>242,769</u>	<u>22,074,769</u>	<u>22,317,538</u>
<b>NET BOOK VALUE</b>			
At 31 May 2010	<u>124,121</u>	<u>19,977,062</u>	<u>20,101,183</u>
At 31 May 2009	<u>142,466</u>	<u>25,740,104</u>	<u>25,882,570</u>

**Company**

	Goodwill £
<b>COST</b>	
At 1 June 2009 and 31 May 2010	<u>366,890</u>
<b>AMORTISATION</b>	
At 1 June 2009	224,424
Amortisation for year	<u>18,345</u>
At 31 May 2010	<u>242,769</u>
<b>NET BOOK VALUE</b>	
At 31 May 2010	<u>124,121</u>
At 31 May 2009	<u>142,466</u>

**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 May 2010

**9 TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Long leasehold property £	Short leasehold property £
<b>COST</b>			
At 1 June 2009	11,300,563	35,759,740	695,966
Additions	7,742	-	-
Disposals	-	-	-
At 31 May 2010	<u>11,308,305</u>	<u>35,759,740</u>	<u>695,966</u>
<b>DEPRECIATION</b>			
At 1 June 2009	1,995,419	3,745,971	213,612
Charge for year	113,063	412,431	52,632
Eliminated on disposal	-	-	-
At 31 May 2010	<u>2,108,482</u>	<u>4,158,402</u>	<u>266,244</u>
<b>NET BOOK VALUE</b>			
At 31 May 2010	<u>9,199,823</u>	<u>31,601,338</u>	<u>429,722</u>
At 31 May 2009	<u>9,305,144</u>	<u>32,013,769</u>	<u>482,354</u>

	Plant and machinery, fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 June 2009	5,837,935	189,476	1,071,194	54,854,874
Additions	143,375	30,885	39,200	221,202
Disposals	(1,946)	-	-	(1,946)
At 31 May 2010	<u>5,979,364</u>	<u>220,361</u>	<u>1,110,394</u>	<u>55,074,130</u>
<b>DEPRECIATION</b>				
At 1 June 2009	4,756,827	121,875	849,359	11,683,063
Charge for year	537,577	37,693	117,218	1,270,614
Eliminated on disposal	(270)	-	-	(270)
At 31 May 2010	<u>5,294,134</u>	<u>159,568</u>	<u>966,577</u>	<u>12,953,407</u>
<b>NET BOOK VALUE</b>				
At 31 May 2010	<u>685,230</u>	<u>60,793</u>	<u>143,817</u>	<u>42,120,723</u>
At 31 May 2009	<u>1,081,108</u>	<u>67,601</u>	<u>221,835</u>	<u>43,171,811</u>

**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 May 2010

**9 TANGIBLE FIXED ASSETS - continued**

**Company**

	Freehold property £	Plant and machinery, fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 June 2009	11,300,563	3,129,196	48,551	119,108	14,597,418
Additions	7,742	75,342	14,285	-	97,369
Disposals	-	(1,946)	-	-	(1,946)
At 31 May 2010	<u>11,308,305</u>	<u>3,202,592</u>	<u>62,836</u>	<u>119,108</u>	<u>14,692,841</u>
<b>DEPRECIATION</b>					
At 1 June 2009	1,995,419	2,581,529	33,768	96,706	4,707,422
Charge for year	113,063	294,370	12,567	22,402	442,402
Eliminated on disposal	-	(270)	-	-	(270)
At 31 May 2010	<u>2,108,482</u>	<u>2,875,629</u>	<u>46,335</u>	<u>119,108</u>	<u>5,149,554</u>
<b>NET BOOK VALUE</b>					
At 31 May 2010	<u>9,199,823</u>	<u>326,963</u>	<u>16,501</u>	<u>-</u>	<u>9,543,287</u>
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>

**10 FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 June 2009 and 31 May 2010	<u>31,696,612</u>
<b>NET BOOK VALUE</b>	
At 31 May 2010	<u>31,696,612</u>
At 31 May 2009	<u>31,696,612</u>

**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 May 2010

**10 FIXED ASSET INVESTMENTS - continued**

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 2010 and 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>

**11 STOCKS**

	<b>Group</b>		<b>Company</b>	
	2010	2009	2010	2009
	£	£	£	£
Raw materials and consumables	<u>82,349</u>	<u>58,873</u>	<u>15,656</u>	<u>20,046</u>

**12 DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2010	2009	2010	2009
	£	£	£	£
Amounts falling due within one year				
Trade debtors	1,166,546	2,810,747	111,862	123,066
Debtors arising from player transfers	710,000	5,017,734	-	-
Other debtors and prepayments	4,540,387	2,914,872	2,133,996	121,424
Amounts owed by associated undertakings	<u>629,937</u>	<u>115,991</u>	<u>385,437</u>	<u>18,550</u>
	<u>7,046,870</u>	<u>10,859,344</u>	<u>2,631,295</u>	<u>263,040</u>
Amounts falling due after more than one year				
Amounts owed by subsidiary undertakings (Note 23)	-	-	44,281,694	43,411,694
Other debtors	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
	<u>-</u>	<u>2,000,000</u>	<u>44,281,694</u>	<u>45,411,694</u>
Aggregate amounts	<u>7,046,870</u>	<u>12,859,344</u>	<u>46,912,989</u>	<u>45,674,734</u>

# WHELCO HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2010

### 13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loan (see note 15)	20,785,912	18,044,223	-	-
Trade creditors	2,068,027	1,580,809	203,321	245,933
Creditors arising from player transfers	1,093,852	10,558,959	-	-
Social security and other taxes	1,523,201	3,407,334	137,676	108,150
Other creditors	65,046	79,638	51,438	55,998
Deferred income	1,124,186	1,571,500	78,848	72,318
Accrued expenses	4,688,973	6,506,259	164,919	164,679
	<u>31,349,197</u>	<u>41,748,722</u>	<u>636,202</u>	<u>647,078</u>

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Directors loan account	25,687,961	25,754,961	25,687,961	25,754,961
Loans from associated undertakings (note 23)	2,175,000	1,375,000	-	-
Other loans (note 23)	10,951,000	10,951,000	1,250,000	1,250,000
	<u>38,813,961</u>	<u>38,080,961</u>	<u>26,937,961</u>	<u>27,004,961</u>

All the loans are unsecured and have no fixed repayment date

Other loans includes an amount of £7,500,000 (2009 £7,500,000) on which interest is accrued at 5% per annum, otherwise all the above loans are interest free

### 15 SECURED DEBTS

The following secured debts are included within creditors

	Group	
	2010	2009
	£	£
Bank loan	<u>20,785,912</u>	<u>18,044,223</u>

Banking facilities are reviewed periodically and are repayable on demand, subject to such reviews Barclays Bank Plc has a fixed and floating charge over the assets of the Company and its subsidiary undertakings (and associated undertakings) and by cross guarantees given to/from those companies 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

A deed of priority exists between Barclays Bank PLC and National Westminster Bank PLC, which gives National Westminster Bank PLC priority for £378,000 under a charge of deposit



**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 May 2010

**16 PROVISION FOR LIABILITY**

	2010	Group 2009
	£	£
Deferred tax	<u>91,894</u>	<u>-</u>
<b>Group</b>		Deferred tax £
Balance at 1 June 2009		-
Movement in year		
Current year charge		135,768
Prior year credit		<u>(43,874)</u>
Balance at 31 May 2010		<u>91,894</u>

**17 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
54,780,254	Ordinary	£1	<u>54,780,254</u>	<u>54,780,254</u>

**18 RESERVES**

<b>Group</b>	Profit and loss account £
At 1 June 2009	(52,625,439)
Loss for the financial year after taxation	<u>(3,046,277)</u>
At 31 May 2010	<u>(55,671,716)</u>
<b>Company</b>	Profit and loss account £
At 1 June 2009	5,198,180
Profit for the financial year after taxation	<u>874,030</u>
At 31 May 2010	<u>6,072,210</u>

# WHELCO HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2010

### 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

#### Group

	2010 £	2009 £
Loss for the financial year after taxation	(3,046,277)	(4,938,044)
Net reduction of shareholders' funds	(3,046,277)	(4,938,044)
Opening shareholders' funds	<u>2,154,815</u>	<u>7,092,859</u>
Closing shareholders' funds	<u>(891,462)</u>	<u>2,154,815</u>

#### Company

	2010 £	2009 £
Profit for the financial year after taxation	<u>874,030</u>	<u>815,384</u>
Net addition to shareholders' funds	874,030	815,384
Opening shareholders' funds	<u>59,978,434</u>	<u>59,163,050</u>
Closing shareholders' funds	<u>60,852,464</u>	<u>59,978,434</u>

### 20 CONTINGENT LIABILITIES

There are composite guarantees covering all Group companies as security for bank borrowings (see note 15)

There are contractual obligations to pay players and coaching staff in Wigan Athletic AFC Limited dependent on future performance criteria which have not been provided for in these accounts. Performance related payments are recognised in the financial statements in the period in which the criteria are met.

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. Such amounts are not recognised in the financial statements until the specific conditions are 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 or on behalf of employees. Currently no agreement has been reached and no liabilities admitted.

### 21 COMMITMENTS

#### Lease and licences

A formal lease agreement has been entered into with Wigan Metropolitan Borough Council for the use of the land at Robin Park, on which the Company has built 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 their 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, a subsidiary undertaking 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.

# WHELCO HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2010

### 22 OTHER FINANCIAL COMMITMENTS

The Group had the following annual contractual obligations, relating to player and management contracts in Wigan Athletic AFC Limited, a subsidiary undertaking, which are due to expire -

	2010 £	2009 £
Within one year	3,630,667	10,568,194
After more than one year	<u>16,192,582</u>	<u>13,817,209</u>
	<u>19,823,249</u>	<u>24,385,403</u>

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

	Land and buildings	
	2010 £	2009 £
Expiry date		
Within one year	-	-
Between two and five years	36,000	-
After more than five years	<u>25,000</u>	<u>61,000</u>
	<u>61,000</u>	<u>61,000</u>

	Other Operating leases	
	2010 £	2009 £
Expiring		
Within one year	18,600	714
Between one and five years	<u>30,892</u>	<u>36,172</u>
	<u>49,492</u>	<u>36,886</u>

### 23 RELATED PARTY DISCLOSURES

#### Subsidiary undertakings

The Company is owed monies by its subsidiary undertakings as follows

	Owing to the Company at 31/05/10 £	Owing to the Company at 31/05/09 £
Amounts falling due after more than one year		
Wigan Athletic AFC Limited	39,791,694	38,991,694
Wigan Football Company Limited	<u>4,490,000</u>	<u>4,420,000</u>
Aggregate amounts	<u>44,281,694</u>	<u>43,411,694</u>

## WHELCO HOLDINGS LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2010

#### 23 RELATED PARTY DISCLOSURES – continued

##### Associated undertakings

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 31/05/10 £
<u>16,888</u>	<u>27,068</u>	<u>11,183</u>	<u>35,437</u>

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

The Group has also provided loan monies to Dave Whelan Sports Limited, a company in which Mr D Whelan has a significant interest, and Pooles of Wigan Limited of £500,000 and £94,500 respectively, all amounts remain outstanding at 31 May 2010

##### Loans from associated undertakings

During the year Wigan Athletic AFC Limited had loan transactions with Pooles of Wigan Limited, a company in which Mr D Whelan, a Director, has a significant financial interest. Movements during the year comprise loans received of £700,000 and loan repayments of £900,000. At 31 May 2010 there is an amount of £500,000 (2009 £700,000) owing to Pooles of Wigan Limited by Wigan Athletic AFC Limited.

At 31 May 2010 there is an amount of £100,000 (2009 £100,000) which is due to Yeshili Reflective Material Co Limited from Wigan Athletic AFC Limited and there is also an amount of £575,000 (2009 £575,000) which is due to E-view Properties Limited from Wigan Athletic AFC Limited. Both Yeshili Reflective Material Co Limited and E-View Properties Limited are companies in which Mr D Whelan, a Director, has a significant financial interest.

During the year Wigan Athletic AFC Limited had loan transactions with Dave Whelan Sports Limited, a company in which Mr D Whelan, a Director, has a significant financial interest. These transactions comprised loans received of £9,600,000 and loan repayments of £8,600,000. At 31 May 2010 there is an amount of £1,000,000 (2009 £nil) owing to Dave Whelan Sports Limited by Wigan Athletic AFC Limited.

##### Other loans

Other loans include

At 31 May 2010 there are amounts totalling £9,700,000 (2009 £9,700,000) included in the financial statements which are due from Wigan Athletic AFC Limited to the Trustees of the Whelan Family Bare Trust of which Mr D Whelan, a Director, is a Trustee.

At 31 May 2010, there is an amount of £1,250,000 (2009 £1,250,000) included in the financial statements which is due from the Company to Mrs J Best, a shareholder and the daughter of Mr D Whelan.

#### 24 MINORITY INTERESTS

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

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**WHELCO HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 May 2010**

**25 POST BALANCE SHEET EVENTS**

Wigan Athletic AFC Limited, a subsidiary undertaking, has been involved in several player acquisitions and sales subsequent to 31 May 2010

A General Meeting of Wigan Athletic AFC Limited was held on 7 February 2011 which approved the necessary resolutions to enable the issue of £48 million New Preferred Ordinary Shares in that company to replace debt of an equivalent amount, due to Whelco Holdings Limited, and to a family Trust of which Mr D Whelan is a Trustee

**26 ULTIMATE CONTROLLING PARTY**

The Group and Company are controlled by Mr D Whelan and his family