

270043

WIGAN ATHLETIC AFC LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2005



WIGAN ATHLETIC AFC LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2005**

	Page
Company Information	1
Chairman's Statement	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	11

WIGAN ATHLETIC AFC LIMITED

COMPANY INFORMATION
for the Year Ended 31 May 2005

DIRECTORS: D Whelan (Chairman)
Mrs B Spencer (Chief Executive)
B T Ashcroft
P R Williams
J W Winstanley

SECRETARY: Mrs B Spencer

REGISTERED OFFICE: JJB Stadium
Loire Drive
Robin Park
Wigan
Lancashire
WN5 0UH

REGISTERED NUMBER: 270043 (England and Wales)

AUDITORS: Fairhurst
Registered Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB

BANKERS: Barclays Bank PLC
Victoria House
6 Market Street
Wigan
Lancashire
WN1 1QS

SOLICITORS: Platt & Fishwick
The Old Bank
King Street
Wigan
WN1 1DB

WIGAN ATHLETIC AFC LIMITED

CHAIRMAN'S STATEMENT

for the Year Ended 31 May 2005

The inexorable rise of Wigan Athletic as a force in British football hit its best ever year in 2004/2005, culminating in undoubtedly the biggest game in the club's history on May 8th when we secured automatic promotion to the Premiership for the first time by beating Reading 3-1 on the final day of the season in front of nearly 20,000 people at the JJB Stadium; the Wigan sections were in fact sold out and only segregation issues prevented more Wigan fans from seeing the club reach the promised land.

As I write these notes, the club has continued its amazing progress up the footballing ladder, having all but secured its Premiership status by the turn of the year and qualified for the Carling Cup Final, a quite incredible achievement by Paul Jewell, the players and his coaching staff.

The amazing success on the field has also been mirrored in the offices, where Chief Executive Brenda Spencer and her team have worked wonders, day in day out, week in week out to transform this club off the field.

Having broken all records on Season Ticket sales for the 2004/2005 season, that figure was again smashed as the club reached the Premiership and it is a symptom of all this success that we have hardly been able to catch our breath such has been the clamour from the people of Wigan to support its team.

I have always said that Wigan is a sporting town, and I am delighted for all Wiganers that they now have two teams at the top of their respective sports, sharing the JJB Stadium. I would therefore like to take this opportunity to wish Wigan Warriors all the best for the new season which is due to start as I write these notes

I am particularly pleased to see so many young faces at the JJB Stadium, because this is the next generation of supporters who can continue helping Wigan sport in the future.

How far we can go as a club is anyone's guess. People thought I was joking when I said Wigan Athletic would get into the Premiership, so why can't we now move onto even greater things, firstly establishing ourselves at this level, then progressing onto challenging for European qualification and the major prizes in the game?

Onwards and upwards!

David Whelan
Chairman

Date: 22/2/06

WIGAN ATHLETIC AFC LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31 May 2005

The directors present their report with the financial statements of the company for the year ended 31 May 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a professional association football league club.

REVIEW OF BUSINESS

The end of the 2005 season saw the 1st team promoted to the Barclays Premiership, having finished second in the Championship. This has attracted record crowds to the JJB Stadium and also generated a great deal of media interest around the world. Several players have joined the squad including record signing Henri Camara, replacing Nathan Ellington, who left to join West Bromwich Albion for £3 million in the summer. The company continues to be dependent on its holding company, Whelco Holdings Ltd, for financial support, including funding the cost of purchasing new players. However the increased revenues from both the Football League and television screening rights, along with increased attendances and sponsorship, will reduce this dependence over the 2005 - 06 season.

RESULTS AND DIVIDENDS

The results for the year and financial position of the company are as shown in the annexed financial statements. The company made an operating loss of £10,180,083 for the year (2004 - £4,845,675) with the total loss for the year of £10,797,840 (2004 - £5,270,336) transferred to reserves.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in note 20 to the financial statements.

DIRECTORS

The directors during the year under review were:

D Whelan (Chairman)
Mrs B Spencer (Chief Executive)
B T Ashcroft
P R Williams
J W Winstanley

The beneficial interests of the directors holding office on 31 May 2005 in the issued share capital of the company were as follows:

	31.5.05	1.6.04
Ordinary 50p shares		
D Whelan	-	-
Mrs B Spencer	315	315
B T Ashcroft	50	50
P R Williams	-	-
J W Winstanley	100	100

B Ashcroft and P Williams retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

The interests of D Whelan in Whelco Holdings Limited, the ultimate parent company, are disclosed in the accounts of that company.

PARENT COMPANY

The company is an 86% subsidiary of Whelco Holdings Limited, a company under the control and ownership of Mr D Whelan and his family. The company continues to be dependent on the holding company, Whelco Holdings Ltd, for financial support, including funding the cost of purchasing new players.

The club plays its first team matches at the JJB Stadium, which is owned by Wigan Football Company Limited, a 85% fellow subsidiary of Whelco Holdings Limited, under a rental agreement based upon matchday revenues.

WIGAN ATHLETIC AFC LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 May 2005**

GOING CONCERN

After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This includes the offer of continued financial support from the parent company, Whelco Holdings Limited. For this reason they continue to adopt the going concern basis in preparing the accounts.

INTANGIBLE FIXED ASSETS

In accordance with FRS-10 the company has capitalised fees payable on the transfer of player registrations, with an amortisation charge based on the length of player contracts (see note 6).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Fairhurst, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....

Mrs B Spencer - Secretary

Date: 22/02/06.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
WIGAN ATHLETIC AFC LIMITED**

We have audited the financial statements of Wigan Athletic AFC Limited for the year ended 31 May 2005 on pages six to sixteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditors' report 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 described on page four the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fairhurst
Registered Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB



Date: 22 February 2006

WIGAN ATHLETIC AFC LIMITED

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 May 2005**

		<u>2005</u>	<u>2004</u>
	Notes	£	£
TURNOVER		4,042,992	3,982,988
Cost of sales		<u>450,061</u>	<u>372,953</u>
GROSS PROFIT		3,592,931	3,610,035
Administrative expenses		<u>14,100,097</u>	<u>9,325,427</u>
		(10,507,166)	(5,715,392)
Other operating income		<u>327,083</u>	<u>869,717</u>
OPERATING LOSS	3	(10,180,083)	(4,845,675)
Interest payable and similar charges	4	<u>617,757</u>	<u>424,661</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,797,840)	(5,270,336)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(10,797,840)	(5,270,336)
Deficit brought forward		<u>(27,752,604)</u>	<u>(22,482,268)</u>
DEFICIT CARRIED FORWARD		<u>£(38,550,444)</u>	<u>£(27,752,604)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

WIGAN ATHLETIC AFC LIMITED

BALANCE SHEET
31 May 2005

		<u>2005</u>		<u>2004</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	6		2,301,385		2,957,229
Tangible assets	7		<u>566,897</u>		<u>34,162</u>
			2,868,282		2,991,391
CURRENT ASSETS:					
Debtors	8	385,701		829,977	
CREDITORS: Amounts falling due within one year	9	<u>21,765,464</u>		<u>11,435,009</u>	
NET CURRENT LIABILITIES:			<u>(21,379,763)</u>		<u>(10,605,032)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			(18,511,481)		(7,613,641)
CREDITORS: Amounts falling due after more than one year	10		<u>18,941,698</u>		<u>19,041,698</u>
			<u>£(37,453,179)</u>		<u>£(26,655,339)</u>
CAPITAL AND RESERVES:					
Called up share capital	13		131,250		131,250
Share premium	14		944,298		944,298
Capital redemption reserve	15		21,717		21,717
Profit and loss account			<u>(38,550,444)</u>		<u>(27,752,604)</u>
SHAREHOLDERS' FUNDS:	21		<u>£(37,453,179)</u>		<u>£(26,655,339)</u>

ON BEHALF OF THE BOARD:



.....
- Director

Approved by the Board on 22.02.06

The notes form part of these financial statements

WIGAN ATHLETIC AFC LIMITED

**CASH FLOW STATEMENT
for the Year Ended 31 May 2005**

		<u>2005</u>	<u>2004</u>
	Notes	£	£
Net cash (outflow)/inflow from operating activities	1	(3,865,502)	3,029,870
Returns on investments and servicing of finance	2	(617,757)	(424,661)
Capital expenditure	2	<u>(3,093,626)</u>	<u>(1,808,477)</u>
		(7,576,885)	796,732
Financing	2	<u>-</u>	<u>(58,331)</u>
(Decrease)/Increase in cash in the period		<u>£(7,576,885)</u>	<u>£738,401</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		<u>(7,576,885)</u>	<u>738,401</u>
Change in net debt resulting from cash flows		<u>(7,576,885)</u>	<u>738,401</u>
Movement in net debt in the period		<u>(7,576,885)</u>	<u>738,401</u>
Net debt at 1 June		<u>(9,387,408)</u>	<u>(10,125,809)</u>
Net debt at 31 May		<u>£(16,964,293)</u>	<u>£(9,387,408)</u>

The notes form part of these financial statements

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 May 2005**

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

	2005 £	2004 £
Operating loss	(10,180,083)	(4,845,675)
Depreciation charges	3,221,304	1,916,149
Loss on sale of fixed assets	1,546	-
Profit on sale of players	(6,115)	(41,638)
Grant released	(100,000)	(99,995)
Decrease/(Increase) in debtors	444,276	(403,373)
Increase in creditors	<u>2,753,570</u>	<u>6,504,402</u>
Net cash (outflow)/inflow from operating activities	<u>(3,865,502)</u>	<u>3,029,870</u>

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

	2005 £	2004 £
Returns on investments and servicing of finance		
Interest paid	<u>(617,757)</u>	<u>(424,661)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(617,757)</u>	<u>(424,661)</u>
Capital expenditure		
Purchase of intangible fixed assets	(2,654,900)	(2,840,500)
Purchase of tangible fixed assets	(567,351)	(8,621)
Sale of intangible fixed assets	122,825	1,037,801
Sale of tangible fixed assets	<u>5,800</u>	<u>2,843</u>
Net cash outflow for capital expenditure	<u>(3,093,626)</u>	<u>(1,808,477)</u>
Financing		
Loan repayments in year	<u>-</u>	<u>(58,331)</u>
Net cash outflow from financing	<u>-</u>	<u>(58,331)</u>

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 May 2005**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/6/04 £	Cash flow £	At 31/5/05 £
Net cash:			
Cash at bank and in hand	-	-	-
Bank overdraft	<u>(9,387,408)</u>	<u>(7,576,885)</u>	<u>(16,964,293)</u>
	<u>(9,387,408)</u>	<u>(7,576,885)</u>	<u>(16,964,293)</u>
 Total	 <u><u>(9,387,408)</u></u>	 <u><u>(7,576,885)</u></u>	 <u><u>(16,964,293)</u></u>
 Analysed in Balance Sheet			
 Bank overdraft	 <u>(9,387,408)</u>		 <u>(16,964,293)</u>
	<u>(9,387,408)</u>		<u>(16,964,293)</u>

The notes form part of these financial statements

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2005

1. ACCOUNTING POLICIES

Basis of Preparation

The company is dependent on the financial support of its holding company, Whelco Holdings Ltd, and bankers. However, along with assurances from the holding company, the bank has indicated their continuing support; subject to ongoing periodic reviews. On this basis, the directors consider it reasonable to rely on the bank facility and loans from the parent company and others and appropriate to prepare the financial statements on the going concern basis.

The financial statements include the results of the company's activities described in the Directors' Report, all of which are continuing.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents match receipts and sales, net of Value Added Tax and levies paid to the Football League and Football Association, of goods and services in the normal course of business, and arose wholly in the United Kingdom.

Player registrations and signing on fees

Transfer fees and amounts paid to third parties for player registrations are capitalised as intangible fixed assets and are amortised on a straight line basis over the period of the respective players' contracts.

Player registrations 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.

Player 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 disposal of a player registration is calculated after charging any signing on fees which become payable as a result of the disposal.

Tangible fixed assets

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

Leasehold property	- over the remaining term of the lease
Fixtures, fittings and equipment	- 20% on cost
Motor vehicles and tractors	- 20% on cost
Computer, C C T V and office equipment	- 20% on cost

Deferred tax

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

Repairs and Ground Maintenance

All expenditure is written off as incurred.

Grants

Revenue grants are credited to the Profit and Loss Account in the period in which they are due. Capital grants are treated as deferred income and written off over the life of the assets to which they relate.

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2005**

2. STAFF COSTS

	2005	2004
	£	£
Wages and salaries	8,259,762	5,253,701
Social security costs	<u>841,599</u>	<u>639,116</u>
	<u><u>9,101,361</u></u>	<u><u>5,892,817</u></u>

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

	2005	2004
Playing and Coaching Staff	32	25
Groundsmen	3	2
Administration	8	7
Centre of Excellence Coaching Staff	<u>7</u>	<u>5</u>
	<u><u>50</u></u>	<u><u>39</u></u>

Included in the above are contract termination payments of £43,231(2004 - £35,000), to former players and coaching staff.

3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2005	2004
	£	£
Depreciation - owned assets	27,270	21,564
(Profit) on disposal of players	(6,115)	(40,550)
Loss/(Profit) on disposal of fixed assets	1,546	(1,088)
Player registration fees written off	3,194,034	1,894,585
Auditors' remuneration - audit fees	5,750	5,500
Grant release	<u>(100,000)</u>	<u>(100,000)</u>

Directors' emoluments	<u>-</u>	<u>-</u>
-----------------------	----------	----------

In addition Mrs B Spencer received remuneration for her services as Chief Executive and Club Secretary. These amounts are included within wages and salaries (see note 2).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Bank interest	617,757	424,356
Other interest	<u>-</u>	<u>305</u>
	<u><u>617,757</u></u>	<u><u>424,661</u></u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 May 2005 nor for the year ended 31 May 2004.

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2005**

6. INTANGIBLE FIXED ASSETS

	Player registration fees
	£
COST:	
At 1 June 2004	8,267,575
Additions	2,654,900
Disposals	<u>(2,279,632)</u>
At 31 May 2005	<u>8,642,843</u>
AMORTISATION:	
At 1 June 2004	5,310,346
Charge for year	3,194,034
Eliminated on disposals	<u>(2,162,922)</u>
At 31 May 2005	<u>6,341,458</u>
NET BOOK VALUE:	
At 31 May 2005	<u>2,301,385</u>
At 31 May 2004	<u>2,957,229</u>

7. TANGIBLE FIXED ASSETS

	Leasehold property	Fixtures, fittings and equipment	Motor vehicles and tractors	Computer, C C T V and office equipment	Totals
	£	£	£	£	£
COST:					
At 1 June 2004	-	3,986	134,836	32,099	170,921
Additions	510,690	39,932	8,150	8,579	567,351
Disposals	<u>-</u>	<u>-</u>	<u>(34,050)</u>	<u>-</u>	<u>(34,050)</u>
At 31 May 2005	<u>510,690</u>	<u>43,918</u>	<u>108,936</u>	<u>40,678</u>	<u>704,222</u>
DEPRECIATION:					
At 1 June 2004	-	1,165	113,369	22,225	136,759
Charge for year	7,456	4,177	9,152	6,485	27,270
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>(26,704)</u>	<u>-</u>	<u>(26,704)</u>
At 31 May 2005	<u>7,456</u>	<u>5,342</u>	<u>95,817</u>	<u>28,710</u>	<u>137,325</u>
NET BOOK VALUE:					
At 31 May 2005	<u>503,234</u>	<u>38,576</u>	<u>13,119</u>	<u>11,968</u>	<u>566,897</u>
At 31 May 2004	<u>-</u>	<u>2,821</u>	<u>21,467</u>	<u>9,874</u>	<u>34,162</u>

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2005**

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Trade debtors	124,217	337,605
Other debtors	8,868	9,024
Prepayments and accrued income	<u>252,616</u>	<u>483,348</u>
	<u>385,701</u>	<u>829,977</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Bank loans and overdrafts (see note 11)	16,964,293	9,387,408
Trade creditors	1,582,147	845,082
Other loans	201,000	201,000
Amounts owed to group undertakings	342,986	329,976
Social security & other taxes	182,705	304,463
Deferred income	47,083	25,317
Deferred grants	100,000	100,000
Accrued expenses	<u>2,345,250</u>	<u>241,763</u>
	<u>21,765,464</u>	<u>11,435,009</u>

**10. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2005 £	2004 £
Loan from parent company	18,641,694	18,641,694
Deferred grants	<u>300,004</u>	<u>400,004</u>
	<u>18,941,698</u>	<u>19,041,698</u>

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2005 £	2004 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>16,964,293</u>	<u>9,387,408</u>

The loan from the parent company and other loans are unsecured, interest free and have no fixed repayment date.

12. SECURED DEBTS

The Bank has a fixed and floating charge over the assets of the company. Banking facilities are reviewed periodically and are repayable on demand, subject to such reviews. Whelco Holdings Limited has provided an unlimited guarantee to the bank on behalf of the company.

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2005

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005 £	2004 £
262,500	Ordinary	50p	<u>131,250</u>	<u>131,250</u>

14. SHARE PREMIUM

	2005 £	2004 £
Brought forward	<u>944,298</u>	<u>944,298</u>

15. CAPITAL REDEMPTION RESERVE

	2005 £	2004 £
Brought forward	<u>21,717</u>	<u>21,717</u>

16. ULTIMATE PARENT COMPANY

The ultimate parent company is Whelco Holdings Limited, a company registered in England and Wales, and under the control of Mr D Whelan and his family.

17. CONTINGENT LIABILITIES

There are contractual obligations to pay players and coaching staff dependent on future performance criteria which have not been provided for in these accounts. Performance related payments are written off in the period to which they relate.

18. OTHER FINANCIAL COMMITMENTS

The company had the following annual contractual obligations, relating to players contracts, which are due to expire:

	2005 £	2004 £
-Within 1 year	2,866,900	2,916,037
-After more than 1 year	<u>2,380,700</u>	<u>2,085,000</u>
	<u>5,247,600</u>	<u>5,001,037</u>

The Club has a 25 year renewable licence to use the JJB Stadium, owned by Wigan Football Company Ltd, at rates determined by match revenues.

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2005**

19. TRANSACTIONS WITH DIRECTORS

Mr D Whelan, a director of the company, has a significant financial interest in Whelco Holdings Limited, which owns a majority shareholding in the company and has also provided loan monies and goods and services during the year.

Mr D Whelan, a director of the company, has significant financial interests in JJB Sports plc, which has supplied goods to the company during the year as follows:

Sales and services	Purchases	Sales Ledger at 31/5/05	Purchase Ledger at 31/5/05
£	£	£	£
<u>606,705</u>	<u>300</u>	<u>15,985</u>	<u>354</u>
Shirt Sponsorship			
<u>£ 150,000</u>			

All the above transactions were conducted on an arms length basis at normal commercial rates.

20. POST BALANCE SHEET EVENTS

The first team have started the 2005/06 Season successfully in the Premiership and are currently in the top six, having bolstered the playing squad during the summer. Further player acquisitions are anticipated in the January 2006 transfer 'window' as the club strives to retain Premiership status and continue their successful cup runs.

The company have settled outstanding policing costs of over £350,000 in June/July 2005, but are taking the matter of matchday charges to arbitration.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Loss for the financial year	<u>(10,797,840)</u>	<u>(5,270,336)</u>
Net reduction of shareholders' funds	(10,797,840)	(5,270,336)
Opening shareholders' funds	<u>(26,655,339)</u>	<u>(21,385,003)</u>
Closing shareholders' funds	<u>(37,453,179)</u>	<u>(26,655,339)</u>
Equity interests	<u>(37,453,179)</u>	<u>(26,655,339)</u>