

27 0043

Registrar

WIGAN ATHLETIC AFC LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2006

TUESDAY



A31 *APOP9MU1* 06/02/2007 530
COMPANIES HOUSE

WIGAN ATHLETIC AFC LIMITED

CHAIRMAN'S STATEMENT

For the year ended 31 May 2006

I can quite categorically state that this has been one of the most extraordinary years not only in the life of Wigan Athletic Football Club, but in my own life as well; the realisation of many, many years of hard work and dedication by everyone at the club. It was the season that the world finally came to know the name Wigan Athletic, when we became, in the true sense of the word, a global brand. We are all very proud.

It was a year when everyone played their part. I would like to take this opportunity of thanking the entire staff. On the playing side, of course, Paul Jewell, his coaching and medical team and the players have performed wonders on and off the field. On the administration side, the team led by Brenda Spencer have also worked miracles to lead a seamless transition from Championship to Premiership. This was also the year when the JJB Stadium came into its own, when it began staging the kind of games it was designed to as the club welcomed the greatest teams in the country through its doors. I think a word of thanks should go to all the stadium staff, the ground staff and all match-day helpers and finally, I'd like to extend a personal thank you to my board of directors.

From the moment we kicked off here against the Champions Chelsea, to the second the final whistle came down on the historic Highbury farewell, this was the season that had everything. No one outside of the club gave us a cat in hell's chance of surviving in the Premiership, so to finish not only in the top 10, but also as Carling Cup Finalists, was an achievement beyond compare, and one that will live in the memory for ever!

I want this club to continue its upwards progression, starting with Premiership survival, and a continued campaign to build our supporter base and establish ourselves at the top level of British football.

Thank you all again for your support.

David Whelan
Chairman

WIGAN ATHLETIC AFC LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2006**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	9

WIGAN ATHLETIC AFC LIMITED

COMPANY INFORMATION
for the Year Ended 31 May 2006

DIRECTORS:

D Whelan
Mrs B Spencer
B T Ashcroft
P R Williams
J W Winstanley
M P Lindsay

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

REPORT OF THE DIRECTORS for the Year Ended 31 May 2006

The directors present their report with the financial statements of the company for the year ended 31 May 2006.

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 2005/06 season saw the club confounding expectations by finishing 10th in the Premier League and, memorably, reaching their first major cup final, the Carling Cup, appearing at Cardiff versus Manchester United in spring 2006. Average crowd attendances were over 20,000, with full houses of 25,000 being posted for several fixtures.

As a consequence of increased revenues from all sources, especially television rights, matchday and sponsorship packages and Football League monies, the company's turnover exceeded £34 million and produced operating profits @ £10 million, before player transfers and interest. Wage costs and transfer fees have increased correspondingly, as have football related expenses, including the continual upgrading of the training facilities at Christopher Park.

The company continues to be dependent upon the financial support of Whelco Holdings Limited, especially in transfer dealings, but expects to be profitable again in 2006/07.

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 profit of £9,627,757 for the year (2005 - loss of £10,180,083) with the total profit for the year of £8,809,004 (2005 - loss of £10,797,840) transferred to reserves.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in note 19 to the financial statements.

DIRECTORS

The directors during the year under review were:

D Whelan	
Mrs B Spencer	
B T Ashcroft	
P R Williams	
J W Winstanley	
M P Lindsay	- appointed 17/3/2006

The beneficial interests of the directors holding office on 31 May 2006 in the issued share capital of the company were as follows:

	31.5.06	1.6.05 or date of appointment if later
Ordinary 50p shares		
D Whelan	-	-
Mrs B Spencer	315	315
B T Ashcroft	50	50
P R Williams	-	-
J W Winstanley	100	100
M P Lindsay	-	-

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.

WIGAN ATHLETIC AFC LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 May 2006**

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

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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: 1st FEB 2007

**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 2006 on pages five to fourteen. These financial statements have been prepared under 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 three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.

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



Date: 21/2/07

WIGAN ATHLETIC AFC LIMITED

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 May 2006**

	Notes	2006 £	2005 £
TURNOVER		34,852,161	4,042,992
Cost of sales		<u>666,474</u>	<u>494,057</u>
GROSS PROFIT		34,185,687	3,548,935
Administrative expenses		<u>24,965,773</u>	<u>14,056,101</u>
		9,219,914	(10,507,166)
Other operating income		<u>407,843</u>	<u>327,083</u>
OPERATING PROFIT/(LOSS)	3	9,627,757	(10,180,083)
Interest payable and similar charges	4	<u>818,753</u>	<u>617,757</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,809,004	(10,797,840)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>8,809,004</u>	<u>(10,797,840)</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

WIGAN ATHLETIC AFC LIMITED

BALANCE SHEET
31 May 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	6	8,934,473	2,301,385
Tangible assets	7	<u>891,995</u>	<u>566,897</u>
		9,826,468	2,868,282
CURRENT ASSETS			
Debtors	8	2,683,242	385,701
CREDITORS			
Amounts falling due within one year	9	<u>21,312,187</u>	<u>21,765,464</u>
NET CURRENT LIABILITIES		<u>(18,628,945)</u>	<u>(21,379,763)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(8,802,477)	(18,511,481)
CREDITORS			
Amounts falling due after more than one year	10	<u>19,841,698</u>	<u>18,941,698</u>
NET LIABILITIES		<u>(28,644,175)</u>	<u>(37,453,179)</u>
CAPITAL AND RESERVES			
Called up share capital	13	131,250	131,250
Share premium	14	944,298	944,298
Capital redemption reserve	14	21,717	21,717
Profit and loss account	14	<u>(29,741,440)</u>	<u>(38,550,444)</u>
SHAREHOLDERS' FUNDS	20	<u>(28,644,175)</u>	<u>(37,453,179)</u>

The financial statements were approved by the Board of Directors on 1st FEB 2007 and were signed on its behalf by:



.....
D Whelan - Director

WIGAN ATHLETIC AFC LIMITED

**CASH FLOW STATEMENT
for the Year Ended 31 May 2006**

	Notes	2006 £	2005 £
Net cash inflow/(outflow) from operating activities	1	15,376,921	(3,865,502)
Returns on investments and servicing of finance	2	(818,753)	(617,757)
Capital expenditure	2	<u>(7,237,989)</u>	<u>(3,093,626)</u>
Increase/(Decrease) in cash in the period		<u>7,320,179</u>	<u>(7,576,885)</u>

**Reconciliation of net cash flow
to movement in net debt**

	3		
Increase/(Decrease) in cash in the period		<u>7,320,179</u>	<u>(7,576,885)</u>
Change in net debt resulting from cash flows		<u>7,320,179</u>	<u>(7,576,885)</u>
Movement in net debt in the period		7,320,179	(7,576,885)
Net debt at 1 June		<u>(16,964,293)</u>	<u>(9,387,408)</u>
Net debt at 31 May		<u>(9,644,114)</u>	<u>(16,964,293)</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 2006**

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

	2006 £	2005 £
Operating profit/(loss)	9,627,757	(10,180,083)
Depreciation charges	5,987,250	3,221,304
Profit on disposal of fixed assets	(5,707,447)	(4,569)
(Increase)/Decrease in debtors	(2,297,541)	444,276
Increase in creditors	<u>7,766,902</u>	<u>2,653,570</u>
Net cash inflow/(outflow) from operating activities	<u><u>15,376,921</u></u>	<u><u>(3,865,502)</u></u>

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

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest paid	<u>(818,753)</u>	<u>(617,757)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(818,753)</u></u>	<u><u>(617,757)</u></u>
Capital expenditure		
Purchase of intangible fixed assets	(12,802,500)	(2,654,900)
Purchase of tangible fixed assets	(426,388)	(567,351)
Sale of intangible fixed assets	5,989,999	122,825
Sale of tangible fixed assets	<u>900</u>	<u>5,800</u>
Net cash outflow for capital expenditure	<u><u>(7,237,989)</u></u>	<u><u>(3,093,626)</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/6/05 £	Cash flow £	At 31/5/06 £
Net cash:			
Cash at bank and in hand	-	-	-
Bank overdraft	<u>(16,964,293)</u>	<u>7,320,179</u>	<u>(9,644,114)</u>
	<u>(16,964,293)</u>	<u>7,320,179</u>	<u>(9,644,114)</u>
Total	<u><u>(16,964,293)</u></u>	<u><u>7,320,179</u></u>	<u><u>(9,644,114)</u></u>

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2006

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, along with recent trading results and forecasts, 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.

Short leasehold land and buildings	- over the remaining term of the lease
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer 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.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

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 - continued
for the Year Ended 31 May 2006

2. STAFF COSTS

	2006	2005
	£	£
Wages and salaries	18,495,569	8,259,762
Social security costs	<u>2,066,199</u>	<u>841,599</u>
	<u><u>20,561,768</u></u>	<u><u>9,101,361</u></u>

Included in the above are contract termination payments to former players of £31,222 (2005 - £43,231).

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

	2006	2005
Playing and Coaching Staff	38	32
Groundsmen	2	3
Administration	12	8
Centre of Excellence Coaching Staff	<u>7</u>	<u>7</u>
	<u><u>59</u></u>	<u><u>50</u></u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2005 - operating loss) is stated after charging/(crediting):

	2006	2005
	£	£
Hire of plant and machinery	42,496	3,589
Depreciation - owned assets	101,290	27,270
(Profit) on disposal of players	(5,706,547)	(6,115)
(Profit)/Loss on disposal of fixed assets	(900)	1,546
Player registration fees amortisation	5,885,960	3,194,034
Auditors' remuneration - audit fees	6,500	5,750
Grant release	(100,000)	(100,000)
Agents fees	1,033,400	237,000
Stadium management costs	<u>691,314</u>	<u>212,566</u>
Directors' emoluments	<u><u>-</u></u>	<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

	2006	2005
	£	£
Bank interest	<u>818,753</u>	<u>617,757</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 May 2006 nor for the year ended 31 May 2005.

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2006**

6. INTANGIBLE FIXED ASSETS

	Player registration fees £
COST	
At 1 June 2005	8,642,843
Additions	12,802,500
Disposals	<u>(2,238,506)</u>
At 31 May 2006	<u>19,206,837</u>
AMORTISATION	
At 1 June 2005	6,341,458
Amortisation for year	5,885,960
Eliminated on disposal	<u>(1,955,054)</u>
At 31 May 2006	<u>10,272,364</u>
NET BOOK VALUE	
At 31 May 2006	<u>8,934,473</u>
At 31 May 2005	<u>2,301,385</u>

7. TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 June 2005	510,690	43,918	108,936	40,678	704,222
Additions	130,101	216,868	42,182	37,237	426,388
Disposals	<u>-</u>	<u>-</u>	<u>(54,226)</u>	<u>-</u>	<u>(54,226)</u>
At 31 May 2006	<u>640,791</u>	<u>260,786</u>	<u>96,892</u>	<u>77,915</u>	<u>1,076,384</u>
DEPRECIATION					
At 1 June 2005	7,456	5,342	95,817	28,710	137,325
Charge for year	47,417	33,614	10,443	9,816	101,290
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(54,226)</u>	<u>-</u>	<u>(54,226)</u>
At 31 May 2006	<u>54,873</u>	<u>38,956</u>	<u>52,034</u>	<u>38,526</u>	<u>184,389</u>
NET BOOK VALUE					
At 31 May 2006	<u>585,918</u>	<u>221,830</u>	<u>44,858</u>	<u>39,389</u>	<u>891,995</u>
At 31 May 2005	<u>503,234</u>	<u>38,576</u>	<u>13,119</u>	<u>11,968</u>	<u>566,897</u>

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2006

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade debtors	640,024	124,217
Other debtors	2,532	8,868
Amounts owed from group undertakings	978	-
Prepayments and accrued income	<u>2,039,708</u>	<u>252,616</u>
	<u>2,683,242</u>	<u>385,701</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Bank loans and overdrafts (see note 11)	9,644,114	16,964,293
Trade creditors	4,302,034	1,582,147
Social security and other taxes	2,940,416	182,705
Other loans	201,000	201,000
Amounts owed to group undertakings	-	342,986
Deferred income	1,520,777	47,083
Deferred grants	100,000	100,000
Accrued expenses	<u>2,603,846</u>	<u>2,345,250</u>
	<u>21,312,187</u>	<u>21,765,464</u>

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

	2006	2005
	£	£
Loan from parent company	19,641,694	18,641,694
Deferred grants	<u>200,004</u>	<u>300,004</u>
	<u>19,841,698</u>	<u>18,941,698</u>

11. LOANS

An analysis of the maturity of loans is given below:

	2006	2005
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>9,644,114</u>	<u>16,964,293</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 - continued for the Year Ended 31 May 2006

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2006 £	2005 £
262,500	Ordinary	50p	<u>131,250</u>	<u>131,250</u>

14. RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 June 2005	(38,550,444)	944,298	21,717	(37,584,429)
Profit for the year	<u>8,809,004</u>	<u>-</u>	<u>-</u>	<u>8,809,004</u>
At 31 May 2006	<u>(29,741,440)</u>	<u>944,298</u>	<u>21,717</u>	<u>(28,775,425)</u>

15. 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.

16. 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.

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.

17. OTHER FINANCIAL COMMITMENTS

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

	2006 £	2005 £
-Within 1 year	3,359,450	2,866,900
-After more than 1 year	<u>3,294,000</u>	<u>2,380,700</u>
	<u>6,653,450</u>	<u>5,247,600</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 - continued for the Year Ended 31 May 2006

18. 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 31/5/06 £	Purchase Ledger at 31/5/06 £
<u>429,947</u>	<u>124,848</u>	<u>8,310</u>	<u>11,142</u>
Shirt Sponsorship £			
<u>200,000</u>			

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

19. POST BALANCE SHEET EVENTS

The club enjoyed its first season in the Premiership and is looking to extend and improve both the playing and training facilities and administrative capabilities during 2006/07 and beyond.

Manager Paul Jewell and his coaching staff have revamped the first team playing squad over the summer, bringing in seasoned internationals such as Emile Heskey, Denny Landzaart, Chris Kirkland and Andy Webster. The total transfer fees paid have been offset by the departures of Pascal Chimbonda, Jason Roberts and David Connolly, all for significant transfer fees.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit/(Loss) for the financial year	<u>8,809,004</u>	<u>(10,797,840)</u>
Net addition/(reduction) to shareholders' funds	8,809,004	(10,797,840)
Opening shareholders' funds	<u>(37,453,179)</u>	<u>(26,655,339)</u>
Closing shareholders' funds	<u>(28,644,175)</u>	<u>(37,453,179)</u>
Equity interests	<u>(28,644,175)</u>	<u>(37,453,179)</u>

21. DEFERRED TAX

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 £6,931,934. The asset would be recovered if sufficient taxable trading profits arose in the future.