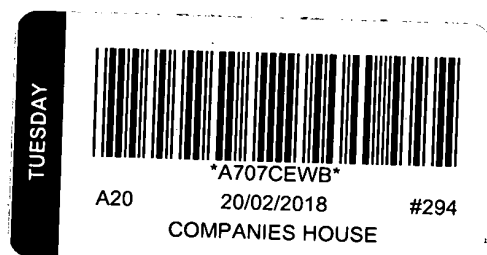


WIGAN ATHLETIC AFC LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017



WIGAN ATHLETIC AFC LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2017**

	Page
Company Information	1
Chairman's Report	2
Chief Executive's Report	4
Strategic Report	7
Report of the Directors	10
Report of the Independent Auditors	12
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Statement of Cash Flows	18
Notes to the Financial Statements	19

WIGAN ATHLETIC AFC LIMITED

COMPANY INFORMATION
for the Year Ended 31 May 2017

DIRECTORS:

D J Sharpe (Chairman)
J H Jackson
M J Sharpe
G J Cook

REGISTERED OFFICE:

DW Stadium
Loire Drive
Robin Park
Wigan
Lancashire
WN5 0UZ

REGISTERED NUMBER:

00270043 (England and Wales)

AUDITORS:

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

BANKERS:

Barclays Bank PLC
Octagon House
Gadbrook Park
Northwich
CW9 7RB

WIGAN ATHLETIC AFC LIMITED

CHAIRMAN'S REPORT for the Year Ended 31 May 2017

After the Sky Bet League One title and subsequent promotion to the EFL Championship was secured in May 2016, the objective of Wigan Athletic Football Club was for a season of consolidation and stability.

In such a tough division, where the financial parameters seem to know no bounds due to the desire of each of the clubs to reach the Premier League, we knew the challenge was great in bridging the gap between winning the League One title and stabilising in the Championship.

Following the success of the previous season, the desire of the Club was to follow our recruitment procedure of twelve months earlier by adding young players with a potential to develop, and support those emerging talents with players who had experience of playing at the higher levels of the game.

Summer arrivals Stephen Warnock, Dan Burn, Nick Powell, Shaun MacDonald, Luke Garbutt and Adam Bogdan had all played in both the Premier League and Championship, as had Jordi Gomez, who returned from Sunderland for a second spell with the Club. In addition, we acquired Alex Gilbey, Nathan Byrne and Kaiyne Woolery, players who had been monitored for some time.

From the previous season, we allowed Leon Barnett, Chris McCann, Jason Pearce, Tim Chow and Emyr Huws to move on to support the structure of the squad Gary Caldwell and his staff wanted to assemble.

By the end of the transfer window in September, we had naturally increased our player wage cost and also incurred transfer fees for a number of players in line with our budget, which was set with the consideration that we were entering the final year in which we received Premier League parachute payments. I believed that the squad would be competitive in the Championship.

Over the next two months, we accumulated just seven points from a possible twenty four and we were embedded inside the relegation zone. I took the decision that a change of management was required to alter the direction of the team, with the players seemingly lacking confidence and belief and continuing to lose matches albeit by close margins.

After a thorough process, in which I spoke to a number of experienced figures within football, all of whom recommended Warren Joyce as the perfect man for the position, the Board of Directors and I took the decision to appoint Warren as our new first team manager. Warren's record at nurturing talent at Manchester United had created a reputation as one of the best coaches in the game and, with a number of clubs looking to recruit him, I felt this was an opportunity to try and re-instil confidence amongst the players and take us forward out of the relegation zone.

Warren's start could not have been more unforgiving with the team conceding two goals within four minutes of his first game against Reading. However, the team bounced back to win four points from the next two matches, but it quickly became apparent over the Christmas period that the team was struggling and had to be strengthened in the January transfer window.

To Warren and the team's credit, we started 2017 in much-improved form as an FA Cup victory over Nottingham Forest - which followed a draw at Derby County - and Championship wins over Burton Albion and Brentford, indicated the team may have turned a corner. The prize for the Nottingham Forest win was a tie at Old Trafford against Manchester United in the Fourth Round. Whilst the draw limited our chances of progression, it provided an unexpected financial boost for the Club.

In the last week of January, Yanic Wildschut indicated his desire to leave the Club amidst media speculation regarding his future and interest from a number of Championship clubs. Whilst we expected the interest in Yanic, the request from the player to leave the Club came late in the window and provided us with a challenge of getting the best outcome, whilst also trying to recruit replacements to aid our quest for survival in the Championship. We agreed a deal on the last day of the transfer window with Norwich City, and in the meantime added a number of players to our squad to give Warren the best chance to not let the departure impact on our recent upturn in fortunes.

Unfortunately, despite a couple of battling away wins at Wolverhampton Wanderers and Birmingham City, results in the next three months were unacceptable, and defeats against our direct rivals at the bottom of the table proved critical. Albeit reluctantly, I decided to relieve Warren of his duties in March and ask Graham Barrow to lead the team for the final nine matches of the campaign.

Two home wins in a week against Rotherham United and Barnsley in April provided a faint hope of survival, but ultimately the task proved too great and the Club were consigned to an immediate return to League One.

WIGAN ATHLETIC AFC LIMITED

**CHAIRMAN'S REPORT – continued
for the Year Ended 31 May 2017**

On the back of relegation it is difficult to find any solace but our staff continued to work with endeavour to make me proud of the Club and I place on record my thanks for their efforts in difficult times. Our Academy's performance was again encouraging as our under-18s reached the national final of the EFL Youth Alliance Cup. The Community Trust was again a huge source of pride for the Club due to the work it does within the local community and it was pleasing to see that work recognised at the Northwest Football Awards.

We continue to learn on our path to developing a different way of working, within a football world in where it is now extremely difficult to compete with clubs that are in receipt of ever-increasing Premier League parachute payments. In 2017-18, League One will again be a challenge but under the management of Paul Cook, a man whose record of winning matches is pretty much unparalleled within the EFL, we are confident we will be able to build a team that will return to the Championship.

David Sharpe
Chairman

WIGAN ATHLETIC AFC LIMITED

CHIEF EXECUTIVE'S REPORT for the Year Ended 31 May 2017

The 2016/17 season, in some ways, marked the end of an era for the football club - an era that had begun in 2005 when promotion to the Premier League was secured. Ten years previously Dave Whelan had purchased the majority shareholding of Wigan Athletic and immediately declared to existing shareholders that the Club would one day play in the top division. Competing in the Premier League had a significant impact on the revenue streams of the Club predominantly generated from Premier League broadcasting rights. Following relegation from the Premier League in 2013, the Club continued to receive parachute payments for four years to allow an achievable transition to much lower turnover levels outside the top tier. May 2017 marked the final parachute payment receivable and the financial landscape has changed markedly from that date.

During the year to May 2017 the Club received £17.7 million from the Premier League. However, in future seasons, this source of income is replaced by solidarity payments from the Premier League to EFL clubs. As a League One club in 2017-18, the amount receivable is just £800,000. Central payments from the EFL will also reduce as a result of relegation from the Championship.

This huge reduction in income will impact on the Club's financial results and our ability to invest in significant player transfer fees and competitive levels of player salaries unless this source of income is replaced by other revenues or funding. The Board of Directors continue to explore opportunities for external funding and have implemented a review of all non-essential operating costs to ensure that future operating losses are maintained to acceptable levels. It is expected that the Club will incur significant operating losses in 2017/18 due to maintaining a high player budget in League One compared to our rivals despite a forecasted reduction of almost 40% in player wages compared to 2016/17.

Sustainability without significant shareholder funding has been an objective since relegation from the Premier League and the only way that this can be achieved in the future is by reducing player salary levels and other costs to be aligned to turnover and a strategy of successful player trading. The challenge is to achieve success on the pitch at the same time as implementing this financial model. The Club has to be better than its competitors and this will be done by being different, innovative and smarter rather than enjoying a sustained financial advantage. During the year and since the year end the Club had to implement a number of redundancy processes that affected staff, some of whom had served the Club for several years. These were difficult but essential decisions.

At the start of the season, the playing staff salary budget was increased from £9.5 million to £12.5 million to allow the team to be competitive in the challenging environment of the EFL Championship. A total of £2.9 million in transfer fees was also committed during the year to attract new players. The first team also enjoyed the new surroundings of the Euxton Training Centre from which we started operating from in June 2016 which allowed the Club to sell land at Charnock Richard. This land had been originally been purchased to develop into a new training facility.

Home attendances during the season increased by almost 25% compared to the previous season. Season tickets sales increased to 8,000 season tickets, although this figure was slightly disappointing as the Board of Directors had taken the decision to reduce prices to £179 -£199 for all adult tickets and higher sales had been anticipated.

In January, Yanic Wildschut was transferred to Norwich City for a fee of £5 million that may eventually rise to £7 million including contingent payments. Successful player trading has been an important element of the Club's operations in recent seasons. Whilst player acquisitions in the last four seasons have not yielded the investment returns that we anticipated or expected, the sale of Yanic Wildschut continued a trend where we have benefitted from significant fees received from the sale of players for over a decade. Since 2008, £108 million has been generated in transfer fees, which has allowed £127 million to be re-invested in new players over the same period. It has become more difficult to compete with other clubs to recruit talented players who appreciate in value as clubs use increasingly more sophisticated methods to identify targeted players. We intend to continue to adopt a collaborative approach involving football and player recruitment staff using information provided by a team of scouts, which does not guarantee success, but should provide a process to aid decision making and reduce risk in this area.

WIGAN ATHLETIC AFC LIMITED

CHIEF EXECUTIVE'S REPORT – continued for the Year Ended 31 May 2017

During the year, mainly as a result of the Wildschut transfer, the Club returned a profit on player sales of £4.6 million. This contributed to a net profit of £4.3 million for the year. The Directors had set a target of break-even at the start of the season and the operating loss before profit on player sales for the year was £643,274. Unexpected costs in relation to the termination of the employment of a number of football management staff during the year had a negative impact on administration expenses and operating losses, but the Club did benefit from a fourth round FA Cup tie at Manchester United which generated revenues in excess of £1 million to compensate partly for the higher unexpected costs. The Directors were also able to share some of this windfall with supporters by subsidising tickets for the match at Old Trafford.

The season had started with positivity but was ultimately disappointing on the football pitch for Wigan Athletic. Whilst financial results were strong compared to most of our competitors, results against our rivals in the Championship were not good enough to avoid relegation to League One.

Despite relegation there was much to be positive about.

Investment in the Academy continues to be a long-term strategy. Although the Academy is still ranked as a Category Three Academy, we continue to operate at a much higher level in all metrics but without possessing the mandatory indoor and outdoor artificial pitches. Our objective is to achieve at least Category Two status. During the year, enjoying exclusive use of Christopher Park, the Academy had a number of young players representing their countries at international level and there were successes in cup competitions for our under 18 and under 21 age teams. The Board of Directors believe that developing players from the Academy to the first team is essential in future seasons and the foundations and infrastructure for that progression are in place. Category Two status will assist in that ambition.

The Club continued to attract significant funding into the local area through the Wigan Athletic Community Trust which delivered over £1 million of activities around sports participation, education, health and community cohesion and was named EFL North West Community Club of the Year for 2016-17. The Trust is an integral part of Wigan Athletic and the continued recognition it receives reflects the excellent projects delivered in the local community and the increasing reputation as one of the most effective football community organisations outside the Premier League.

During the year, the Club, Community Trust and DW Stadium continued to be a leading light in the area of equality and diversity under the umbrella of 'Together' which has enabled our organisations to continually review policies and procedures and operations in four key areas; our staff, our supporters, our community and our reputation. Since the year end, the Club has been awarded the Premier League Equality Standard Intermediate Level - the first EFL club to reach this standard. Raising staff awareness of the issues facing sections of our society was the first step in this process and implementing new processes such as blind shortlisting job applicants, introducing a female fans focus group, supporting Wigan Pride Day and significantly increasing disability sports participation are just some examples of the emphasis that Wigan Athletic place on equality and diversity.

Despite relegation to League One, the team has made a strong start to the 2017-18 season. Paul Cook was appointed first team manager on 1 June 2017 and as a result of some shrewd player trading during the 2017 transfer window without incurring any transfer fees, the team have so far performed excellently and at the time of writing are currently well placed for promotion.

A swift return to the Championship is a desired objective but we continue to implement sensible financial management to ensure the foundations are robust. Financial Fair Play Rules in League One ensure that player salary costs are restricted to 60% of turnover (and transfer income), so this financial relationship must be extremely closely managed and controlled especially if promotion is not achieved in 2018.

Wigan Athletic Football Club is only as effective as the people it employs. I would like to thank all the staff who work at the Euxton Training Centre, Academy, Community Trust and DW Stadium who remain as committed and passionate about the football club as I do. The twelve months ending 31 May 2017 were disappointing for everyone but the resilience and determination to return to success will ensure that we will do that. The continued financial support of the Whelan family has been essential to the Club's recent successes and the erection of a statue of Dave Whelan in front of the DW Stadium in November 2016 was a fitting tribute.

WIGAN ATHLETIC AFC LIMITED

**CHIEF EXECUTIVE'S REPORT – continued
for the Year Ended 31 May 2017**

I have always considered my position of Chief Executive of Wigan Athletic as an honour and a privilege. As a lifelong supporter, the ability to be able help shape and protect its future is an incredible responsibility. The supporters trust the owners and executives of Wigan Athletic to make decisions which are always in the best interest of the Club. Mistakes are sometimes made and criticism and frustration is regularly communicated via social media. The transparent communication, via fans forums and a regular Fans Advisory Board helps to continue the close bond between the Club and its supporters.

I thank those supporters and the shareholders for their loyal support through success and failure as we aspire to be a successful and sustainable football club that remains a proud representative of Wigan and its supporters.

Jonathan Jackson
Chief Executive

STRATEGIC REPORT
for the Year Ended 31 May 2017

The Directors present their strategic report for the year ended 31 May 2017.

REVIEW OF BUSINESS

The Directors consider that the financial results for the year ended 31 May 2017 are satisfactory. A return to the second tier of English football following our promotion as champions of League One, resulted in an increase in football related turnover. Inevitably, there was also an increase in salary costs as a result of maintaining a playing squad to be competitive at championship level.

2016/17 was the final year of Premier League parachute payments. Although relegated three seasons before, the Company still benefited from the lucrative new TV deal secured by the Premier League which commenced in 2016. Combined with the return to the EFL Championship and financially rewarding player trading, the Company was profitable for the first time since 2014.

The target for the first team was to maintain a position in the EFL Championship, with an ultimate aim of returning to the Premier League. Investment was made in new players to assist in those aims with seven first team players signed on permanent contracts over the summer and six further additions during the January transfer window. The sale of Yanic Wildschut in January helped to generate a significant profit on player trading and this contributed to the resulting profit for the year. Unfortunately, results on the pitch were disappointing, three managers took charge of the team over the course of the season and the team was ultimately relegated from the EFL Championship in May 2017.

Income

Turnover increased by £9.3 million or 59% to £25.1 million primarily due to improved Premier League distributions which increased from £11.7 million to £17.7 million. Revenue received from the Premier League in the year relates to parachute payments which were receivable for a period of four years following relegation in 2013. Revenue from the EFL in the year was £2.3 million compared to £0.8 million the previous season due to the team competing in a higher league, and this, combined with a fourth round FA Cup tie at Manchester United, increased match ticket sales from £1.8 million to £3.0 million.

Administrative Expenses

Following our 2015 relegation to League one, the Directors implemented a detailed review of all costs and overheads. Close control over these costs continued in the year to May 2017 and further areas have been identified for improved efficiency. Total expenditure increased by £5.7 million or 29% to £25.4 million due primarily to an increase in player salary costs which remain the most significant operating expense. Total salary costs increased by £4.7 million or 39% to £16.6 million. The Directors remain committed to maintaining wage costs relative to turnover levels whilst at the same time ensuring the Club continue to attract quality playing and management staff to increase the opportunities for success.

Player Trading and Investment

During the year the Company generated a profit from the sale of players of £4.6 million compared to £2.0 million in 2016. The Directors remain committed to ensuring that the Company is not dependant on benefitting from future player sales, but profits from the sale of players has allowed the company to absorb the significant reduction in turnover since relegation from the Premier League in 2013.

During the year the Company invested £2.9 million in new players compared to £4.2 million the previous year. The Directors continue to work with the first team management and player recruitment staff to ensure that the Company work to attract and retain the best football talent available within a sustainable budget.

Profit for the Year

Investment was made in the football playing staff during the year, although financial constraints dictated that this was lower than in recent seasons, and below that of many EFL Championship clubs. The aim was to operate a player trading plan to improve the squad of players, but also to control costs to ensure a break-even position. The sale of Yanic Wildschut at the end of the January transfer window generated a substantial profit and as a result of this, the Company made a net profit for the year of £4.3 million compared to a loss of £2.3 million in the previous year.

**STRATEGIC REPORT – continued
for the Year Ended 31 May 2017**

Future Outlook

Wigan Athletic continues to aspire to achieve the highest possible league position and achieve success in cup competitions whilst at the same time employing prudent financial management.

The 2017/18 season will be the first without Premier League parachute payments and for the past four years this has been the Company's largest proportion of turnover. As a result, an increased level of external funding from shareholders will be required if the Company aspires to compete in the higher levels of English football. The team will be competing in League One with much lower revenues. The Company's cost base, most notably player costs, has been significantly reduced over the past four years to ensure debt levels remain in line with the team's league status and the Company's expected revenue streams. This strategy is balanced with increased focus on player recruitment due diligence and increased investment in academy operations and youth development.

Whilst acknowledging the competitive nature of the EFL, the Company remain committed to close financial management and control over borrowing levels to ensure the long-term financial security of Wigan Athletic.

KEY PERFORMANCE INDICATORS

Key performance indicators are used by the Directors to measure and evaluate the Company's performance and to monitor its various activities. The principal key performance indicators employed in the Company are:-

	2017 £m	2016 £m
Turnover	25.1	15.7
Staff costs	(16.6)	(11.9)
Earnings before interest, taxation, depreciation, amortisation, impairment and profit on sales of player registrations	2.6	(0.9)
Operating loss	(0.6)	(4.3)
Profit on sales of players' registrations	4.6	2.0
Net profit/(loss) before taxation	4.3	(2.3)
Level of net debt: due to bank	(2.3)	(6.0)
: loans from group and associated companies	(13.1)	(18.0)
	2017 Numbers	2016 Numbers
Average league attendance	11,722	9,469
Final league position	23rd	1st

**STRATEGIC REPORT – continued
for the Year Ended 31 May 2017**

RISKS AND UNCERTAINTIES

The Board are responsible for continually assessing the risks applicable to the business.

The key risk and uncertainty affecting the Company is the achievement of football success on the field, in order to maximise its revenue by regaining a position within the EFL Championship, and ultimately promotion to the Premier League. The 2016/17 season was the final season of parachute payments following our relegation from the Premier League. In the seasons that follow the Company will suffer a significant drop in its turnover.

The Company seeks to reduce this performance risk by:

- Utilising modern player recruitment techniques to attract the best players within our resources.
- Continued investment in the Club's Academy to assist the progression of young talented players to the first team.
- Utilising up-to-date analysis and performance measurement tools to assist coaching staff to achieve the highest results possible.

Other risks, including financial constraints, commercial and health and safety issues are managed via regular internal management meetings, the use of professional advisors and information and advice received from the Football Association and the EFL. The Company works closely with its fellow subsidiary, Wigan Football Company Limited, who operate the DW Stadium, in order to ensure that every match held at the DW Stadium fully meets all the health and safety criteria for the operation of football grounds.

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is the cash flow risk in that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The other components of the Company's financial risk are interest rate risk and currency risk.

The Company addresses cash flow risk by carefully managing its working capital inflows and outflows and ensuring, via regular updating of its forecasts, that the necessary facilities are available to finance the working capital position from a combination of funding from its ultimate parent company, Wigan Athletic Holdings Limited, from funds under the control of Mr D Whelan, Director and majority shareholder of the ultimate parent company, and his family, and from the Company's bank facility.

The Company does not consider that the size of its interest rate exposure warrants the hedging of potential interest rate charges, particularly in view of the current relative lack of volatility in interest rates. The Company is exposed to occasional foreign currency exchange risks through its player transactions but does not hedge against this risk because of the infrequency/size of the transactions.

ON BEHALF OF THE BOARD:


.....
J H Jackson - Director

Date: 12/12/17

**REPORT OF THE DIRECTORS
for the Year Ended 31 May 2017**

The Directors present their report with the financial statements of the Company for the year ended 31 May 2017.

PRINCIPAL ACTIVITY

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

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 for the year of £643,274 (2016 - £4,251,907). There were profits on the sale of intangible fixed assets, representing sales of players' registrations, in the year of £4,620,255 (2016 - £2,016,506) and after deducting interest payable and similar charges, the Company's profit for the year before and after taxation was £4,256,253 (2016 - loss of £2,297,228). This amount is to be transferred to reserves and no dividend will be paid (2016 - £nil).

GOING CONCERN

The Company is dependent on financial support by way of loans from its ultimate parent company, from various funds under the control of Mr D Whelan, Director and majority shareholder of the ultimate parent company, and his family and from its bankers. Along with assurances from its ultimate parent company and Mr D Whelan, Barclays Bank have indicated their continuing support, albeit at reduced levels over the coming 12-18 months. On this basis, together with recent trading results and forecasts, the Directors consider it reasonable to rely on the availability and continuance of loans from the ultimate parent company, funds under the control of Mr D Whelan and his family and from the bank facility for it to be appropriate to prepare the financial statements on the going concern basis (see Note 2 to the financial statements).

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 June 2016 to the date of this report.

D J Sharpe
J H Jackson
M J Sharpe

Changes in Directors holding office are as follows:

G J Cook was appointed as a Director after 31 May 2017 but prior to the date of this report.

INTANGIBLE FIXED ASSETS

In accordance with FRS-102, the Company has capitalised fees payable on the transfer of player registrations and management contracts, with an amortisation charge based on the length of these player and management contracts (see notes 2 and 9 to the financial statements).

COMPANY'S POLICY ON EMPLOYEES

The Company is committed to ensuring that it complies with all relevant legislation, in connection with unlawful or unfair discrimination of any kind in its business.

It is the Company's policy to provide opportunities for disabled persons to have meaningful employment in the business and to make its facilities available to disabled supporters as far as possible, within the constraints of a concern for the health and safety of all its staff and customers.

Regular meetings are held involving Directors and management to convey information to employees regarding company performance and other factors affecting the business.

**REPORT OF THE DIRECTORS – continued
for the Year Ended 31 May 2017**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company 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;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 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 Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself 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 at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
L.H. Jackson - Director

Date:12/12/17.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WIGAN ATHLETIC AFC LIMITED (REG NO: 00270043)**

We have audited the financial statements of Wigan Athletic AFC Limited for the year ended 31 May 2017 on pages fourteen to twenty eight. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 eleven, 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the Chairman's report, the Chief Executive's report the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WIGAN ATHLETIC AFC LIMITED (REG NO: 00270043)**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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:12/12/17.....

WIGAN ATHLETIC AFC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 31 May 2017

	Notes	Operations excluding player trading £	Player trading £	2017 Total £	2016 Total £
TURNOVER	3	25,057,907	-	25,057,907	15,744,933
Cost of sales		<u>336,523</u>	<u>-</u>	<u>336,523</u>	<u>329,934</u>
GROSS PROFIT		24,721,384	-	24,721,384	15,414,999
Administrative expenses		<u>22,412,420</u>	<u>2,952,238</u>	<u>25,364,658</u>	<u>19,666,906</u>
OPERATING PROFIT/(LOSS)		2,308,964	(2,952,238)	(643,274)	(4,251,907)
Profit on sale of intangible fixed assets	5	<u>-</u>	<u>4,620,255</u>	<u>4,620,255</u>	<u>2,016,506</u>
		2,308,964	1,668,017	3,976,981	(2,235,401)
Interest receivable and similar income		<u>-</u>	<u>387,038</u>	<u>387,038</u>	<u>124,483</u>
		2,308,964	2,055,055	4,364,019	(2,110,918)
Interest payable and similar charges	6	<u>47,252</u>	<u>60,514</u>	<u>107,766</u>	<u>186,310</u>
PROFIT/(LOSS) BEFORE TAXATION	7	<u>2,261,712</u>	<u>1,994,541</u>	<u>4,256,253</u>	<u>(2,297,228)</u>
Tax on profit/(loss)	8			<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR				<u>4,256,253</u>	<u>(2,297,228)</u>
OTHER COMPREHENSIVE INCOME				<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR				<u>4,256,253</u>	<u>(2,297,228)</u>

PLAYER TRADING

Player trading consists of the amortisation and impairment of the costs of acquiring player registrations and the profit or loss on disposal of player registrations. It also includes interest receivable and payable on the debtors and creditors arising from player transfers payable after one year.

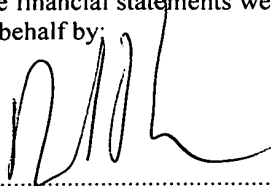
The notes form part of these financial statements

WIGAN ATHLETIC AFC LIMITED

STATEMENT OF FINANCIAL POSITION
31 May 2017

	Notes	2017	2016
		£	£
FIXED ASSETS			
Intangible assets	9	2,642,731	3,901,679
Tangible assets	10	<u>806,974</u>	<u>1,715,028</u>
		3,449,705	5,616,707
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	6,981,098	8,041,631
Debtors: amounts falling due after more than one year	11	-	1,323,991
Cash at bank		<u>419,352</u>	<u>763,728</u>
		7,400,450	10,129,350
CREDITORS			
Amounts falling due within one year	12	<u>22,164,182</u>	<u>31,535,457</u>
NET CURRENT LIABILITIES		<u>(14,763,732)</u>	<u>(21,406,107)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(11,314,027)	(15,789,400)
CREDITORS			
Amounts falling due after more than one year	13	<u>434,745</u>	<u>215,625</u>
NET LIABILITIES		<u>(11,748,772)</u>	<u>(16,005,025)</u>
CAPITAL AND RESERVES			
Called up share capital	18	48,131,250	48,131,250
Share premium	19	944,298	944,298
Capital redemption reserve	19	21,717	21,717
Retained earnings	19	<u>(60,846,037)</u>	<u>(65,102,290)</u>
SHAREHOLDERS' FUNDS		<u>(11,748,772)</u>	<u>(16,005,025)</u>

The financial statements were approved by the Board of Directors on 12.12.17 and were signed on its behalf by:



.....
D J Sharpe – Chairman

The notes form part of these financial statements

WIGAN ATHLETIC AFC LIMITED

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 May 2017**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 June 2015	48,131,250	(62,805,062)	944,298	21,717	(13,707,797)
Changes in equity					
Total comprehensive loss	-	(2,297,228)	-	-	(2,297,228)
Balance at 31 May 2016	<u>48,131,250</u>	<u>(65,102,290)</u>	<u>944,298</u>	<u>21,717</u>	<u>(16,005,025)</u>
Changes in equity					
Total comprehensive income	-	4,256,253	-	-	4,256,253
Balance at 31 May 2017	<u>48,131,250</u>	<u>(60,846,037)</u>	<u>944,298</u>	<u>21,717</u>	<u>(11,748,772)</u>

The notes form part of these financial statements

WIGAN ATHLETIC AFC LIMITED

**STATEMENT OF CASH FLOWS
for the Year Ended 31 May 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	3,106,624	(1,145,326)
Interest paid		<u>(47,252)</u>	<u>(146,799)</u>
Net cash from operating activities		<u>3,059,372</u>	<u>(1,292,125)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(4,377,322)	(4,885,114)
Purchase of tangible fixed assets		(344,352)	(86,360)
Sale of intangible fixed assets		8,977,916	8,505,498
Sale of tangible fixed assets		<u>990,010</u>	<u>7,500</u>
Net cash from investing activities		<u>5,246,252</u>	<u>3,541,524</u>
Cash flows from financing activities			
Increase in loan from ultimate parent		6,250,000	-
Decrease in loan from fellow subsidiary		(900,000)	-
(Decrease)/increase in loans from associated undertakings		(10,250,000)	2,000,000
Decrease in bank loan		<u>(3,750,000)</u>	<u>(4,000,000)</u>
Net cash from financing activities		<u>(8,650,000)</u>	<u>(2,000,000)</u>
(Decrease)/increase in cash and cash equivalents		<u>(344,376)</u>	<u>249,399</u>
Cash and cash equivalents at beginning of year	2	<u>763,728</u>	<u>514,329</u>
Cash and cash equivalents at end of year	2	<u><u>419,352</u></u>	<u><u>763,728</u></u>

The notes form part of these financial statements

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 31 May 2017**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017 £	2016 £
Profit/(loss) before taxation	4,256,253	(2,297,228)
Depreciation of tangible fixed assets	176,757	132,984
Loss on disposal of fixed assets	85,639	-
Impairment of intangible fixed assets	976,622	1,046,332
Amortisation of intangible fixed assets	1,975,616	2,175,157
Profit on sale of intangible fixed assets	(4,620,255)	(2,016,506)
Finance costs	107,766	186,310
Finance income	<u>(387,038)</u>	<u>(124,483)</u>
	2,571,360	(897,434)
(Increase)/decrease in trade and other debtors	(363,889)	897,763
Increase/(decrease) in trade and other creditors	<u>899,153</u>	<u>(1,145,655)</u>
Cash generated from operations	<u><u>3,106,624</u></u>	<u><u>(1,145,326)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 May 2017

	31/5/17 £	1/6/16 £
Cash and cash equivalents	<u><u>419,352</u></u>	<u><u>763,728</u></u>

Year ended 31 May 2016

	31/5/16 £	1/6/15 £
Cash and cash equivalents	<u><u>763,728</u></u>	<u><u>514,329</u></u>

The notes form part of these financial statements

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2017

1. STATUTORY INFORMATION

Wigan Athletic AFC Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office can be found on page one.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

The Company recorded a net profit of £4,256,253 after profit on player trading of £4,620,255 during the year ended 31 May 2017 and had net liabilities of £11,748,772 at that date. As in prior years, financial performance is at least partly dependent on the level of player sales and acquisitions.

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

- Profit and loss and cashflow forecasts have been prepared for a 24 month period until 31 May 2019, which indicate that, subject to the cost level of player purchases and sales, any pre-taxation losses will be capable of being financed by additional loan funding from the ultimate parent company, funds under the control of Mr D Whelan, Director and majority shareholder of the ultimate parent company, and his family, and from the bank facilities.

- Meetings have been held with representatives of Barclays Bank Plc and, subject to periodic reviews, the Bank has indicated their continuing support, albeit at reduced levels over the coming 12-18 months.

On this basis, the Directors believe the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors consider it reasonable to rely on the funding from the ultimate parent company, Mr D Whelan and his family and the bank facilities to provide the working capital requirements of the Company and that it is therefore appropriate to prepare the financial statements on a going concern basis.

The financial statements include the results of the Company's principal activity described in the Report of the Directors, which is continuing.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2017

2. ACCOUNTING POLICIES- continued

Turnover

Turnover represents income receivable from the Company's principal activity of operating a professional football club and is net of Value Added Tax. Match day revenue is recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are recognised as games are played.

Player registration fees, signing on fees and agent fees

Transfer fees for player registrations are capitalised as intangible fixed assets and are amortised on a straight line basis over the period of the respective player contracts.

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

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

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

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any impairment losses.

Depreciation 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.

Freehold buildings	- 1% on cost
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

Impairment of tangible fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of each reporting period. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in the profit or loss in the period in which they arise.

Leases

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Repairs and ground maintenance

All expenditure is written off as incurred.

Grants

Revenue grants are credited to the profit or loss 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.

Financial instruments

Short term financial assets, including trade debtors and debtors arising from player transfers are measured at transaction price less any impairment.

Short term financial liabilities, including trade creditors, creditors arising from player transfers and bank loans are measured at transaction price. Group loans and associated undertaking loans (being repayable on demand) are measured at the undiscounted amount due.

Financial assets and liabilities payable after one year are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

3. TURNOVER

The turnover is attributable to the one principal activity of the Company.

	2017	2016
	£	£
Premier League central distributions	17,690,168	11,711,576
EFL central distributions	2,279,801	828,661
Ticket sales	3,019,244	1,772,536
Cup competition broadcasting and prize money	229,911	44,000
Sponsorship, commercial and hospitality	1,134,642	975,016
Other	704,141	413,144
	<u>25,057,907</u>	<u>15,744,933</u>

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017**

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Salaries and wages	14,981,916	10,559,218
National insurance	<u>1,608,641</u>	<u>1,369,403</u>
	<u>16,590,557</u>	<u>11,928,621</u>

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

	2017 No	2016 No
First team players	32	29
Reserve and youth players	31	30
Coaching and medical staff	15	15
Academy coaching and medical staff	36	32
Administration and support staff	34	29
Matchday staff	<u>12</u>	<u>12</u>
	<u>160</u>	<u>147</u>

	2017 £	2016 £
Directors' remuneration	<u>-</u>	<u>-</u>

In addition, J H Jackson received remuneration for his services as Chief Executive. This amount is included within salaries and wages above.

5. PROFIT ON SALE OF INTANGIBLE FIXED ASSETS

	2017 £	2016 £
Profit on sale of players' registrations	<u>4,620,255</u>	<u>2,016,506</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank interest	47,252	146,799
Other interest	<u>60,514</u>	<u>39,511</u>
	<u>107,766</u>	<u>186,310</u>

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2017

7. PROFIT/(LOSS) BEFORE TAXATION

The profit/(loss) before taxation is stated after charging:

	2017	2016
	£	£
Amortisation of intangible fixed assets	1,975,616	2,175,157
Depreciation of tangible fixed assets	176,757	132,984
Impairment of intangible fixed assets	976,622	1,046,332
Agents fees	871,646	542,692
Premier League youth development costs	843,615	477,416
Other operating leases	228,671	25,000
Auditors' remuneration - audit fees	17,500	17,500
- taxation fees	6,620	3,596
	<u>6,620</u>	<u>3,596</u>

8. TAXATION

Tax on profit/(loss)

No liability to UK corporation tax arose for the year ended 31 May 2017 nor for the year ended 31 May 2016.

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 £8.1million, calculated at the tax rates expected to apply at a point in the future if timing differences do then reverse. The asset could be recovered if sufficient taxable trading profits arose in the future.

Reconciliation of total tax charge included in profit and loss

The difference between the total tax charge at the standard rate of corporation tax, compared to the nil taxation charge in the accounts is explained below:

	2017	2016
	£	£
Profit/(loss) before tax	<u>4,256,253</u>	<u>(2,297,228)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19.830% (2016 - 20%)	844,015	(459,446)
Effects of:		
Adjustments to brought forward values	-	(74,376)
Other permanent differences	99	963
Fixed asset differences	25,685	7,815
Expenses not taxable for tax purposes	-	78
Deferred tax not recognised	(1,265,840)	(515,632)
Adjust closing deferred tax rate	1,349,685	1,040,598
Adjust opening deferred tax rate	<u>(953,644)</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017**

9. INTANGIBLE FIXED ASSETS

	Player and management registration fees £
COST	
At 1 June 2016	8,082,997
Additions	2,915,500
Disposals	<u>(3,990,000)</u>
At 31 May 2017	<u>7,008,497</u>
AMORTISATION	
At 1 June 2016	4,181,318
Charge for year	1,975,616
Eliminated on disposal	<u>(2,767,790)</u>
Impairments	<u>976,622</u>
At 31 May 2017	<u>4,365,766</u>
NET BOOK VALUE	
At 31 May 2017	<u><u>2,642,731</u></u>
At 31 May 2016	<u><u>3,901,679</u></u>

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Short leasehold land and buildings £	Fixtures and fittings £
COST			
At 1 June 2016	1,087,981	1,015,360	626,078
Additions	638	79,862	141,246
Disposals	<u>(1,088,619)</u>	<u>-</u>	<u>-</u>
At 31 May 2017	<u>-</u>	<u>1,095,222</u>	<u>767,324</u>
DEPRECIATION			
At 1 June 2016	12,970	550,142	537,363
Charge for year	-	43,866	69,724
Eliminated on disposal	<u>(12,970)</u>	<u>-</u>	<u>-</u>
At 31 May 2017	<u>-</u>	<u>594,008</u>	<u>607,087</u>
NET BOOK VALUE			
At 31 May 2017	<u><u>-</u></u>	<u><u>501,214</u></u>	<u><u>160,237</u></u>
At 31 May 2016	<u><u>1,075,011</u></u>	<u><u>465,218</u></u>	<u><u>88,715</u></u>

WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017**

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 June 2016	175,858	448,676	3,353,953
Additions	82,567	40,039	344,352
Disposals	<u>-</u>	<u>-</u>	<u>(1,088,619)</u>
At 31 May 2017	<u>258,425</u>	<u>488,715</u>	<u>2,609,686</u>
DEPRECIATION			
At 1 June 2016	160,329	378,121	1,638,925
Charge for year	27,496	35,671	176,757
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(12,970)</u>
At 31 May 2017	<u>187,825</u>	<u>413,792</u>	<u>1,802,712</u>
NET BOOK VALUE			
At 31 May 2017	<u>70,600</u>	<u>74,923</u>	<u>806,974</u>
At 31 May 2016	<u>15,529</u>	<u>70,555</u>	<u>1,715,028</u>

11. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	391,643	362,959
Debtors arising from player transfers	4,393,409	6,204,869
VAT	102,634	-
Prepayments and accrued income	<u>2,093,412</u>	<u>1,473,803</u>
	<u>6,981,098</u>	<u>8,041,631</u>
Amounts falling due after more than one year:		
Debtors arising from player transfers	<u>-</u>	<u>1,323,991</u>
Aggregate amounts	<u>6,981,098</u>	<u>9,365,622</u>

-WIGAN ATHLETIC AFC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 14)	2,250,000	6,000,000
Trade creditors	929,492	774,687
Creditors arising from player transfers	1,447,744	3,128,686
Social security and other taxes	585,726	528,068
Other creditors	2,008	-
Loans from associated undertakings	600,000	10,850,000
Other loans	1,787,250	1,787,250
Loan from fellow subsidiary	-	900,000
Loan from ultimate parent company	10,741,694	4,491,694
Deferred income	-	330,623
Accrued expenses	<u>3,820,268</u>	<u>2,744,449</u>
	<u>22,164,182</u>	<u>31,535,457</u>

All the loans are unsecured, interest free and are deemed to be repayable on demand.

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

	2017	2016
	£	£
Creditors arising from player transfers	<u>434,745</u>	<u>215,625</u>

14. BANK LOAN

An analysis of the maturity of the loan is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank loan	<u>2,250,000</u>	<u>6,000,000</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	25,000	29,817
Between one and five years	100,000	100,000
In more than five years	<u>408,333</u>	<u>433,333</u>
	<u>533,333</u>	<u>563,150</u>

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2017

16. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank loan	<u>2,250,000</u>	<u>6,000,000</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. The ultimate parent company has provided an unlimited guarantee to the bank on behalf of the Company, which is supported by a limited personal guarantee provided by Mr D Whelan, a Director and majority shareholder of the ultimate parent company.

17. FINANCIAL INSTRUMENTS

The carrying value of the Company's financial instruments are as follows:

	2017 £	2016 £
Financial assets		
Cash and cash equivalents	419,352	763,728
Measured at amortised cost	<u>4,785,052</u>	<u>7,891,819</u>
Financial liabilities		
Measured at amortised cost	<u>18,190,925</u>	<u>28,147,942</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
262,500	Ordinary	50p	131,250	131,250
48,000,000	Preferred Ordinary	£1	<u>48,000,000</u>	<u>48,000,000</u>
			<u>48,131,250</u>	<u>48,131,250</u>

19. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 June 2016	(65,102,290)	944,298	21,717	(64,136,275)
Profit for the year	<u>4,256,253</u>	-	-	<u>4,256,253</u>
At 31 May 2017	<u>(60,846,037)</u>	<u>944,298</u>	<u>21,717</u>	<u>(59,880,022)</u>

The retained earnings reserve includes all current and prior period retained profits and losses.

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of the shares are deducted from share premium.

20. ULTIMATE PARENT COMPANY

The ultimate parent company is Wigan Athletic Holdings Limited, a company registered in England and Wales and under the control of Mr D Whelan and other family members.

WIGAN ATHLETIC AFC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 May 2017

21. CONTINGENT LIABILITIES

There are contractual obligations to pay players and management staff 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. The maximum unprovided liability amounts to £768,500 (2016 - £2,057,500).

The Company has received an assessment for the payroll taxes on a player on loan during 2008/2009 from the tax authorities in the Netherlands for €390,835 plus interest. The PAYE/Ni due on the players wages were previously paid by the Company to H M Revenue & Customs. The matter is currently under appeal and in compliance with section 21 of FRS 102 there are no amounts provided for in these accounts.

The Company has received an assessment from HMRC for the payroll taxes on a payment made to an EFRBS on behalf of a previous employee during 2009/2010. There is an indemnity in place regarding PAYE/NIC however the Company may become liable for employer's NIC of £207,000. The matter is currently under appeal and in compliance with section 21 of FRS 102 there are no amounts provided for in these accounts.

22. OTHER FINANCIAL COMMITMENTS

The Company has a 25 year renewable licence to use the DW Stadium, at costs determined by match revenues. The stadium is owned by Wigan Football Company Limited, a fellow subsidiary undertaking, whose ultimate parent company is the same as that of the Company.

23. RELATED PARTY DISCLOSURES

Transactions with fellow subsidiary undertaking

During the year the Company has been charged an amount of £1,001,080 (2016 - £864,986) by a fellow subsidiary undertaking in respect of stadium hire for football matches and related match day expenses. At 31 May 2017 there is an amount of £188 (2016 - £31) owed which is included in trade creditors.

Loan from fellow subsidiary undertaking

During the year the Company had loan transactions with a fellow subsidiary undertaking as follows: loans repaid of £900,000. At 31 May 2017 there is an amount of £Nil (2016 - £900,000) owing to a fellow subsidiary undertaking.

Loans from associated undertakings

During the year the Company had loan transactions with associated companies as follows: loans repaid of £10,250,000. At 31 May 2017 there is an amount of £600,000 (2016 - £10,850,000) owing to associated undertakings.

Loan from ultimate parent company

During the year the Company had loan transactions with the ultimate parent company as follows: loans received of £6,250,000. At 31 May 2017 there is an amount of £10,741,694 (2016 - £4,491,694) owing to the ultimate parent company.

Other loan

At 31 May 2017 there is an amount of £1,786,250 (2016 - £1,786,250) owing to The Trustees of the Whelan Family Bare Trust.