



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 0 2 7 0 0 4 3

Company name in full Wigan Athletic A.F.C. Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Paul

Surname Stanley

3 Administrator's address

Building name/number 340 Deansgate

Street Manchester

Post town M3 4LY

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Dean

Surname Watson

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 340 Deansgate

Street Manchester

Post town M3 4LY

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d <div>0</div>	^d <div>1</div>	^m <div>0</div>	^m <div>7</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>0</div>
To date	^d <div>3</div>	^d <div>1</div>	^m <div>1</div>	^m <div>2</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>0</div>

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d <div>1</div>	^d <div>5</div>	^m <div>0</div>	^m <div>1</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>1</div>
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Sam Litchfield**

Company name **Begbies Traynor (Central) LLP**

Address **340 Deansgate**

Manchester

Post town **M3 4LY**

County/Region

Postcode

Country

DX

Telephone **0161 837 1700**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Gerald Maurice

Surname

Krasner

3 Insolvency practitioner's address

Building name/number

4th Floor

Street

Cathedral Buildings

Post town

Dean Street

County/Region

Newcastle upon Tyne

Postcode

N E 1 1 P G

Country

Paul Stanley, Dean Watson and Gerald M Krasner were appointed joint administrators on 1 July 2020

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Wigan Athletic A.F.C. Limited (In Administration)

Progress report of the joint administrators

Period: 1 July 2020 to 31 December 2020

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company" and "the Club"	Wigan Athletic A.F.C. Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 1 July 2020
"the administrators" "we" "our" and "us"	Paul Stanley, Dean Watson and Gerald M Krasner of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986
"the EFL"	English Football League (The Football League Limited)

2. STATUTORY INFORMATION

Name of Company	Wigan Athletic A.F.C. Limited
Trading name(s):	Wigan Athletic
Date of Incorporation:	8 November 1932
Company registered number:	00270043
Company registered office:	C/O Begbies Traynor, 340 Deansgate, Manchester, M3 4LY

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Paul Stanley, Dean Watson and Gerald M Krasner, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
Date of administrators' appointment:	1 July 2020
Court:	Business and Property Courts in Manchester, Insolvency & Companies List (ChD)
Court Case Number:	CR-2020-MAN-000677
Persons making appointment / application:	the directors of the Company
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	There have been no previous extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Income and Expenditure

Attached at Appendix 1 is our abstract of income and expenditure for the period from 1 July 2020 to 31 December 2020.

INCOME

Player Sales

A total of £9,269,000 has been received in relation to player sales.

In connection with the vast majority of player sales made in the period of administration, the sale contract provides for contingent transfer fees payable under various conditions, which could, at a maximum, realise £5m over a 5 year period. There is however no guarantee that any of these monies will be recovered and in the event of a successful sale, these will be received by the purchaser.

Loan Fees and Contingent Fees Received

The Club has had a number of players out on loan at other clubs. A total of £336,754 has been received from the respective clubs in relation to loan fees due.

A total of £575,398 has been received from various clubs in relation to contingent transfer fees due following player sales completed prior to our appointment.

EFL

£1,730,007 have been received from the EFL throughout the period of our appointment in respect of the following:

Basic Award	£422,400
Academy Funding	£393,329
Premier League Grant	£375,000
Parachute Payment	£304,140
Solidarity Payment	£222,263
General	£12,875

Shop Sales

The retail store has continued to accept and process orders both in store and online following our appointment. Funds flow through from PayPal to the Company's former bank account with Barclays, and those funds are then transferred to the Joint Administrators.

During the period, a total of £145,836 has been received.

Book Debts

During the period, a total of £20,510 has been received.

Player Food Contribution

Payroll deductions totalling £9,331 have been received in relation to player food contributions as part of individual player contracts.

Cash at Bank

As outlined in the Joint Administrators' Statement of Proposals ("the Proposals"), £221,445 was received from Barclays following appointment.

Following our appointment, certain funds were withheld by Barclays in relation to potential chargebacks with regard to season ticket purchases. The Joint Administrators will liaise with Barclays in relation to that balance to establish whether further funds may be released for the benefit of the administration.

Rates Refund

A refund of £5,031 was received from Chorley Borough Council during the period.

Cash in Hand

Cash totalling £11,904 was held on site following the appointment of the Joint Administrators.

Sundry Refunds

A refund of £143 was received from BT following the sale of the Euxton Training Ground.

TV / Streaming

During the period, funds have been received from Sky TV, the EFL iFollow service, BBC and Stream AMG Media ("Stream") in relation to the matches either shown on TV or made available to stream online.

The total received during the period amounts to £280,762.

Football Revenue

Funds of £37,943 have been received in relation to compensation received from the EFL under Article 46.1 for the rearrangement of a home fixture in the 2019-20 season, and in relation to the Club's participation in the EFL Trophy in the 2020-21 season.

Furlough Monies Received

As outlined in the Proposals, a number of employees were on furlough at the time of our appointment. We have continued to utilise the furlough scheme throughout our appointment where necessary.

During the period, a total of £158,207 has been received from HMRC.

For the avoidance of doubt, all furlough monies received by us have been utilised to pay those staff on furlough in line with the applications made.

EXPENDITURE

The Proposals outlined certain payments that had been made out of funds generously donated by the Wigan Athletic Supporters Club.

For the purposes of the Income & Expenditure Account, the costs previously listed under 'Supporters Club' have been allocated to the various categories detailed below, and have been paid out of funds realised within the administration.

The funds received from the Supporters Club totalling £134,390 (£37,000 has also been contributed to Wigan Football Company Limited) are not being treated as income at this stage, and are held in the Company's bank account. In the event that the sale of the Football Club is successful these funds will be repaid in full.

FOOTBALL CREDITORS

Football Creditors totalling £5,960,456 have been paid during the period, broken down as follows:

Transfer Fees

Following the sale of players, outstanding transfer fees to other clubs have been settled.

A total of £3,577,500 has been paid. All known football creditors in relation to outstanding transfer fees have now been paid in full. The majority of these funds were held by the EFL following the sale of players and paid to the club that were owed transfer fees.

Contingent Transfer Fees

Various contingent transfer fees have been paid in relation to appearances made, goals scored and various sell on clauses.

A total of £313,542 has been paid. All known football creditors in relation to contingent fees have now been paid in full.

Loan Fees

Various loan fees relating to both the period prior to and during administration have been paid.

A total of £902,297 has been paid. All known football creditors in relation to loan fees have now been paid in full.

EFL – Covid Testing

A total of £99,708 has been paid in relation to the mandatory Covid testing carried out.

EFL – Loan

A total of £304,140 has been paid to the EFL in relation to a loan provided to the club pre-administration. This was deducted from the parachute payment due to the club by the EFL. A further amount of c£280,000 is payable to the EFL in respect of the loan.

Signing on Fees

Signing on fees totalling £148,173 became due in September. All known football creditors in relation to signing on fees have now been paid in full.

On our appointment, significant amounts were due to be paid to various player for signing on fees. Following negotiations, the majority of players have agreed to waive the amounts due under contracts to secure a move.

Wage Deferrals

A number of senior staff and playing staff agreed to a 30% wage deferral earlier in 2020 following the suspension of football due to the pandemic.

These deferrals have been paid in line with the agreements totalling £615,096.

TRADING EXPENDITURE

All figures listed below are exclusive of VAT.

Shop Stock

Stock totalling £42,055 has been purchased for sale in the club shop since appointment.

Playing and Training Kits

A total of £26,592 has been paid to Puma in relation to various kits purchased from them.

Match Officials

The club makes payment direct to Match Officials for any Academy games. During the period a total of £6,484 has been paid.

Players Medical Insurance

A total of £76,422 has been paid to Health Partners Europe and PL Medical Care in respect of the players' medical insurance throughout our appointment.

Repairs and Maintenance

A total of £2,859 has been paid in relation to various maintenance required on site.

Sundry Expenses

Sundry Expenses totalling £484 have been paid from petty cash.

Vehicle Running Costs

A total of £1,689 has been paid in relation to the ongoing running costs of the vehicles owned by the Company, including fuel, vehicle tax and MOT costs.

Streaming Costs

As outlined above, funds have been received in relation to television and online streaming. Any games streamed online are streamed through Stream who take a percentage of income on a monthly basis before accounting to the Company for the balance.

During the period a total of £6,294 has been paid to Stream.

IT/Software

Costs totalling £1,519 have been paid to Touch Retail in relation to the till software utilised in the club shop.

Franking Machine

£16,834 has been paid to Pitney Bowes in relation to the utilisation of the franking machine to mail out shop orders during the period of our appointment.

Club Website

£38,400 has been paid to Urban Zoo, the club website host, in the period.

Vehicle Leases

The club has a number of vehicles on lease with Westwood Motor Group ("Westwood"). During the period a total of £25,487 has been paid in relation to the vehicles.

Any vehicles not required have been returned to Westwood.

Professional Expenses

£1,500 was paid to Conflict International in relation to their assistance provided in relation to the investigations undertaken.

Media Costs

A total of £14,924 has been paid to Appeal PR and Sugar PR for their assistance provided throughout appointment.

Food Costs

During the period a total of £22,859 has been paid to Ribble Farm, BM Wholesale and Yew Tree Dairy in relation to food purchased for the First Team and Academy.

Ambulance Costs

We are required to have ambulances present at matches for health and safety reasons. During the period, a total of £14,399 has been paid to North West Ambulance and St John's Ambulance in relation to their services.

General Running Costs

Various trading costs relating to portacabin hire, photocopiers, shop artwork and other day to day items totalling £20,204 have been paid during the period.

Travel & Hotel – First Team & Academy

During the period, a total of £102,567 has been paid in travel and hotel costs in relation to the following:

- Coach hire / rail tickets for first team and academy away matches
- Hotel accommodation and meals for first team and academy away matches
- Accommodation for loan players

Agents Fees – Football

As outlined in the Proposals, Yatin Patel of Keith Harris and Partners (“the Agent”) was instructed by the Joint Administrators to provide advice and assistance in relation to the various player sales.

To date, £120,000 has been paid to the Agent. Any further payments to the Agent will be subject to the successful sale of the Football Club.

Appeal Costs – Counsel Fees

As outlined in the Proposals, the Joint Administrators appealed the 12 point deduction imposed by the EFL following the clubs entry into administration.

As the appeal was unsuccessful, certain costs incurred by the EFL also had to be paid by the Company.

During the period, Counsel Fees and professional costs of £228,038 were paid in relation to the appeal, split as follows:

League Arbitration Panel	£28,220
EFL costs	£81,613
Counsel Fees incurred by the Club	£119,000

Appeal Costs – Legal Fees

As outlined in the Proposals, Walker Morris were instructed by the Joint Administrators to assist with various legal matters throughout appointment.

During the period, £175,000 has been paid in relation to their costs incurred in assisting with the appeal against the points deduction imposed.

Joint Administrators’ Pre-Appointment Fees

As outlined in the Proposals, the Joint Administrators incurred time costs of £12,232 prior to their appointment. The costs incurred have been approved by creditors, and have been discharged in the period.

Rent

A total of £33,027 has been paid during the period in relation to the ongoing rental of the Soccerdome facility along with additional pitch hire from Wigan Warriors for the Academy.

Contribution to Costs – Wigan Football Company Limited

Wigan Football Company Limited (“WFCL”) also entered into administration on 1 July 2020. WFCL owns the stadium where the Club is based and employs staff whose function is essential in relation to the day to day running of the football club.

As a result, £128,850 has been paid to WFCL as a contribution to costs incurred by that company.

Staff Expenses

A total of £6,773 has been paid in relation to various staff expenses incurred in line with the Company’s expenses policy.

Crowd Doctor

As part of the club’s health and safety requirements, a crowd doctor must be present at each fixture. During the period a total of £5,150 has been paid.

Stationery & Postage

A total of £943 has been paid out of petty cash in relation to stationery and postage costs incurred during the period.

Player Welfare

Payments totalling £64,846 have been paid during the period in relation to the following:

- Club Doctor
- Academy Doctor
- External chiropractor
- Mandatory Cardiac Screening

Kit Printing

£5,330 has been paid to Elms Marketing during the period in relation to the various kit printing requirements for the first team and retail kits.

Loan Fees

Loan fees totalling £56,544 have been paid to various clubs during the period in relation to players on loan.

Statutory Advertising

£95 has been paid to Courts Advertising in relation to the advert that must be placed in the London Gazette following the appointment of the Joint Administrators.

Football Running Costs

A total of £70,065 has been paid in relation to other football related costs since our appointment including but not limited to:

- LED Boards surrounding the pitch on matchday
- Commentary fees for matches streamed online
- First team medical and training supplies
- Photography services
- Various software utilised by the first team regarding player performance
- Pitch maintenance at the DW Stadium and Christopher Park
- Host families for Academy players
- PFA Subscriptions

Wages and Salaries

The Proposals outlined certain payments made in respect of wages due for June (prior to our appointment) and certain payments made in respect of wages due for July.

For the purposes of the Receipts and Payments Account, the pre and post appointment wages paid have been split.

During the period, a total of £3,597,672 has been incurred.

Pre-Appointment Wages & Salaries

A total of £778,110 has been paid in relation to wages that became due prior to our appointment.

Bank Charges

Bank charges of £2,106 have been incurred during the period.

Pensions

As part of the EFL's requirements, the club must make monthly contributions to a pension scheme. During the period a total of £1,937 has been paid.

Insurance Costs

Creditors should note that although no insurance costs have been paid in this period, we have incurred costs of c.£7,500 in relation to motor vehicle insurance, along with the ongoing costs of Eddisons Insurance Services Limited ("EISL") (any fees paid to EISL will be treated as a Category 2 Disbursement).

In addition to the above, EISL are acting for the Joint Administrators in relation to a potential business interruption claim as a result of the Covid-19 pandemic. The outcome of this claim along with any associated costs will be detailed in our next progress report.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have provided a general description of the work that has been undertaken on this case and has been charged to those specific areas.

Further below, we have provided specific details of all work carried out since appointment and provided additional details where necessary.

Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Time charged to 'General case administration and planning' in the period of this report will include work of this nature, as well as:

- Sundry tasks such as photocopying and filing
- Emails between administrators, staff and the various parties involved in the administration
- Ongoing discussions in relation to the day to day running of the Football Club with the retained employees and any other party
- Regular case reviews in line with our requirements

Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and The Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession. This includes the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value to insure the sums realised and the issuing of periodic reports on the progress of the insolvency to creditors.

Time charged to this area includes:

- Preparation and submission of the statutory documentation required following appointment
- Preparation and submission of Joint Administrators Proposals

- Preparation of six monthly progress report
- Calculation and regular reviews of the bonding level to ensure a bond was in place covering the value of the Company's assets

Investigations

The Joint Administrators and their staff have undertaken their investigations in compliance with Statement of Insolvency Practice 2 in relation to the conduct of the directors prior to our appointment as Joint Administrators. Further details in relation to the specific work carried out in relation to any investigations may be found below.

Realisation of assets

The primary duty of an Insolvency Practitioner is to identify and realise the value of an insolvent company's property for the benefit of creditors.

As creditors are aware, in order to secure the future of the football club in the first instance, certain player sales were required in order to generate sufficient revenue to meet the day to day running costs of the Football Club and to ensure that all wages could be paid in full and on time each month.

Creditors will also be aware from the Proposals that we have been making efforts to conclude a sale of the Football Club throughout the period of our appointment.

Further details in relation to player sales, the sale of the Football Club and asset realisation in general may be found below.

Trading

Following appointment, the Joint Administrators and their staff maintained a daily presence at the DW Stadium to assist with the day to day running of the Football Club (prior to the national lockdown being imposed). Significant time has been charged to 'Trading' during the period which relates to the various day to day tasks involved with the running of the Football Club.

Significant time has been incurred in liaising with interested parties and dealing with the aborted sale.

Dealing with all creditors' claims (including employees), correspondence and distributions

Insolvency Practitioners will need to deal with the claims of creditors during the course of their time in office, which will include the recording of those claims together with the provision of ad hoc updates to creditors and dealing with general queries from those creditors and employees. When funds allow, the Insolvency Practitioner will make distributions to creditors in accordance with the specified order of priority governing secured claims, preferential claims and unsecured claims.

During the period, the Joint Administrators and their staff have spent time in relation to the following:

- Dealing with various queries and requests for updates from a large number of creditors
- Logging any new claims received to ensure that our records remain up to date
- Submission of forms RP14 and RP14a to the Redundancy Payments Service, and assisting with the various issues arising in relation to claims for arrears of wages, holiday pay, redundancy and notice
- Protracted correspondence with the Redundancy Payments Service in relation to those claims

Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

During the period, time has been spent:

- Seeking a decision of creditors in relation to the Proposals, the Joint Administrators remuneration, disbursements and discharge from liability
- Establishing the position in relation to Corporation Tax to see whether there may be any claims to be made by way of Terminal Loss Relief
- Reviewing the claim of HM Revenue & Customs ("HMRC")
- Liaising with HMRC in relation to post-appointment VAT returns that need to be submitted

Action taken immediately following appointment

- As required by the Act, we have filed our Notice of Appointment at Companies House, advertised our appointment in the London Gazette and served formal notice on the Company. HMRC were also notified of our appointment.
- All known creditors were written to as soon as was reasonably practicable following our appointment. A letter was sent confirming our appointment, and a dedicated telephone line and email address were set up for any queries
- On the date of appointment, the Joint Administrators attended the DW Stadium with a view to formulating an immediate strategy in relation to the running of the football club and the impact of the administration. The head of finance was engaged at an early stage and assisted in providing some key financial information to enable an initial strategy to be formulated
- Discussions also took place with the management teams in relation to potential redundancies due to the financial position of the football club. With the assistance of the management team and the club's existing HR department, a number of redundancies were made for economic reasons, and guidance was provided to all of the redundant employees in relation to their ability to make a claim for arrears of wages, holidays, redundancy pay and notice pay.
- Discussions with the first team players manager in relation to the need to fulfil the remaining fixtures and to explain the impact of the administration
- Liaised with Barclays, the Company's former bankers in relation to the funds held in the Company's bank account, and to arrange for a transfer of those funds to enable staff wages to be paid.

General actions taken throughout appointment

In addition to the above, we have also carried out the following:

- Opened a designated case bank account and arranged for the transfer of any funds that had been paid into the Begbies Traynor Client Account to be moved to that account
- Calculation of bond required for the Joint Administrators to cover the value of the Company's assets
- Attending the DW Stadium on a daily basis to continue to deal with all day-to-day aspects of the trading of the football club alongside the retained employees
- Liaising with UK and overseas directors in relation to initial investigations, conduct questionnaires, submission of Statement of Affairs and ongoing running of the football club
- Submission of forms RP14 and RP14a to the Redundancy Payments Service, and assisting with the various issues arising in relation to claims for arrears of wages, holiday pay, redundancy and notice
- Liaising with our insurers in relation to our ongoing insurance requirements, and ensuring monthly insurance payments are made where necessary
- Communications with the Council in relation to licencing provisions and other issues arising as a result of our appointment
- Responding to a large volume of creditor queries and logging claims received
- Dealing with a number of fanbase enquiries, including those who have provided useful information in respect of the questions around the circumstances leading up to the appointment of administrators
- Significant time has been spent dealing with Walker Morris Solicitors in relation to a number of aspects including
 - Preparation of various documents required for the 'data room' to provide to interested parties
 - Dealing with all player sales on our behalf
 - Queries regarding employment issues, including furlough, redundancy and 'worker' status
 - Advice relating to our ongoing investigations into the conduct of the directors
 - Preparation of a large volume documents relating to the Appeal against the 12 point deduction issued by the EFL

- Liaising on a regular basis in connection with the EFL Fit and Proper Persons test, and the various other documents required in relation to the proposed sale of the Football Club
- General advice relating to the administration
- In addition to dealing with Walker Morris above, we have also engaged with Counsel throughout and have been heavily involved in the preparation of various arguments and high level discussions in relation to the appeal
- Preparation of Joint Administrators' proposals and associated paperwork
- Authorisation and payment of a high volume of invoices on a daily basis throughout the period in relation to the day to day running of the football club
- Payment of wages on a 4 weekly basis
- Daily emails and discussions with various staff members to deal with various ongoing issues including but not limited to:
 - HR issues in relation to redundancies, retained employees, leavers and general matters
 - Discussions with the club shop manager in relation to stock requirements, sales and other matters generally
 - Daily correspondence with the finance team in relation to the payment of day to day trading invoices (all of which must be paid via the Joint Administrators' bank account and must go through a 'Purchase Order' process with the Company's accounts team in the first instance), wage payments, debtor invoices and other finance matters generally
 - Daily correspondence with the operations team in relation to ongoing health and safety, stadium maintenance, pitch maintenance, match day preparation and other matters generally
- Dealing with all ongoing football related matters including:
 - Correspondence with the EFL in relation to the impact of our appointment
 - Discussions with player agents and negotiations with interested parties re players
 - Player sales and associated documentation
 - Ongoing communication with the first team players and manager in relation to monies due to them in respect of outstanding wages
 - Meetings and discussions with the Head of Academy to discuss the ongoing requirements
 - Ongoing correspondence with the EFL in relation to the position regarding football creditors, any other funds due to the administrators, and the position in relation to the administration generally

Media

As outlined above, the administrators attended the club shortly following their appointment on 1 July 2020. They had considered a strategy of how to proceed with two initial objectives:

1. Making sure the club concluded all its matches up to the end of the season on 27 July 2020
2. Ensuring a sale of the club with the approval of the EFL so that football could be played at the DW Stadium in the new season

In order to do this, the strategy envisaged an appeal to potential buyers, and the best way to do this, from experience, was via a press conference. The administrators had appointed Appeal PR to deal with the national media coverage and Sugar PR to deal with local coverage. The two firms worked in tandem so that any double cost was reduced to a minimum.

The initial press conference was held on 1 July 2020, at which a number of the media attended. Later that day a further press conference was held via Zoom. This ensured the message got out and there was an immediate response of interested parties.

Two further press conferences were held during July together with press releases, the last one being on 31 July. The object of this was to keep the fans and interested parties informed up to date as to developments, and as a result of this a positive attitude was received by the local fans and in particular the Supporters' Club.

In addition to the time incurred in dealing with the media, we have also held various discussions with the Supporters Club on behalf of the fans, and at various times have dealt with a substantial volume of comments and questions raised on social media which we have made attempts to answer where possible.

Due to lockdown requirements it has not been possible to hold further press conferences. The Administrators have therefore used the clubs website to update the employees and fans.

Appeal and Points Deduction

Following the appointment of Joint Administrators, the EFL sent a formal letter the following day confirming a 12 point deduction. At that stage it was not clear whether the deduction would fall in the current season or the 2020-21 season as that would depend on Wigan's position and points in the league table at the end of the season.

The only grounds on which an appeal could be made was under the force majeure clause and had to be lodged within 7 days. After taking advice from Walker Morris, the Joint Administrators formally lodged the appeal. The hearing took place on 31 July 2020 before an independent tribunal and lasted the entire day.

On Tuesday 4 August 2020 at 5pm, the tribunal gave its judgement in that the appeal had failed. Written reasons were given but these remain privileged and cannot be disclosed. As a result, the club are playing the 2020-21 season in League One.

As well as the 12 point penalty, the club will have a two year transfer embargo, subject only to the effect that they can acquire players to make the squad of players up to the maximum number allowed. In addition, players can be acquired in exceptional circumstances i.e. where there are injuries.

The club can also be fined 15 points (minimum) for the 2020-21 season unless the non-football unsecured creditors are paid a dividend equal to at least 25p in the £ (or 35p in the £ if paid over three years).

Details in relation to the accepted bid for the Football Club are below, however it is intended that a dividend of 25p in the £ will be paid to the unsecured creditors of the Company to avoid a further points deduction.

Investigations

Following the appointment of the Joint Administrators, it was decided to investigate a number of matters, as set out below:

- The immediate events leading up to the appointment of Administrators
- The circumstances regarding the transfer of the shareholding from IEC to Mr Yeung
- The monies introduced by the shareholders over the last 2 years
- The activities of the UK directors in the events leading up to the Administration

It was agreed that Paul Stanley and Dean Watson would deal with the UK directors, and that Gerald M Krasner would deal with the overseas directors. Walker Morris were instructed to advise on this matter generally.

Walker Morris wrote to Mr Yeung's solicitors on behalf of the Joint Administrators requesting a Zoom interview with him and his Hong Kong advisors to establish the facts from his side as to what had occurred. The solicitors confirmed that Mr Yeung was willing to cooperate and agree to the interview on the basis that it was kept private and certain other conditions, none of which were considered as onerous by the Administrators.

The interview took place on Tuesday 21 July 2020 and lasted for just over an hour. We can confirm that Mr Yeung was fully cooperative and answered all questions directly through an interpreter rather than his solicitors answering on his behalf. Some of the information that was obtained during this interview proved very useful in dealing with certain aspects of the appeal against the club's 12 point deduction.

With regard to the UK directors, the Joint Administrators can confirm that all 3 UK directors have been cooperative throughout. All directors were made redundant following the Joint Administrators' appointment, however Jonathan Jackson and Darren Royle continued to work alongside the Joint Administrators for a period following appointment to assist them with various aspects involving the day to day running of the football club. They are receiving no remuneration for their services.

We can confirm that our investigations into the conduct of all directors have now concluded and at this stage there are no matters that require additional investigation.

Sale of the Club

As outlined in the Proposals, following their appointment, the administrators conceived a strategy going forward with a view to selling the football club. This included:

- Instructing Eddisons Commercial Limited (part of the Begbies Traynor Group) to advise on valuations and indicative offers that may be received
- Instructing Walker Morris to advise on matters relating to the sale of the club. Walker Morris have great experience in this area having dealt with a large number of similar transactions over previous years. They also have good established relationships within the EFL, the FA and Professional Footballers' Association ("PFA").
- In order to assist the sale of players for the best possible price, the Joint Administrators instructed Yatin Patel, who was known to both Mr Krasner and Walker Morris as a reliable agent, to assist in this process.

As outlined above, a socially distanced physical press conference and a virtual press conference were both held on 1 July 2020, and a dedicated email address and telephone line were set up to manage enquiries as necessary. Details of the same were also included on the club website.

The first stage was to deal with all of the enquiries by sending out a Non-Disclosure Agreement ("NDA") together with a request for proof of funds. A total of 66 NDAs were sent out of which 10 were returned. This relatively low number was to be expected as the vast majority of interested parties could not necessarily provide proof of funds for £10m.

The next stage was to send out the Information Pack with all the required details and also open up a data room via our solicitors which meant that interested parties who were making bids could obtain further details where necessary.

As a result of this strategy we originally received 5 bids, and 1 further bid was received at a later stage.

Unfortunately, it transpired that a number of these bidders were not prepared to put up the £100,000 non-refundable deposit that was requested for exclusivity. One bidder pulled out of the process when it appeared the club was relegated (but before the appeal was heard). Another bidder radically changed their original bid and were told in light of this we would not accept them as bidders.

Following this, further discussions were entered into with additional interested parties in late September. All prospective bidders were advised once again that a substantial deposit would be required in exchange for a period of exclusivity.

A bid was received and accepted by the Joint Administrators, and a substantial deposit was paid. Other prospective purchasers made further attempts to formulate a bid however they were advised that we were now in a period of exclusivity following receipt of the deposit (as the preferred bidder was the only prospective purchaser who had committed to paying the required deposit).

Following acceptance of the bid on 30 September 2020, the Joint Administrators and the Purchasers entered into detailed correspondence with the EFL with the assistance of solicitors instructed by all three parties with a view to fulfilling the EFL's requirements in relation to the sale of the club.

After several weeks we were advised that one individual involved in the bid was not acceptable to the EFL. As a result, that individual withdrew from the process and steps were taken to obtain approval from the EFL in relation to the relevant people that remained involved in the process.

We continued to liaise with the proposed purchaser, the EFL, the Spanish solicitors and subsequent English solicitors regarding various matters relating to the proposed sale.

Unfortunately, as per the Joint Administrators' statement on 5 January 2021, the proposed sale of the Football Club did not complete. The Joint Administrators' statement in relation to those developments reads as follows:

“The Joint Administrators wish to provide an update regarding the current position.

As of 11 am today, the Administrators have broken off negotiations with the Spanish bidder. The facts are that as late as Christmas Eve the Bidder indicated that they wanted to complete the deal immediately and had wired money from Spain to their UK solicitors. This was confirmed as being received by their solicitors over the Christmas period. The sale contract was agreed, the documentation had been signed in relation to the assignment of the leases with the Council (Stadium) and College (Training Ground) and completion was planned to take place in between Christmas and New Year.

However, over this weekend we received a letter from the Bidder reducing the bid by almost 50%. This would not allow us to pay non-football creditors the required 25p in the £ to avoid further sanctions against the Club. This would result in a 15 point deduction and would effectively relegate the Club to League 2. The Purchaser was insistent on offering the reduced price but was not prepared to conclude the deal unless the 15 point deduction was waived. Under the EFL insolvency policy, this is not possible and the deal is therefore unable to be concluded.

We have informed the EFL and are now starting to talk to other bidders who have expressed ***interest and will provide an update when there is any definite news.***”

Immediately following the above, the Joint Administrators contacted all previously interested parties to advise of the position with a view to sending full details in relation to any proposed sale of the Football Club within 24 hours. At the time of writing the Joint Administrators are in discussions with a number of interested parties.

Further details in relation to any developments will be provided in our next progress report.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the Proposals.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Football Creditors

In the event that the football club is sold, and in order for the football share in the EFL to be transferred, all Football Creditors must be paid in full.

At the time of writing, all known Football Creditors have been paid in full or reserved for.

Preferential creditors

In the event that the sale of the football club is successful, we anticipate that there will be sufficient funds to enable the preferential creditors to be paid in full.

We have recently requested the final claim of the Redundancy Payments Service. Once their claim has been received we will take steps to reconcile their claim and to calculate and pay a dividend to the preferential creditors of the Company.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in the Proposals.

As there are no unsatisfied floating charges there is no net property and no prescribed part.

Unsecured creditors

Any proposed dividend to the unsecured creditors of the Company cannot be determined until the details of any proposed sale are known.

In the event that a dividend is to be paid to the unsecured creditors, then as outlined in the Proposals, we may apply to Court to obtain approval to enable a dividend to be paid in the administration.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. PRE-ADMINISTRATION COSTS

On 28 August 2020, the following amounts in respect of unpaid pre-administration costs were approved by a decision of creditors sought via a Decision Procedure:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work (includes uplift of one third)	Begbies Traynor	12,232	2,446	14,678
Legal costs	Walker Morris LLP	27,276	5,455	32,731
TOTAL PRE-ADMINISTRATION COSTS		39,508	7,901	47,409

During the period, £12,232 has been paid to Begbies Traynor in respect of the unpaid pre-administration costs detailed above.

As outlined in the Proposals, pre-appointment time costs of £37,232 were incurred and a contribution of £25,000 was paid prior to our appointment, leaving unbilled costs of £12,232.

7. REMUNERATION & DISBURSEMENTS

The basis of our remuneration was fixed in proposals

Our remuneration has been fixed by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate.

We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 1 July 2020 to 31 December 2020 amount to £1,270,870 which represents 3,426.8 hours at an average rate of £370.86 per hour. Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only.

As outlined in the Proposals, we have agreed an uplift of one third of the time costs with the creditors of the Company.

The Administrators' time costs in relation to the management of the Club are not being paid from realisations of the Club's assets. In addition, we have not yet drawn fees in relation to the time costs incurred in the Club.

As can be seen from the information above, we have exceeded the limit of our previously approved estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved.

The initial estimate has been exceeded due to the fact that the sale of the Football Club has not yet concluded. As outlined above, significant time has been spent in relation to the day to day running of the Football Club, therefore time continues to be incurred whilst we oversee the operations and continue our discussions with the various parties in relation to finalising the sale.

In light of the above, we are obliged to provide creditors with details of the additional work that we propose to undertake along with details of the time and cost of that additional work. This information appears at Appendix 2.

We are seeking creditors' approval of our further estimate via a decision procedure by way of correspondence. The documentation which we require creditors to complete and return has been sent separately.

Disbursements

As at 31 December 2020, we are yet to draw any disbursements. Details of any disbursements (including any Category 2 Disbursements) incurred during the period appear at Appendix 3 below.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £4,486,180 (as per Appendix 4 below).

As outlined above, due to the fact that the sale of the Football Club has not yet concluded, daily expenditure continues to be incurred alongside ongoing wage requirements for all retained staff and players. As a result, our initial estimate has been exceeded.

Full details of all payments made are outlined above and in the Statement of Expenses at Appendix 3 below.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

As outlined above, the proposed sale of the Football Club did not complete as anticipated. As a result, we will continue to negotiate with interested parties and the EFL in relation to any proposed sale going forward.

In the event that any proposed sale is successful, we will assist the Purchaser with the EFL process and a handover of the day to day running of the Football Club alongside the retained employees.

In addition to the steps outlined above, we will also incur time in relation to the general day to day administration of the case. The work we will continue to undertake will include, but is not limited to, the following:

- Day to day trading prior to sale completing including payment of various invoices on a daily basis
- Ongoing discussions with the Purchaser, the EFL and solicitors
- Regular correspondence with retained employees in relation to ongoing trading
- Liaising with insurers in relation to ongoing insurance requirements
- Email correspondence between various staff working on the case
- Preparation and submission of VAT returns

As outlined above, in order for a further points deduction to be avoided, the unsecured creditors of the Company must receive a dividend of 25p in the £ (or 35p in the £ over a three year period) . In the event that a purchaser pays sufficient monies to allow a distribution to unsecured creditors, and we obtain the consent of Court to make a distribution in the administration, we will write to all unsecured creditors to request details of their claim. Alternatively, we may place the Company into Liquidation to deal with the distribution.

Once all claims have been received we will take steps to verify those claims. Once verified, steps will be taken to pay a minimum dividend of 25p in the £ (or 35p in the £ over a three year period) to all those who have claimed.

How much will this further work cost?

This is dependent on the outcome of negotiations with interested parties.

We anticipate that further time costs of between £300,000 and £600,000 will be incurred dependent on the outcome of the sale.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses included within our proposals.

As outlined above, that expenses estimate has been exceeded due to the length of time that we have remained in office. A revised estimate has not been prepared as the additional expenditure incurred will relate to the day to day trading costs associated with running the Football Club, along with the wages that fall due every 4 weeks.

10. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in the Proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

Investigations completed

As explained in the Proposals and as outlined above, a number of matters were investigated following our appointment. A detailed explanation of the investigation into the conduct of the overseas directors was provided, and we can confirm that at this stage there are no matters that require further investigation.

We can now confirm that our investigations into the conduct of all of the UK directors has now concluded and that at this stage there are no matters that require further investigation.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Exit route from administration

The possible exit routes from Administration are explained in detail in the Proposals. The exit route is subject to the final outcome of the sale.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



Dean Watson
Joint Administrator



Paul Stanley
Joint Administrator



Gerald Krasner
Joint Administrator

Dated: 13 January 2021

INCOME AND EXPENDITURE

Period: 1 July 2020 to 31 December 2020

INCOME	Total (£)
Player Sales	9,269,000.00
Loan Fees & Contingent Fees Received	912,151.62
English Football League	1,730,006.98
Shop Sales	145,836.38
Book Debts	20,509.56
Player Food Contribution	9,331.35
Cash at Bank	221,445.47
Rates Refund	5,030.75
Cash in hand	11,904.37
Sundry Refunds	142.99
TV / Streaming	280,762.06
Football Revenue	37,943.43
Furlough Monies	158,206.76
	<hr/>
	12,802,271.72
 EXPENDITURE	
Football Creditors	5,345,359.97
Wage Deferrals	615,096.09
Shop stock	42,054.93
Playing and Training Kits	26,591.75
Match Officials	6,484.49
Players Medical Insurance	76,422.08
Repairs & Maintenance	2,859.03
Sundry Expenses	483.81
Vehicle Running Costs	1,689.62
Streaming Costs	6,293.61
IT/Software	1,519.00
Franking Machine	16,833.71
Club Website	38,400.00
Vehicle Leases	25,487.18
Professional Expenses	1,500.00
Media Costs	14,924.05
Food Costs	22,859.28
Joint Administrators' Pre-Appointment Fees	12,232.00
Ambulance Costs	14,399.13
General Running Costs	20,203.50
Travel & Hotel - First Team and Academy	102,567.28
Agents Fees - Football	120,000.00
Appeal Costs - Counsel Fees	228,833.19
Appeal Costs - Legal Fees	175,000.00
Rent	33,027.34
Contribution to Costs - Football Company	128,849.65
Staff Expenses	6,772.68
Crowd Doctor	5,150.00
Stationery & Postage	943.05
Player Welfare	64,845.60
Kit Printing	5,330.40
Loan Fees Out	56,544.49
Statutory Advertising	94.50
Football Running Costs	70,065.10
Wages & Salaries	3,597,671.93
Pre appointment salaries and wages	778,109.91
Bank Charges	2,106.35
Pensions	1,936.88
	<hr/>
	11,669,541.58
 Balance	
	<hr/>
	1,132,730.14

Note: This is a receipts and payments account and is on a cash basis. We have further liabilities to pay relating to the Administrators' trading period and future costs.

TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 1 July 2020 to 31 December 2020 (Manchester office)
- c. Time Costs Analysis for the period from 1 July 2020 to 31 December 2020 (Newcastle office)
- d. Estimated increase to our fees estimate

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to prepare valuations of the Company's assets, provide general advice and assist with asset realisations.

Their charges will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

The estimated charges in relation to the above are as follows:

Eddisons Commercial Limited - £5,000-£15,000

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff as outlined above.

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks.

EIS' estimated costs for assisting the Joint Administrators are £10,000.

The specific costs of insurance cover will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for any services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premiums due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premiums payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:

- Telephone and facsimile
- Printing and photocopying
- Stationery

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester and Newcastle office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

The above charge out rates are before the one third uplift agreed with the owner. In the event that an uplift of one third of our basic charge out rates is agreed by creditors, our 'uplifted' rates will be as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	660
Director	593
Senior Manager	527
Manager	460
Assistant Manager	333
Senior Administrator	300
Administrator	233
Junior Administrator	187
Support	187

Our fees estimate below contains details of the estimate based on the basic charge out rates, and what the total approved estimate will be if the uplift of one third is approved.

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Wigan Athletic A.f.c. Limited - Administration - 10W/401.ADM : Time Costs Analysis From 01/07/2020 To 31/12/2020

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SIP9 Wigan Athletic A.F.C. Limited - Administration - 84W\398.ADM : Time Costs Analysis From 01/07/2020 To 31/12/2020

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WIGAN ATHLETIC A.F.C. LIMITED

THE ADMINISTRATORS' FEES ESTIMATE

As outlined in our progress report, our initial fees estimate has been exceeded.

Our further fees estimate for the work that remains to be done in the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	215	72,050	335.12
Compliance with the Insolvency Act, Rules and best practice	245	53,100	216.73
Investigations	45	14,125	313.89
Realisation of assets	405	173,475	428.33
Trading	735	239,700	326.12
Dealing with all creditors' claims (including employees), correspondence and distributions	162	54,455	336.14
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	110	42,025	382.05
Total hours	1,917		
Total time costs		648,930	
Overall average hourly rate £			338.51

For the avoidance of any doubt, the above estimate relates to the additional costs we anticipate that will be incurred throughout the remaining period of the administration.

In the event that the additional fees estimate is accepted by creditors, our total approved time costs will amount to £1,652,030 (plus one third).

For the avoidance of doubt the above estimate is at basic rates and does not include the agreed uplift.

It also relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>. There is also a case specific explanation in the letter accompanying this fee estimate

Dated: 15 January 2021

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Shop Stock	Eurosports Merchandise, Puma, HLD, Mann Bros, Sunburn, Grange Communications, Laura's Beau	£43,934.93	£43,934.93	Nil
Playing and Training Kits	Puma	£26,591.75	£26,591.75	Nil
Match Officials	Various	£6,484.49	£6,484.49	Nil
Players Medical Insurance	PL Medical Care Scheme, Health Partners Europe	£91,770.83	£91,770.83	Nil
Repairs & Maintenance	Arnage Electrical, Service Sport, various petty cash payments	£2,859.03	£2,859.03	Nil
Sundry Expenses	Various petty cash payments	£483.81	£483.81	Nil
Vehicle Running Costs	Mount Auto Repairs, DVLA, various petty cash payments	£1,689.82	£1,689.82	Nil
Streaming Costs	Stream AMG	£6,293.61	£6,293.61	Nil
IT/Software	TouchRetail	£1,519	£1,519	Nil
Franking Machine	Pitney Bowes	£16,833.71	£16,833.71	Nil
Club Website	Urban Zoo	£38,400	£38,400	Nil
Vehicle Leases	Westwood Motor Group	£25,487.18	£25,487.18	Nil
Professional Expenses	Conflict International	£1,500	£1,500	Nil
Media Costs	Sugar PR, Appeal PR	£14,924.05	£14,924.05	Nil
Food Costs	Ribble Farm, BM Wholesale, Yew Tree Farm Dairy	£22,859.28	£22,859.28	Nil
Ambulance Costs	North West Ambulance Service, St Johns Ambulance	£14,399.13	£14,399.13	Nil

General Running Costs	Various	£20,203.50	£20,203.50	Nil
Travel & Hotel	Eavesway, ABC Coach, Holiday Inn, various hotels	£102,567.28	£102,567.28	Nil
Agents Fees - Football	Yatin Patel of Keith Harris & Partners	£120,000	£120,000	Nil
Appeal Costs – Counsel Fees	Sports Resolution, EFL, Walker Morris (to discharge Counsel disbursements)	£228,833.19	£228,833.19	Nil
Appeal Costs – Legal Fees	Walker Morris	£175,000	£175,000	Nil
Rent	Huron Property Investments, Wigan Warriors	£33,027.34	£33,027.34	Nil
Contribution to Costs – Wigan Football Company	Wigan Football Company Limited (in Administration)	£128,849.65	£128,849.65	Nil
Staff Expenses	Various	£6,772.68	£6,772.68	Nil
Crowd Doctor	Dr Ryder, Dr Mayor	£5,150	£5,150	Nil
Stationery and Postage	Various petty cash payments	£943.05	£943.05	Nil
Player Welfare	Dr Tobin, Dr Sachdeva, Rob Cooper, Chiropractic Performance	£64,845.60	£64,845.60	Nil
Kit Printing	Elms Marketing	£5,330.40	£5,330.40	Nil
Loan Fees	Various	£56,544.49	£56,544.49	Nil
Statutory Advertising	Courts Advertising	£94.50	£94.50	Nil
Football Running Costs	Various	£70,065.10	£70,065.10	Nil
Wages & Salaries	Various	£3,597,671.93	£3,597,671.93	Nil
Pre-Appointment Salaries & Wages	Various	£778,109.91	£778,109.91	Nil
Bank Charges	Allied Irish Bank	£2,106.35	£2,106.35	Nil
Pension Payments	Football League Pension Scheme	£1,936.88	£1,936.88	Nil
Bond	Marsh Limited, AUA Insolvency Risk Services	£1,944	Nil	£1,944
Subsistence	Various	£915.99	Nil	£915.99
Postage	Postworks	£113.71	Nil	£113.71
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Agents Disbursements	Eddisons Commercial Limited	£114.30	Nil	£114.30
Insurance Costs	Eddisons Insurance	£15,000	Nil	£15,000
Mileage and Travel	Begbies Traynor	£5,570	Nil	£5,570

ESTIMATE OF EXPENSES (FROM PROPOSALS)

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION, AS PER THE PROPOSALS

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, requisitioned meetings, dividends etc.	£500
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	£1,080
3.	Eddisons Insurance Services (part of the Begbies Traynor Group)	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy	£10,000
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	£1,000
5.	Agent's fees and disbursements	Eddisons (part of the Begbies Traynor Group) fees for providing valuations, general advice and assisting in the sale of the Company's physical assets	£5,000-£15,000
6.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements.	£800,000 plus an uplift of 25% if there is a successful sale of the football club
7.	Legal Disbursements	Disbursements incurred by the solicitors in assisting the Joint Administrators. This includes Counsel's fees incurred in dealing with the appeal of the 12 point deduction	£175,000
8.	EFL costs of appeal	Anticipated legal costs of the EFL in relation to the appeal	£200,000
9.	Professional Costs	Smith and Williamson's report produced in relation to the appeal	£15,000
10.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate. Some charges may be incurred for certain same day payments.	£600

11.	Travel	As outlined in the charging policy above, mileage is charged at 45p per mile. Travel expenses relate to site visits, meetings and other necessary travel in relation to the administration	£2,500
12.	Subsistence	Costs incurred when located at Company premises	£500
13.	Wages and Salaries	Payment of wages to retained staff. Please note that this figure may significantly vary depending on the timing of the potential sale of the football club	£2,500,000
14.	Trading expenses	To include all expenses outlined above in the Receipts & Payments section, including away travel, player welfare, general running costs, football running costs, subscriptions, utilities, postage, stock, insurance etc.	£500,000
15.	Media	The anticipated costs of Appeal PR and Sugar PR for their assistance provided to the Joint Administrators in handling all media enquiries and press conferences etc.	£15,000
16.	Yatin Patel	Fees as outlined above in relation to the sale of players	£250,000