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WIGAN ATHLETIC A.F.C. LIMITED

DIRECTORS' REPORT

AND STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1987

THIS REPORT MUST BE PRODUCED TO OBTAIN

ADMITTANCE TO THE MEETING



WIGAN ATHLETIC A.F.C. LIMITED

DIRECTORS

W. Kenyon (Chairman)
G.D. Gorner (Vice-Chairman)
J.A. Bennett
J. D. Fillingham
T. Hitchen
W. L. Howard
S. Jackson
R. Pearce

REGISTERED OFFICE

Springfield Park
Wigan

MANAGER

Ray Mathias

AUDITORS

Tunstall & Co
Chartered Accountants
Bold Street House
10 Egypt Street
Warrington

SECRETARY

Lynda Fillingham

NOTICE IS HEREBY GIVEN that the Fifty-Fourth Annual General Meeting of the Shareholders of the Company will be held in the 100 Club Lounge, Springfield Park, Wigan on Wednesday 16th December 1987 at 7.30 pm for the following purposes:-

- (i) To re-read the minutes of the April 1987 Annual General Meeting.
- (ii) To receive and consider the Directors Report, the Statement of accounts for the year ended 30th June 1987 and the Auditors Report thereon.
- (iii) To confirm the recommendation of the Directors that no dividend be paid.
- (iv) To re-elect Directors
 - (a) Mr W Kenyon
 - (b) Mr J A Bennett
 - (c) Mr J D Fillingham

Nominations for Directors should be received by the Secretary at the Registered Office not later than 7.30 pm on 11th December 1987.
- (v) To reappoint the Auditors.

Springfield Park
Wigan

16th November 1987

By Order of the Board

L. Fillingham
MRS L. FILLINGHAM
Secretary

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and on a poll vote instead of him. A proxy need not be a member of the company. To be effective the instrument appointing a proxy must be deposited at the Registered Office not less than 48 hours before the meeting.

WIGAN ATHLETIC A.F.C. LIMITED

CHAIRMAN'S STATEMENT

I am once again pleased to report a profit on ordinary activities for the year. As you will note from the accounts, without the surplus from the transfer of players of £164194 the club would have made a trading loss of £81406 in the year.

The players sold were Langley, Lowe, Methven and Barrow whilst Holden, Campbell, Hamilton and Adkins were acquired. The fees received also include additional amounts for Newell, Walsh and Aspinall.

Unfortunately, the board are being put under great pressure from the Local authority, the police and fire people to bring the ground up to the standards now required by government legislation following the horrific Bradford fire.

The only way of financing the above will come from renting out the ground for other activities viz. rugby, greyhound racing and private functions in our supporters club and lounges.

What a fantastic season the club had in making it to the last eight of the F A Cup! Unfortunately, by having the ground advantage in the Leeds United match it must have cost us some £30,000 to £40,000 from what we would have received if we had conceded home advantage and played on a neutral ground.

I am asking not only for your continued support but also for you to encourage your friends, relatives and anyone else you feel would be interested to come along to Springfield Park. I am certain that the increased gates would not only help to lift the team but would also provide the finances required to strengthen our playing staff with the aim of gaining promotion to the 2nd Division.

I must give my grateful thanks to our main sponsors H J Heinz Company Limited for their sponsorship and to all other businesses and individuals who have provided financial support to the club.

My grateful thanks are also due to all other members of the club together with all Officials, Stewards and members of the Supporters Club for their support and work on behalf of the Club.

Bill Kenyon
Chairman

WIGAN ATHLETIC A.F.C. LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH JUNE 1987

RESULTS AND DIVIDENDS

The operating loss for the year after interest charges amounted to £81406 (1986: 14 months £85508 Loss). Transfer fees received amounted to £284,419 whilst transfer fees paid were £120,225, resulting in an overall profit of £82788 before taxation and extraordinary items (1986: 14 months £268192 Profit)

The Directors do not propose the payment of a Dividend for the year.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of a professional football league club. With effect from 1st July 1986, the trade assets and liabilities of the supporters club were transferred to Wigan Athletic A.F.C. Limited (See Note 7).

Overall there has been a decrease in turnover in the year, although income from first team league matches has improved slightly. In the cup competitions the increase in turnover from the successful run in the F A Cup fell well short of the decline in income from the Freight Rover Cup where the Club had been winning finalists in the previous financial period. This fall in turnover has been more than offset by a substantial reduction in costs as far as the football club is concerned. The surplus of £164194 from the transfer of players in the year has converted a trading loss of £81406 into a profit on ordinary activities of £82788. Within this figure the Supporters Club has contributed a net profit of £4679

Once again the Directors are encouraged by the overall results achieved in the year and are confident as to the future of the Club.

FIXED ASSETS

Movements on the fixed assets can be ascertained from the Notes to the Accounts (Note 8).

The Freehold Land and Buildings at Springfield Park were revalued on 30th June 1987 by Borron Shaw & Co., Chartered Surveyors. Full details of the revaluation are shown in Note 8 to the accounts.

DIRECTORS AND THEIR INTERESTS

The Directors had the following interests in the Shares of the Company:

WIGAN ATHLETIC A.F.C. LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH JUNE 1987 CONTINUED

DIRECTORS AND THEIR INTERESTS CONT....

	50p Ordinary Shares	
	30.6.87	1.7.86
W. Kenyon	1080	1080
G.D. Gorner	1661	1561
J.A. Bennett	100	100
J. D. Fillingham	1050	1050
T. Hitchen	606	606
W. L. Howard	700	700
S. Jackson	700	700
R. Pearce	100	100

ELECTION OF DIRECTORS

Mr W Kenyon, Mr J A Bennett and Mr J D Fillingham retire by rotation and being eligible offer themselves for re-election. No Director either during or at the end of the financial year was materially interested in any contract that was significant in relation to the company's business.

POLITICAL AND CHARITABLE DONATIONS

There were no political donations and no charitable donations of significant amounts made in the period.

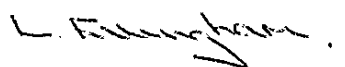
AUDITORS

The auditors Tunstall & Co., have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

Springfield Park
Wigan

16th November 1987


Mrs L Fillingham
Secretary

WIGAN ATHLETIC A.F.C. LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1987

	NOTE	1987		1986 (14 Months)	
		£	£	£	£
TURNOVER					
Gate Receipts: First					
Team League Matches			155995		152744
Cup and Other Matches			74282		94182
Football League Receipts			78889		116598
Season Tickets			24852		22564
			<hr/>		<hr/>
			334018		386088
OTHER OPERATING INCOME					
Supporters Club Gross Trading					
and Other Income		52281		--	
Programmes, Advertising					
and Sponsorship		53101		40173	
Donations		17019		15437	
Freight Rover Cup Prize Money		--		3000	
Sundry Receipts		2422	124823	4474	63084
			<hr/>		<hr/>
			458841		449172
Staff Costs	2	353495		344449	
Depreciation		7168		5958	
Other Operating Charges		158245	518908	141136	491543
			<hr/>		<hr/>
Operating (Loss)	3		(60067)		(42371)
Interest Payable and					
Similar Charges	4		21339		43137
			<hr/>		<hr/>
			(81406)		(85508)
Players Transfer Fees:					
Receivable	5	284419		336000	
Less: Payable		(120225)	164194	--	336000
			<hr/>		<hr/>
Compensation Receivable:					
Former Manager	5		--		17700
			<hr/>		<hr/>
Profit on Ordinary Activities					
before Taxation			82788		268192
Taxation	6		--		--
			<hr/>		<hr/>
Profit on Ordinary Activities					
after Taxation			82788		268192
Extraordinary Items	7		(32621)		(24060)
			<hr/>		<hr/>
Profit for the Period			50167		244132
Accumulated Losses brought forward			(286628)		(530760)
			<hr/>		<hr/>
Accumulated Losses carried forward			(236461)		(286628)
			<hr/>		<hr/>

WIGAN ATHLETIC A.F.C. LIMITED

BALANCE SHEET

AS AT 30TH JUNE 1987

	NOTE	1987	1986
		£	£
FIXED ASSETS			
Tangible Assets	8	507467	283617
CURRENT ASSETS			
Stocks	9	5183	1000
Debtors and Prepayments	10	128207	153313
Cash at Bank		15900	75613
Cash in Hand		1388	184
		<u>150678</u>	<u>230110</u>
LESS CREDITORS:			
Amounts falling due within one year	11	<u>526805</u>	<u>542300</u>
NET CURRENT LIABILITIES		(376127)	(312190)
		<u>131340</u>	<u>(28573)</u>
CREDITORS:			
Amounts falling due after more than one year	12	<u>(68885)</u>	<u>(26492)</u>
		<u>62455</u>	<u>(55065)</u>
CAPITAL AND RESERVES			
Called up Share Capital	15	52500	52500
Revaluation Reserve	16	224699	157346
Capital Reserve		21717	21717
Profit and Loss Account			
- Adverse Balance		(236461)	(286628)
		<u>62455</u>	<u>(55065)</u>

.....)
W. KENYON)
.....)
J. BENNETT) DIRECTORS

Approved by the Board : 16th November 1987

WIGAN ATHLETIC A.F.C. LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH JUNE 1987

	1987		1986 (14 Months)	
	£	£	£	£
Source of funds:				
Profit on Ordinary Activities before Taxation		82788		268192
Extraordinary Items		(32621)		(24060)
		<u>50167</u>		<u>244132</u>
Adjustment for items not involving the movement of funds:-				
Depreciation	7168		5958	
Loss on Disposal of Tangible Fixed Assets	-	7168	1489	7447
FUNDS GENERATED FROM OPERATIONS		<u>57335</u>		<u>251579</u>
Funds From Other Sources:				
Loans	116286		14000	
Grants on Tangible Fixed Assets	70672		3078	
Sale Proceeds from Disposal of Tangible Fixed Assets	-	186958	7957	25035
		<u>244293</u>		<u>276614</u>
Application of Funds:				
Purchase of Tangible Fixed Assets	(234337)		(33833)	
Loan Repayments	(8421)	(242758)	(18320)	(52153)
		<u>1535</u>		<u>224461</u>
Movement in Working Capital:				
(Increase) in Stocks	(4183)		(805)	
Decrease/(Increase) in Debtors	25106		(129063)	
(Decrease) in Lease Purchase Commitments	(385)		(487)	
(Decrease)/Increase in Creditors	(8499)	12039	32337	(98018)
		<u>13574</u>		<u>126443</u>

WIGAN ATHLETIC A.F.C. LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30TH JUNE 1987 CONTINUED

	1987		1986 (14 Months)	
Movement in Net Liquid Funds:	£	£	£	£
(Decrease)/Increase in Cash at Bank		(59713)		71798
Decrease in Bank Overdraft and Loan		72083		54665
Increase/(Decrease) in Cash in Hand	1204	13574	(20)	126443

A summary of items included in the above movements relating to the inclusion of the Supporters Club.

	£		£
Tangible Fixed Assets	39727	Creditors	25368
Stocks	3157	Brewery Loans	56982
Debtors	300		
Cash and Bank	6545		
Extraordinary Loss	32621		
	82350		82350

WIGAN ATHLETIC A.F.C. LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1987

1. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain Fixed Assets.

(b) Turnover

Turnover is shown net of Value Added Tax, and levies paid to the Football League and Football Association.

(c) Playing Staff

In line with the practice adopted by football clubs, amounts payable and receivable in respect of the transfer of players are treated as revenue items. Thus the value of the playing staff at 30th June 1987 is not reflected in the Balance Sheet of the Company.

(d) Tangible Fixed Assets

Depreciation has been provided after taking account of any grants received at annual rates estimated to write off the cost of the assets over their anticipated useful lives as follows:-

Floodlight Installations	10% reducing balance
Fixtures, Fittings and Plant	10% reducing balance
Motor Vehicles	25% reducing balance

No depreciation has been provided for the year in respect of the Freehold Land and Buildings which were revalued on 30th June 1987.

(e) Deferred Taxation

No provision has been made for deferred taxation as it is anticipated that no taxation will become payable in the foreseeable future.

(f) Stocks

Stocks are valued at the lower of cost or net realisable value.

WIGAN ATHLETIC A.F.C. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1987 CONTINUED

1. ACCOUNTING POLICIES CONT....

(g) Grants

Grants receivable are credited to the cost of the relevant fixed assets.

2. STAFF COSTS

	1987	1986 (14 Months)
	£	£
Wages and Salaries	319847	311396
Social Security Costs	30114	29515
Pension Costs	3534	3538
	<u>353495</u>	<u>344449</u>

The average weekly number of employees in the period was as follows:-

	Number	Number
Playing Staff	29	34
Administrative and Other Staff	14	11
Supporters Club and Ground Catering Staff	23	-
	<u>66</u>	<u>45</u>

The Directors received no fees or other emoluments in the year (1986: NIL).

3. OPERATING LOSS

The Operating Loss is stated after charging:

	£	(14 Months) £
Auditors Remuneration	2500	2350
Loss on Disposal of Fixed Assets	-	1489
	<u>2500</u>	<u>3839</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	£	(14 Months) £
Bank Interest	16882	42323
Brewery Loan Interest	2255	-
H.P. Interest	353	814
Other Interest	1849	-
	<u>21339</u>	<u>43137</u>

WIGAN ATHELTIC A.F.C. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1987 CONTINUED

5. COMPENSATION FOR TERMINATION OF CONTRACTS

Transfer fees receivable for the year are shown after deducting payments made in compensation for the termination of the relevant individuals contracts totalling £31,381 (1986: £35300).

6. TAXATION

No liability to U.K. Corporation Tax arises on the adjusted results for the year due to the utilisation of tax losses brought forward from previous years.

7. EXTRAORDINARY ITEMS

	1987 £	1986 £
Deficit arising at the Transfer of the Supporters Club Assets and Liabilities	32621	—
Forfeiture of Loan repayments to Mayflower Securities Limited	—	24060
	<u>32621</u>	<u>24060</u>

The constitution of the Supporters Club has been amended to that of a proprietary club under the ownership of Wigan Athletic A.F.C. Limited. With effect from 1st July 1986 the trade, assets and liabilities of the club have been transferred to the company.

The deficit of £32621 representing the excess of liabilities over assets at that date has been written off in these accounts as an extraordinary item.

The supporters club has produced an overall net profit for the year of £4679 which is included within the profit on ordinary activities figure in these accounts.

WIGAN ATHLETIC A.F.C. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1987 CONTINUED

8. TANGIBLE FIXED ASSETS	Total	Free- hold Land and Build- ings	Flood- light Insta- lla- tion	Fixt- ures Fitt- ings and Plant	Motor Vehi- cles
Cost/Valuation	£	£	£	£	£
At 1st July 1986	346663	303950	16578	26135	-
Transfer from Supporters Club	55725	-	-	55725	-
Additions	194610	174250	-	15660	4700
	596998	478200	16578	97520	4700
Grants Received in the Year	(70672)	(58172)	-	(12500)	-
	526326	420028	16578	85020	4700
Revaluation Surplus	29972	29972	-	-	-
At 30th June 1987	556298	450000	16578	85020	4700
Depreciation					
At 1st July 1986	63046	37381	13422	12243	-
Transfer from Supporters Club	15998	-	-	15998	-
Charge for the Year	7168	-	316	5677	1175
	86212	37381	13738	33918	1175
Written Back on Revaluation	(37381)	(37381)	-	-	-
At 30th June 1987	48831	-	13738	33918	1175
Net Book Value at 30th June 1987	507467	450000	2840	51102	3525

The cost of fixed assets is shown after deducting grants receivable.

The Freehold Land and Buildings were revalued at £450,000 on 30th June 1987 by Borron Shaw & Co., Chartered Surveyors. The valuation was based on the potential redevelopment value of the site. The surplus of £67353 has been credited to revaluation reserve. (Note 16).

Future Capital Expenditure	1987	1986
(after deducting grants receivable)	£	£
Outstanding Commitments	NIL	67000
Board Authorisation not Contracted for	75000	NIL

WIGAN ATHLETIC A.F.C. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1987 CONTINUED

9. STOCKS	1987 £	1986 £
Shop Stock	2978	1000
Supporters Club Bar Stocks	2205	—
	<u>5183</u>	<u>1000</u>

10. DEBTORS	£	£
Trade Debtors	61450	142762
Other Debtors	63088	6511
Prepayments	3669	4040
	<u>128207</u>	<u>153313</u>

Included in Trade Debtors at 30th June 1987 are transfer fees receivable of £40000 (1986: £102556).

11. CREDITORS:	£	£
Amounts falling due within one year		
Trade Creditors	63097	39915
Leasing and Hire Purchase	418	417
Taxes and Social Security Costs	104103	135393
Accruals	38570	38962
Bank Overdraft	150457	208142
Bank Loan	46953	61351
Unsecured Loans	77011	25046
Brewery Loans (Note 14)	12122	3000
Directors Loans	34074	30074
	<u>526805</u>	<u>542300</u>

The Bank overdraft is secured by a charge on the Freehold Land and Buildings at Springfield Park, excluding the Supporters Club.

The Bank Loan is secured by personal guarantees from a Director and others.

The Directors Loans are Interest free with no fixed repayment date.

WIGAN ATHLETIC A.F.C. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1987 CONTINUED

12. CREDITORS:

Amounts falling due after more than one year	1987 £	1986 £
Brewery Loans (See Notes 13 & 14)	57300	14609
Council Grant	10000	10000
Leasing and Hire Purchase	1497	1883
	<u>68885</u>	<u>26492</u>

The grant from Wigan Metropolitan Borough Council in respect of the All Weather Play Area is interest free and repayable at one year's notice by both parties.

13. LOAN REPAYABLE AFTER MORE THAN FIVE YEARS

Falling due after five years:	£	£
Brewery Loans	<u>35439</u>	<u>2609</u>

14. BREWERY LOANS

	£	£
(a) Football Club Loan	16609	17609
(b) Supporters Club Loan	6634	—
(c) Supporters Club Loan	46267	—
	<u>69510</u>	<u>17609</u>

(a) The Loan is interest free for 100% trade with the brewery and is repayable at £3000 per annum.

(b) The Loan is interest free for 100% trade with the brewery and is reduced annually at a rate dependent upon the volume of trade with the brewery.

(c) The Loan bears interest at 5% per annum and is repayable at £2487 per annum.

All the above Loans, from Greenall Whitley, are secured by a charge on the supporters club property.

15. CALLED UP SHARE CAPITAL

	£	£
Authorised: 105000 Ordinary Shares of 50p each	<u>52500</u>	<u>52500</u>
Allotted, Issued and Fully Paid: 105000 Ordinary Shares of 50p each	<u>52500</u>	<u>52500</u>

WIGAN ATHLETIC A.F.C. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1987 CONTINUED

16. REVALUATION RESERVE	1987 £	1986 £
Balance as at 1st July 1986		157346
Surplus arising on the revaluation of the Freehold Land and Buildings (Note 8)	29972	
Depreciation to Write Back	<u>37381</u>	<u>67353</u>
Balance as at 30th June 1987		<u><u>224699</u></u>

17. ULTIMATE HOLDING COMPANY

Subsequent to 30th June 1987 Tameside Travel Limited has acquired 74,412 Fully Paid Ordinary 50p shares in the company, representing a 71% interest. Tameside Travel Limited is incorporated in England.

REPORT OF THE AUDITORS TO THE MEMBERS OF

WIGAN ATHLETIC A.F.C. LIMITED

We have audited the financial statements on pages 3 to 15 in accordance with approved auditing standards having regard to the matters referred to in the following paragraphs.

In common with many businesses of similar size and organisation, the company's system of control is dependant upon the close involvement of the Directors. Where independent confirmation of the completeness of accounting records was therefore not available we have accepted assurances from the Directors that all the company's transactions have been reflected in the records.

The financial statements have been prepared on the going concern basis, the validity of which is dependant on the continued financial support given to the company by its bankers, creditors and Directors. In the absence of adequate financial support the going concern basis would be invalid and provisions would have to be made for any loss on realisation of the company's assets and further costs which might arise.

Subject to the foregoing, in our opinion, the accounts which have been prepared under the historical cost convention, as modified by the revaluation of certain of the fixed assets give a true and fair view of the state of the financial affairs of the company at 30th June 1987 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Act 1985.

BOLD STREET HOUSE
WARRINGTON


TUNSTALL & CO

CHARTERED ACCOUNTANTS

16th November 1987