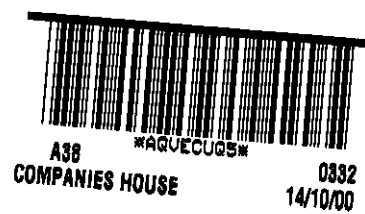


WIGAN FOOTBALL CLUB LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1998



WIGAN FOOTBALL CLUB LIMITED

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for the Year Ended 30 November 1998**

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WIGAN FOOTBALL CLUB LIMITED

COMPANY INFORMATION
for the Year Ended 30 November 1998

DIRECTORS:	M P Lindsay (Chairman) C P Norbury Mrs M Sharkey D Whelan
SECRETARY:	Mrs M Sharkey
REGISTERED OFFICE:	JJB Stadium Loire Drive Robin Park Wigan Lancashire WN5 OUH
REGISTERED NUMBER:	0174692 (England and Wales)
AUDITORS:	John Fairhurst & Co Registered Auditors Chartered Accountants Douglas Bank House Wigan Lane Wigan WN1 2TB
BANKERS:	National Westminster Bank PLC P O Box 68 4 Standishgate Wigan WN1 1UJ
SOLICITORS:	Eversheds London Scottish House 24 Mount Street Manchester M2 3DB

WIGAN FOOTBALL CLUB LIMITED

CHAIRMAN'S STATEMENT
for the year ended 30 November 1998

As reported in the 1997 accounts, the sale of Central Park to Tesco Stores Ltd had been agreed and everyone at the club was working in the full knowledge that they were soon to leave their ancestral home and move to the new JJB Stadium. This was clearly an emotional matter for the fans and overshadowed most of the efforts of the club's management. In the light of this period of change, it was to the credit of all involved at the club that the team not only finished first in the regular season but also became the inaugural Champions of Super League.

The club understandably began to work towards a departure date from Central Park which was to occur before the end of the 1999 season. It is to the great credit of the staff and players of the Wigan Football Club that standards remained high when serious preparations were underway to finally move.

The club's ambitions remained as fierce as ever in an effort to deliver success to shareholders and fans alike.

M P LINDSAY

WIGAN FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 November 1998

The directors present their report with the financial statements of the company for the year ended 30 November 1998.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

On 13 September 1999 the Board concluded the sale of Central Park to Tesco Stores Limited for a consideration of £9.25m. As part of the deal however, the company was required to purchase a strip of land from Wigan MBC at a cost of £2.35m; the acquisition of this land forming a condition of the offer by the purchaser to acquire the entire site.

The move to the JJB Stadium at Robin Park in September 1999 was completed with a sense of sadness in leaving the memories and achievements of the club during its many successful years at Central Park, mixed with a spirit of challenge and opportunity. The Board have secured the financial backing of both Whelco Holdings Limited group of companies and new sponsors, Tesco, Adidas and JJB Sports. With the appointment of new key members to the Board and additions to the playing and coaching staff the move opens up the greatest window of opportunity for the future development of the club and company.

RESULTS AND DIVIDENDS

The results for the year are encouraging, reflecting an increase in ticket sales and television, advertising and sponsorship revenue. Wages and professional fees continue to run at a high level but despite this the Board are pleased to report an operating profit of £258,200 (1997 - operating losses of £1,037,755). The Board are looking to boost revenue and contain costs in order to maintain operating profit and comply with 'Salary Cap' requirements.

It is recommended that the profit for the year of £251,096 (1997 - loss of £1,166,486) be taken to reserves.

No dividend can be paid (1997 - £Nil).

ULTIMATE HOLDING COMPANY

On 16 March 1998, the company became an 89% owned subsidiary of Whelco Holdings Limited, a company under the control and ownership of the Whelan family, following the acceptance of a share and debenture offer.

DIRECTORS AND THEIR INTERESTS

The beneficial interests of the directors holding office at 30 November 1998 (or date of appointment if later) in the issued share capital and debenture stock of the company were as follows:

Directors	Appointed	Resigned	£1 Ordinary Shares		5% Debenture Stock 2005	
			1998	1997	1998	1997
D Bradshaw	25/2/97	05/2/98	34	34	-	-
M D Leatherbarrow	28/10/97	07/3/98	-	34	-	6,625
M F Nolan	29/10/97	10/7/98	34	-	-	-
M L Colling	5/2/98	10/7/98	-	-	-	-
P A Clarke	27/3/98	25/2/99	-	-	-	-
C P Norbury	17/7/98	-	34	-	-	-
Mrs M Sharkey	25/1/99	-	34	-	-	-
M P Lindsay	1/11/99	-	-	-	-	-
D Whelan	9/2/00	-	8	-	-	-
			=====	=====	=====	=====

WIGAN FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 November 1998 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

SHARE CAPITAL AND 5% DEBENTURE STOCK 2005

As detailed in note 13 to the financial statements, on 16 March 1998 the company capitalised its entire issued 5% Debenture Stock 2005 of £112,000, hence increasing its authorised share capital by £112,000 to £128,000, comprising 128,000 £1 Ordinary Shares.

Following a successful share and debenture offer in February and March 1998 by Mr D Whelan, Whelco Holdings Limited acquired a total of 103,060 £1 ordinary shares in issue on 16 March 1998, and has acquired further shares since, with the balance being retained by other shareholders.

TANGIBLE FIXED ASSETS

As detailed in note 6 to the financial statements the company completed a contract for the sale of Central Park to Tesco Stores Limited on 13 September 1999.

Other changes in fixed assets, details of which are also set out in note 6 to the financial statements, arose out of normal business requirements.

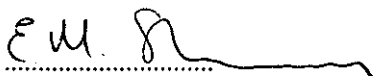
INTANGIBLE FIXED ASSETS

The directors have not included any valuations of the first team playing squad in these financial statements, nor have transfer fees paid been capitalised, in accordance with generally accepted accounting practice and Inland Revenue approval. The company will capitalise transfer fees paid/received in the year to 30 November 1999 in accordance with FRS10 (Amended) - Goodwill and Intangible Assets.

AUDITORS

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

ON BEHALF OF THE BOARD:


.....
Mrs M Sharkey - SECRETARY

Dated: 20th July 2000

WIGAN FOOTBALL CLUB LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
WIGAN FOOTBALL CLUB LIMITED
for the year ended 30 November 1998**

We have audited the financial statements on pages six to eighteen which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages eleven and twelve.

Respective responsibilities of directors and auditors

As described on page four the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Going concern

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the reliance on the continued support of the company's bankers and holding company and also the net deficiency on the Balance Sheet, which are described in note 1.

Our opinion is not qualified in this respect and, on the basis of our discussions with the directors and current trading results, we consider that it is appropriate for the directors to prepare financial statements drawn up on the going concern basis.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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



Dated: 20th July 2000

WIGAN FOOTBALL CLUB LIMITED

**PROFIT AND LOSS ACCOUNT
for the Year Ended 30 November 1998**

		<u>1998</u>	<u>1997</u>
	Notes	£	£
TURNOVER	1	4,403,247	2,513,547
Operating costs and administrative expenses		<u>(4,543,355)</u>	<u>(4,165,138)</u>
		(140,108)	(1,651,591)
Other operating income		<u>398,308</u>	<u>613,836</u>
OPERATING PROFIT/(LOSS)	3	258,200	(1,037,755)
Interest receivable and similar income		<u>44,552</u>	<u>10,369</u>
		302,752	(1,027,386)
Interest payable and similar charges	4	<u>(51,656)</u>	<u>(139,100)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		251,096	(1,166,486)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		251,096	(1,166,486)
Deficit brought forward		<u>(2,589,601)</u>	<u>(1,423,115)</u>
DEFICIT CARRIED FORWARD		<u>£(2,338,505)</u>	<u>£(2,589,601)</u>

The notes attached form part of these financial statements

WIGAN FOOTBALL CLUB LIMITED

**BALANCE SHEET
30 November 1998**

		<u>1998</u>		<u>1997</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		4,504,706		4,533,579
Investments	7		<u>20,833</u>		<u>-</u>
			4,525,539		4,533,579
CURRENT ASSETS:					
Stocks		13,252		10,420	
Debtors	8	2,082,891		956,139	
Cash at bank and in hand		<u>2,099,417</u>		<u>597</u>	
		4,195,560		967,156	
CREDITORS: Amounts falling due within one year	9	<u>(9,099,144)</u>		<u>(3,501,840)</u>	
NET CURRENT LIABILITIES			<u>(4,903,584)</u>		<u>(2,534,684)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(378,048)		1,998,895
CREDITORS: Amounts falling due after more than one year	10		<u>(-)</u>		<u>(2,740,036)</u>
			<u>£(378,045)</u>		<u>£(741,141)</u>
CAPITAL AND RESERVES:					
Called up share capital	13		128,000		16,000
Revaluation reserve	14		1,832,460		1,832,460
Profit and loss account			<u>(2,338,505)</u>		<u>(2,589,601)</u>
Shareholders' funds	15		<u>£(378,045)</u>		<u>£(741,141)</u>

ON BEHALF OF THE BOARD:


- DIRECTOR

Approved by the Board on 20th July 2000

The notes attached form part of these financial statements

WIGAN FOOTBALL CLUB LIMITED

**CASH FLOW STATEMENT
for the Year Ended 30 November 1998**

		<u>1998</u>		<u>1997</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		3,778,419		394,986
Returns on investments and servicing of finance	2		(7,104)		(128,731)
Capital expenditure and financial investment	2		<u>(73,798)</u>		<u>(28,266)</u>
			3,697,517		237,989
Financing	2		<u>(1,043,036)</u>		<u>(208,014)</u>
Increase in cash in the period			<u>£2,654,481</u>		<u>£29,975</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		2,654,481		29,975	
Cash outflow from decrease in debt and lease financing		<u>-</u>		<u>1,393</u>	
Change in net debt resulting from cash flows			<u>2,654,481</u>		<u>31,368</u>
Movement in net debt in the period			2,654,481		31,368
Net debt at 1 December 1997	3		<u>(555,064)</u>		<u>(586,432)</u>
Net funds/(debt) at 30 November 1998	3		<u>£2,099,417</u>		<u>£(555,064)</u>

The notes attached form part of these financial statements

WIGAN FOOTBALL CLUB LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 November 1998**

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

	1998 £	1997 £
Operating profit/(loss)	258,200	(1,037,755)
Depreciation charges	81,838	73,165
Conversion of debenture stock to ordinary share capital	112,000	-
(Increase)/Decrease in stocks	(2,832)	42,394
Increase in debtors	(1,126,752)	(727,048)
Increase in creditors	<u>4,455,965</u>	<u>2,044,230</u>
Net cash inflow from operating activities	<u><u>3,778,419</u></u>	<u><u>394,986</u></u>

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

	1998 £	1997 £
Returns on investments and servicing of finance		
Interest received	44,552	10,369
Interest paid	<u>(51,656)</u>	<u>(139,100)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(7,104)</u></u>	<u><u>(128,731)</u></u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(52,965)	(28,684)
Sale of tangible fixed assets	-	418
Investment acquired	<u>(20,833)</u>	<u>-</u>
Net cash outflow for capital expenditure	<u><u>(73,798)</u></u>	<u><u>(28,266)</u></u>
Financing		
Loan repayments in year	<u>(1,043,036)</u>	<u>(208,014)</u>
Net cash outflow from financing	<u><u>(1,043,036)</u></u>	<u><u>(208,014)</u></u>

WIGAN FOOTBALL CLUB LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 November 1998**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/12/97 £	Cash flow £	At 30/11/98 £
Net cash:			
Cash at bank and in hand	597	2,098,820	2,099,417
Bank overdraft	<u>(555,661)</u>	<u>555,661</u>	<u>-</u>
	<u>(555,064)</u>	<u>2,654,481</u>	<u>2,099,417</u>
 Total	 <u><u>(555,064)</u></u>	 <u><u>2,654,481</u></u>	 <u><u>2,099,417</u></u>
 Analysed in Balance Sheet:			
Cash at bank and in hand	597		2,099,417
Bank overdraft	<u>(555,661)</u>		<u>-</u>
	<u><u>(555,064)</u></u>		<u><u>2,099,417</u></u>

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards.

Basis of preparing the financial statements

The directors have considered the following matters and have concluded that it is appropriate to continue to prepare the financial statements on the going concern basis:

The Board have received assurances of ongoing support from the company's bankers and parent company, Whelco Holdings Limited, and on the basis of projections and current operating levels believe that adequate finance is in place to allow the company to continue to trade in the foreseeable future.

The receipt of monies following the sale of Central Park (see Note 6) has significantly reduced the company's indebtedness to Whelco Holdings Limited.

A summary of the principal accounting policies adopted by the company during the year is set out below:-

Turnover

Turnover represents ticket sales, sponsorship, advertising and other related income, excluding VAT, from the supply of goods and services in the normal course of business, and arose wholly in the United Kingdom.

Playing staff

The cost of acquiring players' registration fees and the proceeds received from the sale of players' registration fees are taken to the Profit and Loss Account in the period in which they fall due.

Amounts payable in respect of players' signing on and agents' fees are written off as incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation of tangible fixed assets has been calculated so as to write off the cost or revalued amount of each asset over its estimated useful life as follows:

Freehold and long leasehold land	-	Nil
Freehold and long leasehold buildings	-	2% per annum on straight line basis
Motor vehicles	-	25% per annum on a reducing balance basis
Fixtures, tools and equipment	-	20% per annum on a reducing balance basis

Fixed asset investments

Fixed asset investments are stated at cost less, if applicable, provision for any permanent diminution in value.

Stock

Stock, comprising souvenirs and goods for resale, is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Repairs and renewals and ground upkeep

All expenditure is written off as incurred.

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1998

1. ACCOUNTING POLICIES (continued)

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Profit and Loss Account as incurred.

2. STAFF COSTS

	1998	1997
	£	£
Details of employees (including executive directors) are as shown below:		
Wages and salaries	3,037,306	2,363,550
Social security costs	279,800	216,737
Pension costs	12,061	-
	<u>3,329,167</u>	<u>2,580,287</u>

Included in the above are fees and emoluments paid to the executive directors as follows:

	1998	1997
	£	£
P Clarke	44,643	-
D Bradshaw	6,250	25,000
	<u>50,893</u>	<u>25,000</u>

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

	1998	1997
	Number	Number
Playing and coaching staff	53	51
Groundsmen	3	3
Administration	19	18
	<u>75</u>	<u>72</u>

WIGAN FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 November 1998**

3. OPERATING PROFIT/(LOSS)

The operating profit (1997 - operating loss) is stated after charging/(crediting):

	1998	1997
	£	£
Hire of equipment	27,089	67,447
Depreciation - owned assets	81,838	73,165
Auditors' remuneration		
- audit fees	10,000	10,000
- non audit fees	9,035	8,600
Profit on transfer of players	<u>(35,000)</u>	<u>(352,350)</u>

4. INTEREST PAYABLE & SIMILAR CHARGES

	1998	1997
	£	£
Bank interest	51,383	75,610
Directors' loan interest	-	58,575
Other loan interest	-	4,369
Debenture interest	<u>273</u>	<u>546</u>
	<u>51,656</u>	<u>139,100</u>

5. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 30 November 1998 (1997 - £Nil).

6. TANGIBLE FIXED ASSETS

	Long leasehold property	Land & buildings	Fixtures, tools & equipment	Motor vehicles	Totals
	£	£	£	£	£
COST OR VALUATION:					
At 1 December 1997	112,163	4,687,747	200,551	9,600	5,010,061
Additions	<u>-</u>	<u>-</u>	<u>52,965</u>	<u>-</u>	<u>52,965</u>
At 30 November 1998	<u>112,163</u>	<u>4,687,747</u>	<u>253,516</u>	<u>9,600</u>	<u>5,063,026</u>
DEPRECIATION:					
At 1 December 1997	8,252	329,357	131,779	7,094	476,482
Charge for year	<u>1,811</u>	<u>54,665</u>	<u>24,735</u>	<u>627</u>	<u>81,838</u>
At 30 November 1998	<u>10,063</u>	<u>384,022</u>	<u>156,514</u>	<u>7,721</u>	<u>558,320</u>
NET BOOK VALUE:					
At 30 November 1998	<u>102,100</u>	<u>4,303,725</u>	<u>97,002</u>	<u>1,879</u>	<u>4,504,706</u>
At 30 November 1997	<u>103,911</u>	<u>4,358,390</u>	<u>68,772</u>	<u>2,506</u>	<u>4,533,579</u>

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1998

6. TANGIBLE FIXED ASSETS (continued)

The land and buildings known as Central Park excluding the Whitbread Stand which had not been completed at that time were revalued on 31 May 1991 at open market value on the basis of existing use at £2,500,000 by Messrs Houlstons and Co, Chartered Surveyors. This valuation has since been relied upon by the Directors as being an approximation to depreciated replacement cost.

Cost or valuation of land and buildings comprises:

	£
Cost	2,187,747
Valuation	<u>2,500,000</u>
At 30 November 1998	<u>4,687,747</u>

On an historical cost basis the net book value of land and buildings is:

	£
Cost	3,010,591
Depreciation	<u>(547,070)</u>
At 30 November 1998	<u>2,463,521</u>

On 13 September 1999 the club completed the sale of Central Park to Tesco Stores Limited for a consideration of £9.25m. In order to obtain this amount however, the company was required to purchase a strip of land from Wigan MBC at a cost of £2.35m; the acquisition of this land being a condition of the contract for sale of the entire site.

7. FIXED ASSET INVESTMENTS

The company's investment relates to the acquisition during the year of £20,833 non participating shares in Gateshead Thunder, a Rugby League club based in the United Kingdom which has recently merged with Hull Football Club.

Under the terms of an option agreement negotiated with Super League (Europe) Limited, the Hull club has the option to buy back the shares within five years at par. At the end of the five year period, if this option has not been exercised, then the shares will convert to fully participating ordinary shares.

Super League (Europe) Ltd hold the shares as authorised agents of the company.

8. DEBTORS

	1998 £	1997 £
Amounts falling due within one year:		
Trade debtors	609,432	371,674
Other debtors	321,670	118,510
Accrued income	785,837	-
Prepayments	<u>65,952</u>	<u>15,955</u>
	<u>1,782,891</u>	<u>506,139</u>

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1998

8. DEBTORS (continued)

Amounts falling due after more than one year:

	1998 £	1997 £
Trade debtors	<u>300,000</u>	<u>450,000</u>
Total debtors	<u>2,082,891</u>	<u>956,139</u>

Included within accrued income are sponsorship monies due from Tesco Stores Limited and amounts retained by Super League, pending finalisation of 1998 Salary Cap requirements, all of which has been received by the company since the year end.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loans and overdrafts	-	690,661
Payments on account (see Note 11)	1,500,000	-
Trade creditors	276,759	741,284
Amounts owed to group undertakings	5,756,967	-
Other loans (secured)	-	105,000
Social security & other taxes	184,635	585,383
Deferred income	478,381	705,124
Accrued expenses	<u>902,402</u>	<u>674,388</u>
	<u>9,099,144</u>	<u>3,501,840</u>

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

	1998 £	1997 £
Bank loans	-	908,036
Payments on account	-	1,500,000
£112,000 5% Debenture Stock 2005	-	112,000
Accruals and deferred income	<u>-</u>	<u>220,000</u>
	<u>-</u>	<u>2,740,036</u>

11. SECURITY

The parent company, Whelco Holdings Limited, has guaranteed £500,000 to cover the company's bank borrowing facilities with National Westminster Bank PLC.

Prior to the completion of the sale of Central Park on 13 September 1999, Tesco Stores Limited had a fixed charge of £1,500,000, ranking behind that of National Westminster Bank PLC, in consideration for advancing monies to the company under the terms of a contract of sale dated 27 February 1997.

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1998

12. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts for which no provision has been made in respect of deferred taxation, are as follows:

	1998	1997
	£	£
Capital gains tax	500,000	500,000
Accelerated capital allowances	-	-
	<u>500,000</u>	<u>500,000</u>

Proceeds from the sale of Central Park are to be reinvested and will qualify for reinvestment relief.

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1998	1997
			£	£
128,000	Ordinary Shares	£1	128,000	16,000
(1997 - 16,000)			<u>128,000</u>	<u>16,000</u>

On 10 February 1998, Mr D Whelan made offers to acquire both (a) the entire issued share capital of the Company other than that owned by Mr D Whelan at the date of the offer at £125 per ordinary share of £1 each ("the Share Offer") and (b) the entire issued 5% Debenture Stock 2005 of the Company not already owned by Mr D Whelan at the date of the offer at a price of £5.50 per £1 nominal value of stock ("the Debenture Offer"). The company also made an offer on 10 February 1998 to capitalise the entire issued 5% Debenture Stock 2005 of the Company ("the Capitalisation Offer").

Acceptances of the Debenture Offer were received by Mr D Whelan in respect of £6,069 units of 5% Debenture Stock 2005. This debenture stock was transferred to Mr D Whelan on 9 March 1998 for a total consideration of £33,379.50.

Mr D Whelan accepted the Capitalisation Offer in respect of both his original holding of stock at the time of making the Debenture Offer of £96,991 5% Debenture Stock 2005 and the £6,069 of 5% Debenture Stock 2005 acquired by him pursuant to the Debenture Offer. The 103,060 ordinary shares of £1 each in the company resulting from this capitalisation were transferred to Whelco Holdings Limited on 16 March 1998 for a total consideration of £566,830.

On 16 March 1998, following an EGM, the company converted its entire 5% Debenture Stock 2005 of £112,000 into £1 ordinary shares. Whelco Holdings Limited acquired a total of 103,060 £1 ordinary shares at the date of issue, and has since acquired further shares, with the balance of shares being retained by other shareholders. Whelco Holdings Limited now has an 89% interest in Wigan Football Club Limited.

WIGAN FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 November 1998**

14. REVALUATION RESERVE

	1998	1997
	£	£
Surplus on revaluation of Central Park	<u>1,832,460</u>	<u>1,832,460</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	1998	1997
	£	£
Net deficiency brought forward	(741,141)	425,345
Retained profit for the year	251,096	(1,166,486)
Capitalisation of Debenture Stock	<u>112,000</u>	<u>-</u>
Net deficiency carried forward	<u>(378,045)</u>	<u>(741,141)</u>
Equity interests	<u>(378,045)</u>	<u>(741,141)</u>

16. CONTINGENT LIABILITIES

The company is in correspondence with the Inland Revenue concerning the operation of Pay As You Earn and National Insurance on payments to employees in this and prior periods. Whilst the directors do not believe any material amounts are involved, the inspection has not been concluded at the date of signing of the balance sheet.

17. COMMITMENTS

a) The company has the following contractual obligations, relating to players' contracts:

	1998	1997
	£	£
Due within one year	1,665,500	1,241,540
Due within two to five years	2,668,000	2,241,000
	<u>4,333,500</u>	<u>3,482,540</u>

Where contract terms have been amended since the Balance Sheet date the revised amounts will be reflected in the 1999 accounts.

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

b) There were no capital commitments authorised or contracted for as at the balance sheet date (1997 - £Nil).

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1998

18. DIRECTORS' INTERESTS

The following is a summary of transactions between the company and its directors/former directors and businesses in which they have a significant financial interest:

Director	Name of business	Sales during the year £	Sales ledger at 30.11.98 £	Purchases during the year £	Purchase ledger at 30.11.98 £
M D Leatherbarrow	Riverside Cabaret Club	73,839	10,149	65,152	56
M F Nolan	Academy Leasing Ltd	568	-	10,792	573
M L Colling	Academy Leasing Ltd	568	-	10,792	573
C P Norbury	Eversheds	-	-	79,733	-

The above transactions have been conducted on an arms length basis and in the ordinary course of business.

On 8 November 1998 the company advanced M D Leatherbarrow £200,125, being compensation for the early termination of a lease for the use of premises within Central Park known as the Riverside Cabaret Club. An amount of £200,000 was subsequently granted in respect of the premises being vacated on 10 September 1999. Interest at 10% accrued from the date of the advance to the compensation payment date, and this has since been repaid.

19. RELATED PARTY TRANSACTIONS

Mr D Whelan, who was a majority shareholder but not a director during the year, has a significant financial interest in JJB Sports plc, one of the club's sponsors, and also in Whelco Holdings Ltd.

Whelco Holdings Ltd is the ultimate holding company and has provided financial support and loan monies to the company during and after the year end.

20. ULTIMATE HOLDING COMPANY

The company is an 89% subsidiary of Whelco Holdings Limited, a company owned by the Whelan family.

21. POST BALANCE SHEET EVENTS

Central Park

Following the sale of Central Park, (see note 6), the activities of the club have been transferred to the new JJB Stadium. The directors have negotiated a licence agreement with Wigan Football Company Limited, the owners of the stadium, for occupation and usage of the facilities by the company. Wigan Football Company Limited is a fellow subsidiary of Whelco Holdings Limited.