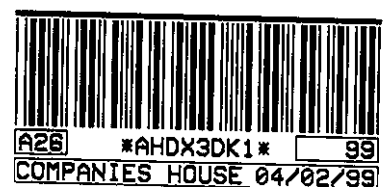


WIGAN FOOTBALL CLUB LIMITED 174692
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997



WIGAN FOOTBALL CLUB LIMITED

**INDEX TO THE FINANCIAL STATEMENTS
for the Year Ended 30 November 1997**

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WIGAN FOOTBALL CLUB LIMITED

COMPANY INFORMATION
for the Year Ended 30 November 1997

DIRECTORS: C P Norbury (Chairman)

SECRETARY: Mrs M Sharkey

REGISTERED OFFICE: Central Park
Riverway
Wigan
Lancashire
WN1 1XF

REGISTERED NUMBER: 0174692 (England and Wales)

AUDITORS: John Fairhurst & Co
Registered Auditor
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

REPORT OF THE DIRECTORS for the Year Ended 30 November 1997

The directors present their report with the financial statements of the company for the year ended 30 November 1997.

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

The company has had a difficult period, during which there have been many changes to the Board and management, as documented below.

Ultimately, control of the company has now passed to Whelco Holdings Ltd, a company owned by the Whelan family, following acceptance of a share and debenture offer in Spring 1998. A new Board chaired initially by Mike Nolan and now Peter Norbury head up the management team, who are responsible for all executive decisions. The Board have implemented strict financial and management controls and expect that these will lead to a return to profitability in the coming period.

Due to severe trading and cash flow difficulties the previous Board of Directors agreed, in April 1997, to sell the freehold interest in Central Park to Tesco Stores Limited for £8,750,000, subject to various conditions. As a result of this arrangement a sum of £1,500,000 was advanced to the company by Tesco Stores Limited and a supplemental sponsorship agreement was also entered into for 1998 and beyond.

It is intended that the club will play its first team matches and house its administration at the soon to be completed JJB Stadium, at Robin Park, Wigan. This stadium and facility is to be funded and managed via Whelco Holdings Limited.

Since the appointment of John Monie and Andy Goodway as coach and assistant, playing matters have improved considerably in the 1998 Superleague season. The club have retained the services of Gary Connolly and Jason Robinson, and continue to blood and nurture young talent such as Lee Gilmour and Paul Johnson. With major sponsorship deals in place with Norweb, Nike and Tesco the club can look forward to exciting football on a firm financial and managerial footing.

RESULTS AND DIVIDENDS

The results for the year are once more disappointing and have resulted in severe cash flow difficulties for the company. The operating loss includes exceptionally high legal and professional fees of £553,000, resulting from various firms being appointed to act and advise the Board on players' contracts, capital restructuring, sale of ground, informational and shareholder meetings, cash flow projections, and company secretarial matters.

The profit on transfer of players includes £750,000 for the sale of Va'iga Tuigamala to Newcastle Falcons, with transfer fees paid to Castleford of £145,000 for Tony Smith, and £225,000 to the Australian Rugby League to retain Jason Robinson.

It is recommended that the loss for the year of £1,166,486 (eighteen months to 30 November 1996 - losses of £695,800) be taken to reserves.

No dividend can be paid (1996 - £Nil).

WIGAN FOOTBALL CLUB LIMITED
REPORT OF THE DIRECTORS (continued)
for the Year Ended 30 November 1997

DIRECTORS

The directors who served during the year were:

J Robinson (resigned 18 August 1997)
T A Rathbone (resigned 18 August 1997)
A W Thomas (appointed 18 February 1997; resigned 28 October 1997)
M D Leatherbarrow (resigned 24 February 1997; reappointed 28 October 1997);
D Bradshaw (appointed 25 February 1997)
M F Nolan (appointed 28 October 1997)
R Gee (appointed 19 August 1997; resigned 19 August 1997)
A Sutton (appointed 19 August 1997; resigned 19 August 1997)

M Colling was appointed as a director and company secretary on 5 February 1998; he subsequently resigned on 10 July 1998.
D Bradshaw resigned as a director on 5 February 1998
M D Leatherbarrow resigned as a director on 7 March 1998
M F Nolan resigned as a director on 10 July 1998
C P Norbury was appointed as a director on 14 July 1998
P A Clarke was appointed as a director on 27 March 1998; he subsequently resigned on 25 January 1999
Mrs M Sharkey was appointed as a director and company secretary on 25 January 1999

DIRECTORS INTERESTS

The beneficial interests of the directors holding office on 30 November 1997 in the issued share capital and debenture stock of the company were as follows:-

	£1 Ordinary Shares		5% Debenture Stock 2005	
	1997	1996	1997	1996
M F Nolan	8	-	-	-
M D Leatherbarrow	34	34	6,625	6,625
D Bradshaw	8	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 judgments 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.

CAPITAL RESTRUCTURING

As detailed in note 15 to the financial statements the £112,000 Debenture Stock 2005 was capitalised following an E.G.M. in March 1998 and successful offers were then made to the debenture holders and shareholder by Mr David Whelan. This majority shareholding has subsequently been transferred to Whelco Holdings Limited, a company owned by the Whelan family.

WIGAN FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS (continued)
for the Year Ended 30 November 1997

TANGIBLE FIXED ASSETS

As detailed in note 7 of the financial statements the company has entered into a contract with Tesco Stores Limited for the sale of the land and buildings, known as Central Park. There are various terms and conditions attached to this contract which have not yet been fully complied with as at the date of signing of this report, but it is likely that they will be fulfilled within the coming twelve months.

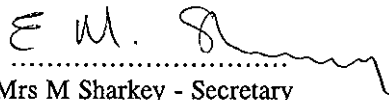
INTANGIBLE FIXED ASSETS

The directors have not included any valuations of the first team playing squad in these financial statements, nor have transfer fees paid been capitalised, as allowed by current accounting practice and the Inland Revenue.

AUDITORS

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

SIGNED ON BEHALF OF THE BOARD:


.....
Mrs M Sharkey - Secretary

Dated: 2-2-99

WIGAN FOOTBALL CLUB LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
WIGAN FOOTBALL CLUB LIMITED**

We have audited the financial statements on pages six to nineteen 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 three 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 judgments 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 Note 1 of the financial statements concerning the uncertainty as to the continuation and renewal of the bank overdraft and other loan facilities, major sponsorship agreements and also concerns over ongoing trading losses and the proposed sale of land and buildings, known as Central Park. In view of the significance of these uncertainties we consider that they should be brought to your attention but our opinion is not qualified in these respects.

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 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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



Dated:

2 / 2 / 98

WIGAN FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 30 November 1997

		Year Ended 30/11/97	Period 1/6/95 to 30/11/96
	Notes	£	£
TURNOVER	2	<u>1,670,104</u>	<u>3,517,845</u>
GROSS PROFIT		<u>1,670,104</u>	<u>3,517,845</u>
Administrative expenses		<u>4,165,138</u>	<u>6,035,216</u>
		(2,495,034)	(2,517,371)
Other operating income		<u>1,467,648</u>	<u>2,027,715</u>
OPERATING LOSS	4	<u>(1,027,386)</u>	<u>(489,656)</u>
Interest payable and similar charges	5	<u>139,100</u>	<u>206,144</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,166,486)</u>	<u>(695,800)</u>
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(1,166,486)</u>	<u>(695,800)</u>
Deficit brought forward		<u>(1,423,115)</u>	<u>(727,315)</u>
DEFICIT CARRIED FORWARD		<u>£(2,589,601)</u>	<u>£(1,423,115)</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes attached form part of these financial statements

WIGAN FOOTBALL CLUB LIMITED

BALANCE SHEET
30 November 1997

		<u>1997</u>		<u>1996</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		4,533,579		4,578,478
CURRENT ASSETS:					
Stocks	8	10,420		52,814	
Debtors	9	956,139		229,091	
Cash in hand		<u>597</u>		<u>100</u>	
		967,156		282,005	
CREDITORS: Amounts falling due within one year	10	<u>(3,501,840)</u>		<u>(2,590,201)</u>	
NET CURRENT LIABILITIES:			<u>(2,534,684)</u>		<u>(2,308,196)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,998,895		2,270,282
CREDITORS: Amounts falling due after more than one year	11		<u>(2,740,036)</u>		<u>(1,844,937)</u>
			<u>£(741,141)</u>		<u>£425,345</u>
CAPITAL AND RESERVES:					
Called up share capital	15		16,000		16,000
Revaluation reserve	16		1,832,460		1,832,460
Profit and loss account			<u>(2,589,601)</u>		<u>(1,423,115)</u>
Shareholders' funds	17		<u>£(741,141)</u>		<u>£425,345</u>

SIGNED ON BEHALF OF THE BOARD:

C. P. Norbury
C P NORBURY- CHAIRMAN

Approved by the Board on 2.2.1999

The notes attached form part of these financial statements

WIGAN FOOTBALL CLUB LIMITED

CASH FLOW STATEMENT
for the Year Ended 30 November 1997

		<u>Year Ended</u> <u>30/11/97</u>		<u>Period</u> <u>1/6/95 to 30/11/96</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		405,355		288,600
Returns on investments and servicing of finance	2		(139,100)		(206,144)
Capital expenditure	2		<u>(28,266)</u>		<u>(248,443)</u>
			237,989		(165,987)
Financing	2		<u>(208,014)</u>		<u>(144,424)</u>
Increase/(Decrease) in cash in the period			<u>£29,975</u>		<u>£(310,411)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt					
Increase/(Decrease) in cash in the period		29,975		(310,411)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>1,393</u>		<u>(1,393)</u>	
Change in net debt resulting from cash flows			<u>31,368</u>		<u>(311,804)</u>
Movement in net debt in the period			31,368		(311,804)
Net debt at 1 December 1996			<u>(586,432)</u>		<u>(274,628)</u>
Net debt at 30 November 1997	3		<u>£(555,064)</u>		<u>£(586,432)</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 1997

1. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year Ended 30/11/97 £	Period 1/6/95 to 30/11/96 £
Operating loss	(1,027,386)	(489,656)
Depreciation charges	73,165	118,680
Decrease in stocks	42,394	43,236
(Increase)/Decrease in debtors	(727,048)	31,548
Increase in creditors	<u>2,044,230</u>	<u>584,792</u>
Net cash inflow from operating activities	<u>405,355</u>	<u>288,600</u>

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

	Year Ended 30/11/97 £	Period 1/6/95 to 30/11/96 £
Returns on investments and servicing of finance		
Interest paid	<u>(139,100)</u>	<u>(206,144)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(139,100)</u>	<u>(206,144)</u>
Capital expenditure		
Purchase of tangible fixed assets	(28,684)	(248,443)
Sale of tangible fixed assets	<u>418</u>	<u>-</u>
Net cash outflow for capital expenditure	<u>(28,266)</u>	<u>(248,443)</u>
Financing		
Loan repayments in year	<u>(208,014)</u>	<u>(144,424)</u>
Net cash outflow from financing	<u>(208,014)</u>	<u>(144,424)</u>

WIGAN FOOTBALL CLUB LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 November 1997**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/12/96 £	Cash flow £	At 30/11/97 £
Net cash:			
Cash at bank and in hand	100	497	597
Bank overdraft	<u>(585,139)</u>	<u>29,478</u>	<u>(555,661)</u>
	<u>(585,039)</u>	<u>29,975</u>	<u>(555,064)</u>
 Debt:			
Hire purchase or finance leases	<u>(1,393)</u>	<u>1,393</u>	<u>-</u>
	<u>(1,393)</u>	<u>1,393</u>	<u>-</u>
 Total	<u>(586,432)</u>	<u>31,368</u>	<u>(555,064)</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	100		597
Bank overdraft	(585,139)		(555,661)
Hire purchase or finance leases within one year	<u>(1,393)</u>		<u>-</u>
	<u>(586,432)</u>		<u>(555,064)</u>

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1997

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:

- i) Bank and loan facilities - The company's bankers have agreed to extend the company's facilities subject to normal periodic reviews; the next review being on 31 March 1999. These facilities remain repayable on demand and have been granted on the basis of current and projected financial information, and also under guarantees by Whelco Holdings Limited and loans given by that company.

The board have received assurances of ongoing support from the company's bankers and Whelco Holdings Limited and believe that adequate finance is currently in place to allow the company to continue to trade in the foreseeable future.

- ii) Major sponsors, Norweb, Nike and Tesco; along with advances from News Corporation. These monies are subject to contractual arrangements and whilst the directors are not aware of any breaches there are various terms and conditions attached to the monies advanced which require fulfilling in the future.

- iii) Ongoing losses - Measures have been taken to increase revenue, control costs, and improve the financial and management controls and the directors are confident that the company will return to profitability in the coming period.

- iv) Sale of land and buildings, known as Central Park - The company has entered into a contract with Tesco Stores Limited for the sale of the land and buildings, known as Central Park. There are various terms and conditions attached to this contract which have not yet been fully complied with as at the date of signing of the balance sheet, but it is likely that they will be fulfilled within the coming twelve months. The directors are currently negotiating the terms and conditions whereby the club would play its first team matches and house its administration function at the soon to be completed JJB Sports Stadium, at Robin Park, Wigan. This stadium and facility is to be funded and managed by Whelco Holdings Limited.

The financial statements do not include any adjustments that would result, should any or all of the above matters materially alter.

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

Playing Staff

The cost of purchase of players' registration fees and sale proceeds from players' registration fees are taken to 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.

Turnover

Turnover represents match receipts and sales, excluding VAT, of goods and services in the normal course of business.

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1997

1. ACCOUNTING POLICIES (continued)

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

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.

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. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company, which is continuing and arose wholly within the United Kingdom.

3. STAFF COSTS

	Year Ended	Period
	30/11/97	1/6/95 to 30/11/96
	£	£
Wages and salaries	<u>2,580,287</u>	<u>4,241,718</u>

Included in the above are directors' emoluments, paid to D Bradshaw as Chief Executive of, £25,000.
No other director received any remuneration for his services as director.

WIGAN FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 November 1997**

3. STAFF COSTS - continued

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

	Year Ended 30/11/97	Period 1/6/95 to 30/11/96
Playing and coaching staff	83	77
Groundsmen	3	3
Administration	<u>18</u>	<u>15</u>
	<u>104</u>	<u>95</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 30/11/97 £	Period 1/6/95 to 30/11/96 £
Exceptional costs		
- Legal and professional fees	552,946	85,859
Hire of equipment	67,447	44,715
Depreciation - owned assets	73,165	118,680
Auditors' remuneration		
- audit fees	10,000	10,000
- accountancy and tax	<u>8,600</u>	<u>5,414</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 30/11/97 £	Period 1/6/95 to 30/11/96 £
Bank interest	75,610	204,341
Directors loan interest	58,575	-
Other loan interest	4,369	546
Debenture interest	<u>546</u>	<u>1,257</u>
	<u>139,100</u>	<u>206,144</u>

6. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the year ended 30 November 1997 nor for the period ended 30 November 1996.

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 November 1997

7. TANGIBLE FIXED ASSETS

	Long Leasehold Property	Land & Buildings	Tools & Equipment	Motor vehicles	Totals
	£	£	£	£	£
COST OR VALUATION:					
At 1 December 1996	90,557	4,687,747	196,211	9,600	4,984,115
Additions	21,606	-	7,078	-	28,684
Disposals	-	-	(2,738)	-	(2,738)
At 30 November 1997	<u>112,163</u>	<u>4,687,747</u>	<u>200,551</u>	<u>9,600</u>	<u>5,010,061</u>
DEPRECIATION:					
At 1 December 1996	6,234	274,692	118,453	6,258	405,637
Charge for year	2,018	54,665	15,646	836	73,165
Eliminated on disposals	-	-	(2,320)	-	(2,320)
At 30 November 1997	<u>8,252</u>	<u>329,357</u>	<u>131,779</u>	<u>7,094</u>	<u>476,482</u>
NET BOOK VALUE:					
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>
At 30 November 1996	<u>84,323</u>	<u>4,413,055</u>	<u>77,758</u>	<u>3,342</u>	<u>4,578,478</u>

The freehold and long leasehold, land, buildings, stands and furnishings and flood-lighting equipment, known as Central Park was 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. The development known as the Whitbread Stand was not included in the valuation as it was not completed at 31 May 1991. This valuation was relied upon by the Directors and approximated to depreciated replacement cost.

The valuation did not distinguish between land and buildings nor between freehold and long leasehold and it was necessary to reclassify the assets relating to Central Park under a general heading of land and buildings as from 31 May 1991 to accommodate the valuation.

Cost or valuation of land and buildings comprises:

	£
Cost	1,858,390
Valuation	<u>2,500,000</u>
At 30 November 1997	<u>4,358,390</u>

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

	£
Cost	3,010,591
Depreciation	<u>(492,405)</u>
At 30 November 1997	<u>2,518,186</u>

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1997

7. TANGIBLE FIXED ASSETS (continued)

An E.G.M. held on 10 April 1997 gave details of the contract for sale agreed between the company and Tesco Stores Limited ("Tesco") signed on 27 February 1997, of the land and buildings, known as Central Park, in the sum of £8,750,000. This is subject to agreement between the company and Wigan MBC concerning access to the site, and in particular an area of land referred to as the "ransom strip". The sale of this land and its value have yet to be agreed. As part of this signed agreement, £1,500,000 was advanced to the company by Tesco in the form of a secured returnable deposit which alleviated the cash flow problems encountered by the company at that time. There are various terms and conditions attached to the contract for sale, including a timetable and contingencies, specifically relating to detailed planning permission and site access being confirmed. To date the various terms and conditions have not been fully complied with but the directors have assumed that the sale is irreversible and are pursuing viable alternative playing arrangements within Wigan Borough.

8. STOCKS

	1997	1996
	£	£
Souvenirs and goods for resale	<u>10,420</u>	<u>52,814</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Trade debtors	837,629	223,022
Other debtors and prepayments	<u>118,510</u>	<u>6,069</u>
	<u>956,139</u>	<u>229,091</u>

Other debtors includes a sum of £112,000 being part of the £1,500,000 Tesco Stores Limited cash advance held in a solicitors' account; this sum to be released to the company once the contract for the sale of Central Park becomes unconditional (see notes 7 and 13).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Bank loans and overdrafts (see notes 12 & 13)	690,661	852,109
Trade creditors	741,284	778,555
Hire purchase	-	1,393
Other loans (see notes 12 & 13)	105,000	-
Social security & other taxes	585,383	403,292
Deferred income	705,124	-
Accrued expenses	<u>674,388</u>	<u>554,852</u>
	<u>3,501,840</u>	<u>2,590,201</u>

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

	1997	1996
	£	£
Bank loans (see notes 12 & 13)	908,036	984,080
£112,000 5% Debenture stock 2005 (see note 13)	112,000	112,000
Directors' and other loans (see note 13)	-	471,508
Accruals and deferred income	220,000	277,349
Payment on account (see note 13)	<u>1,500,000</u>	<u>-</u>
	<u>2,740,036</u>	<u>1,844,937</u>

WIGAN FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 November 1997**

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1997 £	1996 £
Amounts falling due within one year or on demand:		
Bank overdrafts	555,661	585,139
Bank loans	135,000	266,970
Other loans	<u>105,000</u>	<u>-</u>
	<u>795,661</u>	<u>852,109</u>

Amounts falling due between one and two years:

Bank loans	<u>270,000</u>	<u>260,000</u>
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Amounts falling due between two and five years:

Bank loans	<u>638,036</u>	<u>724,080</u>
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13. SECURED DEBTS

The bank overdraft and loans are secured by a legal mortgage dated 9 March 1981 over freehold and long leasehold land situated at Powell Street, Hilton Street and Colinfield House, Wigan known as Central Park, and also a mortgage debenture dated 17 December 1992.

The 5% Debenture Loan Stock 2005 was secured by a floating charge over the assets of the company, (subject to other charges held by National Westminster Bank PLC) which was fully discharged on 18 March 1997. The Directors have waived their right to interest on their holding of Debenture stock.

£105,000 of other loans were secured by way of a second legal charge, over land and buildings known as Central Park. This loan was repaid with interest at 3% over base and fully discharged on 9 January 1998.

Tesco Stores Limited have been granted a fixed charge of £1,500,000, over the land and buildings known as Central Park, ranking behind that of National Westminster Bank PLC, in consideration for their advancing monies to the company under the terms of a contract of sale dated 27 February 1997.

The Directors loans which were unsecured were fully repaid on 28 October 1997, including loan interest applied @ 6% (gross) per annum (see note 19).

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1997

14. PROVISIONS FOR LIABILITIES AND CHARGES

No provision has been made for Capital Gains Tax which will become due on the sale of land and buildings known as Central Park, as all the terms and conditions of a contract of sale to Tesco Stores Limited on 27 February 1997 have not yet been fully complied with. However, the potential amount of Capital Gains Tax should the sale proceed has been calculated using known figures at the date of this report.

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

	1997	1996
	£	£
Capital Gains Tax	<u>500,000</u>	<u>500,000</u>

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1997	1996
			£	£
16,000	Ordinary	£1	<u>16,000</u>	<u>16,000</u>

On 28 October 1997 Mr D Whelan, via a nominee, acquired £90,367 of 5% Debenture Stock 2005 in the company. This debenture stock was transferred by the nominee for £nil consideration into the name of Mr D Whelan on 8 February 1998. At that date a further £6,625 of 5% Debenture Stock 2005 in the company was acquired by Mr D Whelan from M D Leatherbarrow, a director. Also, on 8 February 1998 £1 of 5% Debenture Stock 2005 in the company was transferred by Mr D Whelan to Mr Duncan Sharpe at a price of £5.50.

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 which 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 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.

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 November 1997

15. CALLED UP SHARE CAPITAL (continued)

The beneficial interest in a further 11,604 ordinary shares of £1 each in the Company had as at 1 November 1998 been acquired by Mr D Whelan pursuant to the Share Offer. This beneficial interest in and legal title to these shares were transferred to Whelco Holdings Limited in each case for a price of £125 per share on the following dates:-

11,172 on 28 April 1998;
328 on 30 June 1998; and
104 on 26 August 1998.

Mr D Whelan has also acquired the beneficial interest in a further 76 ordinary shares of £1 pursuant to the Share Offer each which are scheduled to be transferred to Whelco Holdings Limited during December 1998.

At the time of the Share Offer, Mr D Whelan held 8 ordinary shares of £1 each in the Company.

16. REVALUATION RESERVE

	1997 £	1996 £
Surplus on revaluation	<u>1,832,460</u>	<u>1,832,460</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Loss for the financial year	<u>(1,166,486)</u>	<u>(695,800)</u>
NET REDUCTION OF SHAREHOLDERS' FUNDS	(1,166,486)	(695,800)
Opening shareholders' funds	<u>425,345</u>	<u>1,121,145</u>
CLOSING SHAREHOLDERS' FUNDS	<u>(741,141)</u>	<u>425,345</u>
Equity interests	<u>(741,141)</u>	<u>425,345</u>

18. COMMITMENTS

The company had the following annual contractual obligations, relating to players' contracts:

	1997 £	1996 £
Due within one year	<u>1,241,540</u>	<u>1,110,053</u>
Due within two to five years	<u>2,241,000</u>	<u>1,342,750</u>
	<u>3,482,540</u>	<u>2,452,803</u>

Where contract terms have been amended since the Balance Sheet date the revised amounts will be reflected in the following year's 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.

WIGAN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 1997

19. DIRECTORS INTERESTS IN TRANSACTIONS

The directors who served during the year, and businesses in which they had a significant financial interest, provided goods and services to/from the company as follows:

Director	Name of Business	Sales during the year	Sales ledger at 30/11/97	Purchases during the year	Accruals/ purchase ledger at 30/11/97
		£	£	£	£
J Robinson	John Robinson Antiques	1,375	-	-	-
T A Rathbone	Inn Club of Lancashire Ltd	4,000	-	-	-
A W Thomas	AWT Painters Ltd	3,771	-	10,338	-
M D Leatherbarrow	Riverside Cabaret Club	63,059	2,914	116,247	993
D Bradshaw	None	-	-	-	15,000
M F Nolan	Academy Leasing	-	-	1,550	-
R Gee	Richards Surveyors	-	-	291,350	271,350
A Sutton	Baker Tilly	-	-	5,121	-

In addition certain monies were introduced/repaid during the year as follows:

Director	Name of Business	Loan monies introduced during the year	Loan interest payments during the year	Loan monies repaid during the year	Debenture Stock repaid during the year
		£	£	£	£
J Robinson	Robinson Antiques	-	42,500	210,508	42,117
T A Rathbone	Inn Club of Lancashire Ltd	7,000	1,075	18,000	31,625
A W Thomas	AWT Painters Ltd	103,700	15,000	203,700	16,625
M D Leatherbarrow	Riverside Cabaret Club	-	-	150,000	-

20. CONTINGENT LIABILITY

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 company is co-operating fully with this inspection and any queries arising, the timetable for its conclusion, and whether or not any accruals or further payments may be required cannot be ascertained nor amounts quantified at the date of signing of the balance sheet.