

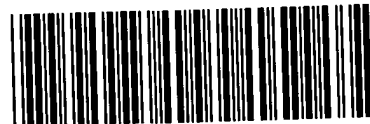
# AM03

## Notice of administrator's proposals



Companies House

TUESDAY



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A10

25/08/2020

#64

COMPANIES HOUSE

### 1 Company details

Company number 03477413

Company name in full Wigan Football Company 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

Full forename(s) Dean

Surname Watson

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address

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.

AM03  
Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Sign and date

Administrator's Signature	Signature X		X
Signature date	<sup>d</sup> 2 <sup>d</sup> 5	<sup>m</sup> 0 <sup>m</sup> 8	<sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 0

# AM03

## Notice of Administrator's Proposals



### 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	Alex Coffey
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 and dated 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://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. ❶  
Attach this to the relevant form.  
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

❶ 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

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.

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## Wigan Football Company Limited (In Administration)

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Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

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## **Important Notice**

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. 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. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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  - 2. Company creditors
  - 3. Remuneration and expenses
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# 1. INTERPRETATION

## Expression

## Meaning

"the Company"

Wigan Football Company Limited (In Administration)

"the administration"

The appointment of administrators under Schedule B1 of the Act on 1 July 2020

"the administrators", "we",  
"our", "us"

Paul Stanley and Dean Watson of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY and Gerald M Krasner of Begbies Traynor (Central) LLP, 4th Floor, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG

"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 Act

## 2. STATUTORY INFORMATION

Name of Company	Wigan Football Company Limited
Trading name(s):	Wigan Football Company Limited
Date of Incorporation:	8 December 1997
Company registered number:	03477413
Company registered office:	C/O Begbies Traynor, 340 Deansgate, Manchester, M3 4LY
Former registered office and trading address:	Loire Drive, Robin Park, Wigan, Lancashire, WN5 0UH
Principal business activities:	93110 - Operation of sports facilities
Directors and details of shares held in the Company (if any):	<b>Name</b> Wai Kay Au Yeung Man Chun Szeto Tat Man Cheung Darren Royle Paul McKeivitt
Company Secretary and details of the shares held in Company (if any):	N/A
Auditors:	BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT
Share capital:	29,996,612
Shareholders:	Wigan Athletic Holdings Limited – 25,497,120 – Ordinary A Shares Wigan Metropolitan Borough Council – 4,499,492 – Ordinary B Shares  The ultimate parent company is Newworth Ventures Limited, a company registered in the Cayman Islands, controlled by Wai Kay Au Yeung



### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	1 July 2020
Date of resignation:	N/A
Court:	Business and Property Courts in Manchester, Insolvency & Companies List (ChD)
Court Case Number:	2020-MAN-000679
Person(s) 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) No 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.

#### STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
  - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
  - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
  - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
  - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

## 4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

On 23 June 2020, the solicitor acting for the Company contacted Begbies Traynor in relation to the financial position of the Company and various associated companies including Wigan Athletic AFC Limited ("the Football Club"). A letter of advice was provided regarding various options that were available based on the limited information given. Further information was requested.

On 24 June 2020, there was a further telephone call between Paul Stanley, Gerald M Krasner and the solicitors acting for the Company. It was explained that there was a £6 million funding requirement and no further funds were being made available by the owner.

Further telephone calls ensued over the following days, but no detailed information was given to us and we were asked formally not to contact any of the UK directors at this time. As a result of our investigations, it became apparent that a number of assets relating to the Football Club were held by different associated companies (Wigan Athletic A.F.C. Limited, Wigan Football Company Limited, Wigan Athletic Holdings Limited, Wigan Property Holdings Limited and Wigan Sports Management Limited) ("the Group"). The solicitors were advised that if they wished to appoint us as administrators over the Football Club (which operates the football club) then they would also have to appoint us over the Group companies in order that we had control over the whole operations.

A decision was made and as a result of which a Board Meeting was held on 30 June 2020 to approve the proposed appointment. The necessary documents were signed that day, but it was decided not to formally lodge them in Court before closing hours due to the fact that the Football Club had a match that night and it was not considered appropriate to release the news in advance of that match. The documents were filed at Court after it closed, and the Court acknowledged the filing by return.

The formal Notice of Appointment was stamped by Court at 10.00am on 1 July 2020, which is the time and date on which our appointment took effect.

## 5. STATEMENT OF AFFAIRS

At the time of issuing the Administrators' Proposals, the Statement of Affairs has not been provided by the Directors of the Company. Once available, this will be available to view at Companies House and for viewing and download by following the instructions provided in the letter circulated to all creditors.

Our comments on the Assets and Liabilities of the Company are as follows:

### **ASSETS**

#### **DW Stadium ("the Stadium")**

Wigan Borough Council own the freehold of the Stadium, adjoining land and sports facilities at Robin Park. Wigan Football Company owns the leasehold. The parties entered into a 99 year lease in August 1999. The Football Club and Wigan Rugby League FC ("the Rugby Club") play matches at the Stadium. The Football Club and the Rugby Club have agreements with the Company to use the Stadium. The Net Book Value within the Company's accounts at 30 June 2019 is c£27.5 million.

## **Fixed Assets**

The Company also owns fixed assets including fixtures and fittings and equipment that are used in the operation of the Stadium. The Net Book Value within the Company's accounts at 30 June 2019 is c£400,000.

## **Stock**

The Company owns stock usually sold in matchday operations consisting of soft drinks, alcoholic beverages and confectionary located at the Stadium.

Due to the inability to hold sporting events with fans in attendance since March 2020 some of the stock has been sold by the Joint Administrators. Further details in relation to the sale may be found in Section 6 below.

## **Sale of Assets**

We are currently in the process of liaising with interested parties in relation to the sale of the Stadium and Fixed Assets associated with the operation of the Football Club. Due to commercial sensitivity, we are not able to disclose the Estimated to Realise value of these assets.

## **Book Debts**

At the time of the Joint Administrators' appointment, sums were owed to the Company by the Rugby Club in relation to the use of the Stadium, plus a number of other smaller debtors in relation to invoices raised and not yet paid.

## **Cash at Bank**

The sum of £124,267 was held in the Company's bank account with Barclays Bank Plc ("Barclays"). This balance was transferred to the Joint Administrators shortly following their appointment.

## **LIABILITIES**

### **Employees**

Employees were owed salaries and wages at the date of our appointment. All retained staff have been paid and staff that were made redundant have made claims against the Redundancy Payments Service. Amounts owed in respect of arrears of wages and holidays accrued will rank as a preferential creditor (subject to certain caps). Amounts owed in respect of redundancy and notice pay will rank as an unsecured claim. We do not have details of the claims paid out by the Redundancy Payments Service at this stage. A further update will be provided in our next progress report.

### **Intercompany Loans**

The Company owes the following amounts to associated companies:

- Wigan Athletic Holdings Limited - £4.4m
- Wigan Athletic A.F.C. Limited - £2.2m

### **Trade Creditors**

It is estimated that the Company's trade creditors amount to £204,047.

A full list of the Company's creditors (excluding employees) appears at Appendix 2.

## 6. THE ADMINISTRATION PERIOD

### ***Receipts and Payments***

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 1 July 2020 to 11 August 2020.

### **RECEIPTS**

#### **WIGAN SUPPORTERS CLUB**

##### **Receipts**

Wigan Supporters Club set up a Crowd Funding page to generate funds to go towards the running costs of the Football Club whilst in administration.

To date, the fans have raised in excess of £193,000. The majority of the funds raised have been transferred to the Joint Administrators the Football Club. £37,000 has been transferred to the Joint Administrators of the Company as a contribution towards the payment of the wages and salaries of the existing staff.

##### **Book Debts**

During the period, book debts of £50,310.77 have been received, including a balance of £50,000 due from Wigan RUFC.

##### **Cash at Bank**

As outlined above, a balance of £124,267 was transferred to the Joint Administrators by Barclays Bank following appointment.

##### **Stock**

Certain of the Company's stock had shorter use by dates therefore a sale of certain items needed to take place before any value was lost.

Stock totalling £1,877.08 plus VAT was sold to Approved Food Limited following the advice of our agent Eddisons.

##### **Furlough Monies**

Due to the current Covid-19 pandemic, a number of the Company's employees are still on furlough. The application for funding from HMRC was approved for July, and a total of £2,490 was received.

For the avoidance of doubt, all furlough monies received by the Joint Administrators have been utilised to pay those staff on furlough in line with the application made. Payment of the £2,490 above is included in the overall figure quoted in 'Wages and Salaries' below.

##### **Payments**

##### **Stadium Health & Safety**

As part of the continued use of the Stadium, a number of routine checks have to be carried out to comply with our ongoing Health & Safety requirements.

During the period, £530 has been paid in relation to floodlight testing.

#### Pitch Maintenance

Payments of £1,579 have been made in relation to the ongoing pitch maintenance required in order to prepare the pitch for the 2020-21 football season:

#### Monthly Running Costs

Payments of £654 have been made in relation to the ongoing monthly running costs paid by the Company:

#### 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.

#### Property Expenses

Maintenance costs of £710 have been paid during the period of our appointment.

#### Insurance

£2,203 has been paid in relation to our ongoing insurance requirements at the Stadium.

#### Wages and Salaries

Total wages and salaries paid to date amounts to £111,176. For the purposes of the Receipts & Payments account below, £37,000 has been allocated to the costs paid by Wigan Supporters Club.

Of the £111,176 outlined above, £79,231 relates to wages due for the month of June (prior to the administrators' appointment)

#### Bank Charges

Bank charges of £123 have been incurred in relation to a number of same day payments that had to be processed immediately following the appointment of the Joint Administrators.

#### Pension Contributions

A payment of £2,188 has been made in relation to the pension of one of the retained employees. We are liaising with the Group pension provider in relation to other pension contributions that have not yet been paid.

#### Investigation Expenses

A fee of £500 has been paid in relation to some initial investigative work on behalf of the Joint Administrators in relation to the overseas holding company.

#### ***Work undertaken by the Administrators and their staff***

We have detailed below the work undertaken by the Administrators and their staff following their appointment on 1 July 2020.

### **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 of the Company were written to as soon as was reasonably practicable following our appointment to provide them with formal notification of the same.
- 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 Group. 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.
- 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
- Liaised with our agents Eddisons in relation to the valuations of the Stadium, chattel assets and stock
- 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
- Communications with the Council in relation to licencing provisions and other issues arising as a result of our appointment
- Calculation of bond required for the Joint Administrators to cover the value of the Company's assets
- Liaising with UK and overseas directors in relation to initial investigations, conduct questionnaires, and submission of Statement of Affairs
- Dealing with day to day creditor queries where necessary
- Preparation of Joint Administrators' proposals and associated paperwork
- Authorisation and payment of various invoices in relation to the day to day running of the football club
- Significant time was also spent with our solicitors Walker Morris LLP at the outset in relation to employment issues, including furlough, redundancy and 'worker' status

### **Investigations**

Please refer to Section 11 below for details on the investigations carried out to date.

## **7. ESTIMATED OUTCOME FOR CREDITORS**

The estimated sums owed to creditors at the date of appointment are as follows:

### **Secured creditor**

There are no secured creditors in this matter.

### **Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £40,433.

We do not yet have details of any pension arrears, however they will rank as preferential should there be any outstanding arrears in relation to contributions due prior to the Joint Administrators' appointment.

### **Unsecured creditors**

Claims of unsecured creditors were estimated at £7,042,231, broken down as follows:

Intercompany Loans - £6,600,000  
Employees re redundancy and notice - £238,184  
Trade Creditors - £204,047

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

### **Preferential creditors**

We anticipate that there will be sufficient funds to enable the preferential creditors to be paid in full in the event that there is a successful sale of the Stadium.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### **Unsecured creditors**

In the event that there is a successful sale of the Stadium then we anticipate that there will be sufficient funds to enable a dividend to be paid to the unsecured creditors of the Company. The timing and quantum of dividends will be entirely dependant on the sale of the Stadium.

### **Effect of administration on limitation periods under the Limitation Act 1980**

As explained in our initial correspondence confirming our appointment as administrators, 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.

## 8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

### ***Purpose of the Administration***

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

It is not reasonably practicable to achieve objective 3(1)(a), namely rescuing the business as a going concern due to likelihood that any purchaser of the Football Club would want to purchase the Stadium from the Company..

The Joint Administrators propose to remain in office as administrators to deal with the following:

- To realise the Stadium and other assets (as part of a wider deal involving other Group assets if necessary)
- To make the Stadium available for the use of the Football Club and Rugby Club for future matches
- To continue to manage the day to day running of the Company alongside the retained employees

In the event that sufficient funds are realised, we will take steps to verify creditor claims and to distribute funds accordingly.

### ***Exit from Administration***

#### **Creditors' voluntary liquidation ("CVL")**

We confirm that there are no secured creditors in this matter and that a distribution will be made to the unsecured creditors of the Company which is not a distribution of the prescribed part<sup>1</sup>.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such

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<sup>1</sup> Insolvency Act 1986, Sch B1, para 83(1)



notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (a) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

#### **Extending the administration**

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

## **9. REMUNERATION AND DISBURSEMENTS**

### ***Remuneration***

Under the terms of our Engagement Letter, due to the risks incurred by the Joint Administrators in taking this appointment (with no guarantee on fees or disbursements) as a result of the lack of information available, and the commercial risks taken on with no certainty on the funds available to the proposed administrators, it was agreed with the owner in his capacity as shareholder and major creditor of the Football Club that there would be an uplift of one third on our standard charge out rates

We therefore propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules 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 for attending to matters as set out in the fees estimate, plus an increase of one third of time costs incurred.

It is for the creditors' committee to approve the basis of our remuneration under Rule 18.18 of the Rules, but if no such committee is appointed it will be for the creditors to determine. We intend to deal with this by seeking decisions of creditors via correspondence

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 1 July 2020.

### **Disbursements**

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

### **Estimate of expenses**

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

## **10. OTHER INFORMATION TO ASSIST CREDITORS**

### **Report on the conduct of directors**

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Please note that some creditors and fans of the Football Club have provided the Joint Administrators and their staff with some information in relation to the conduct of the directors. This will be reviewed prior to submitting our report, and relevant details will be included where necessary.

### **Investigations carried out to date**

Following the appointment of the Joint Administrators, it was decided to investigate a number of matters relating to the Group as a whole, especially the immediate events leading up to the appointment of Administrators.

It was agreed in relation to the whole Group 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.

### **Connected party transactions**

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

### **Deemed delivery**

These proposals will be deemed to have been delivered on 27 August 2020.

### **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. CONCLUSION

We consider that the Company has sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation, and we are therefore required to seek a decision from the Company's creditors as to whether they approve our proposals. This decision will be sought via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Unless 10% in value of the Company's creditors object to the approval of our proposals via the deemed consent procedure, then the creditors will be treated as having made the proposed decision to approve our proposals.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



**Paul Stanley**  
Joint Administrator

Date: 25 August 2020

# ACCOUNT OF RECEIPTS AND PAYMENTS

**1 July 2020 11 August 2020**

	£	£
WIGAN SUPPORTERS CLUB		
Wigan Supporters Club	<u>37,000.00</u>	37,000.00
ASSET REALISATIONS		
Stock	1,877.08	
Book Debts	50,310.77	
Cash at Bank	124,266.94	
Furlough Monies	<u>2,489.95</u>	
		178,944.74
COST OF REALISATIONS		
Stadium Health and Safety	530.00	
Pitch Maintenance	1,579.09	
Monthly Running Costs	654.43	
Statutory Advertising	94.50	
Other Property Expenses	710.00	
Insurance of Assets	2,203.48	
Wages & Salaries	45,534.79	
Pre appointment salaries	79,230.50	
Bank Charges	123.00	
Pension Contributions	2,188.32	
Investigation Expenses	<u>500.00</u>	
		(133,348.11)
		<u><u>82,596.63</u></u>

# COMPANY CREDITORS

Details of the Company's estimated assets and liabilities are detailed above. A full list of all known creditors as at 1 July 2020 is provided below. Please note that the below does not include the employees of the Company, and we do not currently have details of any potential pension arrears.

Key	Name	Address	£
CA0000	Advanced Ticketing Limited	Ditton Park, Riding Court Road, Datchet, Berkshire, SL3 9LL	19,138.32
CA0001	Argus Fire And Security Ltd	3 Lord Street, Swinley, Wigan, WN1 2BN	104.40
CA0002	Amage Electronic Security Ltd	803 Merlin Park, Ringtail Road, Burscough, L40 8JY	90.00
CA0003	Allied Lift Services Division Uk Ltd	Office 3 The Barn, Pasture Lane Business Centre, Pasture Lane, St Helens, WA11 8PU	59.70
CA0004	Allianz Engineering	Haslemere Road, Liphook, Hampshire, GU30 7UN	64.88
CA0005	Adam Heath	64 Apollo Way, Netherton, Sefton, Merseyside, L31 4HE	500.00
CA0006	Amanda Bennett		65.00
CB0000	Blake Penfold	33 Gurney Drive, London, N2 0DF	9,240.00
CB0001	BT Plc	BT Telephone Payment Centre, Durham, DH98 1BT	2,359.80
CB0003	BT Business Direct Ltd	81 Newgate Street, London, EC1A 7AJ	669.84
CB0004	Bottomline LP	115 Chatham Street, Reading, Berkshire, RG1 7JX	430.14
CB0005	Bridge Valley Ltd	1 Alder Avenue, Dyffryn Business Park, Ystrad, Mynach, CF82 7TW	383.36
CB0007	Biffa Waste Services Ltd	Coronation Road, Cresser, High Wycombe, HP12 3TZ	128.15
CB0008	Brake Bros Limited	C/O Moore Kingston Smith, Devonshire House, 60 Goswell Road, London, EC1M 7AD	1,813.14
CB0009	Bishop Rawstome Church	Of England Academy, Highfield Road, Croston, Lancs, PR2 9HH	500.00
CC0000	Centerplate Uk Limited	Mitchell House, Town Road, Hanley, Stoke On Trent, ST1 2QA	59,584.44
CC0001	Camseal Ltd	Unit 7, London Road Industrial Estate, Pembroke Dock, Pembrokeshire, SA72 4RZ	996.00
CC0002	Corona Energy	Po Box 4934, Slough, SL1 0UQ	967.01
CC0003	Concept Group (Wigan) Limited	384 Woodhouse Lane, Wigan, WN6 7TD	105.00
CC0004	Concept Hygiene Ltd	Unit 3a Arbour Court, Arbour Lane, Knowsley Industrial Park, Knowsley, L33 7XB	34.94
CD0001	Deb Winnard		20.00
CE0000	EDF Energy	Payment Processing Centre, Po Box 140; Plymouth, PL3 5RG	58,513.64
CE0001	Elektec Ltd	Unit 4, Tower View Developments, Darwen, BB3 3JJ	2,887.50
CF0000	Fortress (Gb) Ltd	1st Floor, South Block, Tavistock House, Tavistock Square, London, WC1H 9LG	4,395.60
CH0000	Horizon Environment Services Ltd	T/A Pestokill Pest Control, Graveoak Lane, East Lancashire Road, Leigh, WN7 3SE	581.40
CH0001	Hss Hire Group Ltd A/C W12609	76 Talbot Road, Manchester, M16 0PQ	398.40
CH0003	Hope School	Kelvin Grove, Wigan, Lancs, WN3 6SP	500.00
CI0000	IEC Wigan Athletic Holdings Ltd	Dw Saldium, Loire Drive, Robin Park, Wigan, WN5 0UH	1,200.00
CI0001	Initial Washroom Hygiene	Credit Control, Po Box 4975, Dudley, DY1 9FA	70.79
CI0002	Ian Carter	8 Foster Avenue, Wigan, Lancs, WN3 4QT	500.00
CK0000	Keysec 24 Ltd	Unify House, Westwood Park, Wigan, WN3 4HE	2,088.00
CK0001	Kone Plc	Globalm House, Station Road, Fox Lane North, Chertsey, KT16 9HW	877.42
CK0002	Karen Weston & Shaun Hunter	138 Woodhouse Lane, Wigan, Lancs, WN6 7LZ	500.00
CL0000	Little White Books	F/A/O Maxine Cowan, 1 Weythorne Drive, Birtle, Bury, Lancs, BL9 7TX	300.00
CL0001	Lisa Bentham & Warren Cusick	130 Park Road, Wigan, Lancs, WN5 7AQ	500.00
CL0002	Lindsey Gray		80.00
CM0000	Missing Link Comm. Ltd	Unit 99, Bradley Hall Ind Estate, Bradley Lane, Wigan, WN56 0XQ	731.32
CM0001	Miss A Byrne & Mr T Lamb	94 Almond Brook Road, Wigan, Lancs, WN6 0ST	500.00
CM0002	Miss Zoe Baxter & Mr Neil Harrison	2 Strines Close, Hindley, Wigan, Lancs, WN2 2QZ	500.00
CM0003	Miss Kirsty Barnes & Mr Lee Johnson	30 Crossley Close, Hindley, Greater Manchester, WN2 3US	1,300.00
CM0004	Mr Scott Ashcroft & Miss Elen Mercer	105 Withington Lane, Aspull, Wigan, WN2 1JE	2,500.00
CM0005	Maria Harrison		110.00
CN0000	Northern & Central Wigan Ltd	Units 1av & 1b, Cricket Street, Business Centre, Wigan, WN6 7TP	357.73
CO0000	OFCOM	Riverside House, 2a Southwalk Bridge Road, London, SE1 9HA	228.00
CP0000	Paragon	Gilcar Way, Wakefield Europort, Castleford, WF10 5QS	5,565.26
CP0001	Parker Sandford	The Valueworks Building, Smith Court, Smithy Brook Road, Wigan, WN3 6PS	300.00
CP0002	Ppg Architectural Coatings Uk Ltd	Unit 3, Clayton Street Ind Est, Wigan, WN3 4DA	266.95
CP0003	Pjd Safety Supplies Ltd	124 Moore Street, Aughtnacloy, Co Tyrone, BT69 6AA	232.70
CP0004	Peter Elliott	1 Mabel Street, Wigan, Lancs, WN5 9EJ	300.00
CP0005	Planet Circus	C/O The Farm, Honington Junction, Grantham, Lancs, F/A/O Jo McMullen, NG32 2PT	1,000.00
CR0000	Rigby Taylor Limited	1-3 Freeman Court, Jarman Way, Royston, SG8 5HW	2,019.19
CR0001	Reelsharp Services Limited	17 Westcourt Road, Sale, Cheshire, M33 6PG	324.00
CR0002	Ribble Farm Fare Ltd	Shay Lane, Longridge, Preston, PR3 3BT	14.00
CR0003	Rotary Club Of Wigan	F/A/O Mr Mervyn Reeves, 8 Spencer Road West, Wigan, Lancs, WN6 7HP	300.00
CS0000	Speedy Asset Services	Chase House, 16 The Parks, Newton Le Willows, WA12 0UQ	3,423.50
CS0001	Sncosult Ltd	2 Greendale Close, Cliviger, Burnley, BB10 4TU	1,000.00
CS0002	St John Fisher High School	Baytree Road, Springfield, Wigan, Lancs, WN6 7RN	84.00
CS0003	Sporting Index	Gateway House, Milverton Street, Prince's, London, SE11 4AP	2,635.67
CS0004	Susan Clarke		120.00
CS0005	Sharon Stelling		196.00
CT0000	TG Baker (Sound) Ltd	Unit8, Scotshaw Brook Trad Est, Branch Road, Lower Darwen, Blackburn, BB3 GPR	1,620.00
CT0001	Turner Groundscare Machinery	Lansdowne Road, Stamford Bridge, Tarvin, Chester, CH3 8EL	980.99
CT0002	Tibard Laundry Services	Holden Street, Ashton Under Lyne, Lancashire, OL6 9JB	718.13
CT0003	Trade UK Account	Selectapost 28, Sheffield, S97 3GE	186.56
CU0000	Uk Dry Risers (Maintenance) Ltd	Unit 6, Whitegate Business Centre, Jardine Way, Chadderton, OL9 9JT	360.00
CV0000	Verteda Ltd	250 Cygnet Court, Centre Park, Warrington, WA1 1PP	3,177.36
CW0000	Wigan Athletic Ladies	C/O 138 Cranfield Road, Marus Bridge, Wigan, Lancs, WN3 5QE	250.00
CW0001	Wigan Youth Zone	Parsons Walk, Wigan, Lancs, WN1 1RU	300.00
CW0002	Wigan Athletic	Play On The Pitch, C/O Sue France, DW Stadium, Wigan, WN5 0UH	1,500.00
CW0003	Wigan Athletic Holdings Limited	c/o Begbies Traynor, 340 Deansgate, Manchester, M3 4LY	4,400,000.00
CW0004	Wigan Athletic A.F.C. Limited	c/o Begbies Traynor, 340 Deansgate, Manchester, M3 4LY	2,200,000.00
CZ0000	Zenith Hygiene Systems Ltd	A1(M) Business Centre, Dixons Hill Road, Welham Green, AL9 7JE	299.16
72 Entries Totalling			6,804,047.39

## REMUNERATION AND EXPENSES

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Total time spent to 31 July 2020 on this assignment amounts to 165.3 hours at an average composite rate of £288.80 per hour resulting in total time costs to 31 July 2020 of £47,739.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value
- ☐ The Administrators' fees estimate
- ☐ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

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## **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 guidance<sup>2</sup> 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 guidance<sup>3</sup> 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;

<sup>2</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>3</sup> Ibid 1

*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.*

**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:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
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 - £10,000-£20,000

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 £5,000-£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:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 December 2018 – until further notice</b>
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.

Wigan Football Company Limited

**SUMMARY OF TIME COSTS AND EXPENSES**

This summary, which should be read in conjunction with the Time Costs Analysis for the period since appointment below, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case.

**What work has been done since we were appointed, 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>

We have provided a detailed overview in the main body of the report above in relation to the work carried out since our appointment. Not every piece of work has been described, but we have sought to give a proportionate overview below in relation to the headings under which our time costs are charged, 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 below.

**General case administration and planning**

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

At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the joint administrators and their staff carry out their work to high professional standards.

**Compliance with the Insolvency Act, Rules and best practice**

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

### Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate creditors or other parties may be asked to come forward with information.

As creditors are aware, we have commenced our investigations in relation to the conduct of the directors, however we are unable to disclose any specific details in relation to the potential outcome of those investigations.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

### Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this we may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. We may also need to instruct solicitors to complete sales. We may need assistance with debt collection exercises.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

As outlined above, we have spent time liaising with Eddisons in relation to the Stadium, the chattel assets and the stock.

We will continue to deal with these matters on a day to day basis in order to maximise realisations for creditors.

### Trading

As outlined above, the Joint Administrators and their staff have maintained a daily presence on site and have been responsible for the day to day running of the football club alongside the retained employees. Time charged to 'Trading' relates to all necessary tasks involved with the day to day running of the business, that does not fall into any of the other categories outlined in this appendix.

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

As outlined above, the Joint Administrators and their staff have dealt with queries from creditors and have taken steps to log all claims received. We will continue to deal with all creditors in a timely manner throughout the period of the administration.

We have also spent considerable time in relation to the claims of the redundant employees in respect of arrears of wages, holidays, redundancy pay and notice pay.

When a dividend becomes payable, all creditors will be given a final deadline by which they must prove their claim, following which steps will be taken to adjudicate those claims.

Once all claims have been agreed, steps will be taken to distribute funds accordingly.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises (outside of the staff who are based at the DW Stadium on a daily basis), or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

**Time Costs Analysis**

An analysis of time costs is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

**Expenses**

Details of all of the expenses incurred are provided in the Receipts & Payments section above. Our estimate of expenses for the entire administration appears below.

SIP9 Wigan Football Company Limited - Administration - 10WI400.ADM : Time Costs Analysis From 01/07/2020 To 31/07/2020

[illegible]

**WIGAN FOOTBALL COMPANY LIMITED  
THE ADMINISTRATORS' FEES ESTIMATE**

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for 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	120	33,075	275.63
Compliance with the Insolvency Act, Rules and best practice	111	28,395	255.81
Investigations	90	23,850	265.00
Realisation of assets	85	28,225	332.06
Trading	100	35,750	357.50
Dealing with all creditors' claims (including employees), correspondence and distributions	159	42,630	268.11
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	26	8,580	330.00
<b>Total hours</b>	<b>691</b>		
<b>Total time costs</b>		<b>199,805</b>	
<b>Overall average hourly rate £</b>			<b>289.15</b>

For the avoidance of any doubt, the above estimate 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.

The estimate is at basic rates before the uplift. If an uplift of one third is agreed by the Company's creditors, our approved fees estimate will amount to £266,407.

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>.

**WIGAN FOOTBALL COMPANY LIMITED**

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

<b>No.</b>	<b>Type of expense</b>	<b>Description</b>	<b>Estimate £</b>
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	£2,000
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	£5,000-£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	£10,000-£20,000
6.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements.	£10,000
7.	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.	£250
8.	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	£1,000
9.	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 Stadium	£300,000



10.	Investigation expenses	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity	£1,000
11.	Trading expenses	To include all expenses outlined above in the Receipts & Payments section, including general running costs, health and safety requirements, maintenance, subscriptions, stock etc.	£50,000

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.

## GROUP STRUCTURE

