



Caroline Molyneux
Wigan Athletic Supporters' Club
c/o Wigan Athletic Football Club
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Dear Caroline

Wigan Athletic

I write further to the matters raised within the open letter published by the Wigan Athletic Supporters' Club (WASC) and our subsequent phone conversation. Clearly as there have been a number of recent developments in respect of the Club since we spoke, I felt it appropriate to wait until the outcome of the independent Arbitration panel had been reached before responding.

On Monday 17 August the EFL published the Arbitration panel's verdict in full, a copy of which is attached for ease of reference. As you will be aware the Panel dismissed the Club's appeal against its sporting sanction, and that decision is final and legally binding.

I do acknowledge there understandably remains significant ongoing concern amongst all those connected to the Club regarding the circumstances of Wigan Athletic's administration and subsequent sporting sanction. However it is important to note that the EFL must work within the parameters of its insolvency policy and, regardless of the circumstances involved, a sporting sanction applies in respect of an insolvency event. While the EFL understands the disappointment of supporters and those associated with the Club, it is equally mindful that in handling a Club in administration it must be equally fair to its other member Clubs and their supporters, in its application of the rules.

I note that your open letter raised two main points, that of the application and efficacy of the EFL's Owners' and Directors' Test (OADT), and a request that financial support is provided for the Club. Taking those in turn, the OADT requires any prospective new owner to submit against an objective set of criteria, and as previously confirmed, the process was completed during the change of control at Wigan Athletic, and Mr Au Yeung Wai Kay was not subject to any disqualifying conditions. The EFL has acknowledged there are frustrations in respect to the current OADT, and there is clearly an appetite from our member Clubs to look at where the test could be adapted and improved, but the League can only act in accordance with its rules at any given time. That said, we remain in ongoing consultation with both the Premier League and The FA to seek the appropriate improvements to the test for the future.

While the Club's Administrators are investigating what has led to the Club being placed into Administration the EFL continues to undertake a similar exercise and, should any breaches of football regulations or company law be discovered, action will be taken either by the League or the body with the relevant jurisdiction to do so.



The set of circumstances that has transpired at Wigan however is perhaps more illustrative of the wider financial challenges facing EFL Clubs in terms of a reliance on owner funding. As Mr Au Yeung Wai Kay provided the required financial assurances at the time of the takeover, it appears the issue principally became one of the owner simply changing his mind. This illustrates the inherent risk within any business that a funder may cease to be willing or able (whether lawfully or not) to continue to fund a particular Club, and exposes a significant challenge for Clubs in terms of ongoing sustainability.

To that point, The League continues to discuss a number of regulatory measures with member Clubs, in particular following the independent 'Bury Review', carried out by Jonathan Taylor QC (Bird & Bird), published in February 2020. It is clear there is an appetite for change and improvement to matters of ownership and financial control, an example being the recent introduction of squad Salary caps in Leagues One and Two. The decision follows extensive and comprehensive consultation with all Clubs in respect of addressing sustainability and wage inflation issues across the EFL, and dialogue will continue to assist in delivering further medium to long term solutions to support and seek to financially strengthen Clubs' for years to come.

In terms of financial matters and the concerns you raise, due to the fact that Wigan Athletic is currently in the hands of the Administrators, means they now control the Club's assets. The Club's basic award payments are withheld while all football creditor claims are collated and settled where appropriate. By adopting this principle, the League minimises its exposure through not paying funds to a Club that may not exit Administration and also removes the possibility of having preferred any particular creditor.

A Club may only exit Administration in the event that evidence is provided to the Board's satisfaction demonstrating payment in full of all creditors; or where a compromise of any creditor claim is proposed, the Club enters into binding agreements in a form acceptable to the Board which ensures that 'Football Related Debts' are paid in full, or secured to the satisfaction of the Board.

While the Administrators continue with the sale of the Club, player transfers and funding required, the EFL is continuing to provide its full support in all ongoing matters, and while this process remains ongoing, we recognise the benefit of retaining open lines of communication with relevant stakeholders, including official supporters groups. We understand there may be further questions and concerns WASC have about administration and ongoing insolvency process, so should you have any further queries at this stage, please let me know and we will endeavor to clarify matters where possible to do so.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mark Rowan', written over a circular stamp or seal.

Mark Rowan
EFL Communications Director