

'Still hope' for Wilko employees with administrators' decision expected next week

There is "still hope" for Wilko's more than 12,000 employees, as administrators pore over bids to save the collapsed retailer and hope to reach a decision next week.

Administrators at PwC set a cut-off date of Wednesday for prospective buyers to submit bids for all or part of Wilko. It is understood that they are currently weighing up bids that came in yesterday, and are likely to decide the fate of the chain next week.

Previous management couldn't find a buyer for the entire chain in the days before it was declared insolvent. However, administration would allow parts of the business to be sold, meaning more profitable stores could be saved while others may be forced to close.

Rivals B&M and Poundland, as well as Laura Ashley owner Gordon Brothers are among those said to be interested.

Andy Prendergast, National Secretary of the GMB union, which represents a third of Wilko staff and has been liaising with the administrators, said there were reasons to be hopeful.

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“GMB is in talks with administrators and there is still hope,” he said. “We are seeking clarification regarding pensions, but have concerns.

“The Wilkinson family took tens of millions from the business in the decade up to the collapse.

“If they were serious about supporting working people, they should have invested in their staff.”

Susanah Streeter, head of money and markets at Hargreaves Lansdown, said: “Other value retailers and private equity investors are believed to be among potential interested parties.

“However, the likelihood of a full takeover is considered to be slim, given how Wilko’s sprawling store estate in high street locations has added to its pile of problems of supply chain snarl ups and inflationary pressures.

“Rival discounters had also focused on more popular retail park sites and had diversified product ranges more into food, which has added extra resilience with consumers seeking out grocery bargains amid the cost of living crisis. Wilko had stayed steadfastly focused on home and garden ware and consumer goods with only limited snack ranges. Ultimately the fierce headwinds of inflation and thunderous supply chain challenges proved to be the storm which it has been impossible to recover from.

The Wilko brand still has a strong hold over value shoppers’ hearts and is likely to continue in some form, but its vast

footprint of stores will shrink rapidly and risks disappearing from the high streets altogether.’’

Wilko entered administration last week but its shops are still open and the administrators promised no “immediate” redundancies.

CEO Mark Jackson said at the time: “We left no stone unturned when it came to preserving this incredible business but must concede that with regret, we’ve no choice but to take the difficult decision to enter into administration.”