Around 12,000 jobs at risk as Wilko goes into administration

Homeware firm Wilko has gone into administration – putting 12,000 jobs at risk.

It comes after Sky News revealed earlier on Thursday **the retail chain was only hours away from insolvency**.

In a statement, CEO Mark Jackson said: "We've all fought hard to keep this incredible business intact but must concede that time has run out and now, we must do what's best to preserve as many jobs as possible, for as long as is possible, by working with our appointed administrators."

PwC will handle the administration for the discount homeware and hardware chain, which has around 400 stores. This will include a search for potential buyers of Wilko's shops and brand.

Mr Jackson said there had recently been a "significant level of interest" from other firms in Wilko, "including indicative offers that we believe would meet all our financial criteria to recapitalise the business".

But he added: "Without the surety of being able to complete the deal within the necessary time frame and given the cash position, we've been left with no choice but to take this unfortunate action."

The threat of collapse had been hanging over Wilko for weeks, and intensified last Thursday when the company **filed a notice of intention to appoint administrators**, giving it 10 working days of protection from creditors.

Nadine Houghton, national officer at the GMB union, said: “The 12,000 Wilko workers now facing potential redundancy will take little solace that with better management the situation that has befallen Wilko was, sadly, entirely avoidable.

“GMB has been told time and time again how warnings were made that Wilko was in a prime position to capitalise on the growing bargain **retailer market**, but simply failed to grasp this opportunity.”

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The 93-year-old chain, which was founded in 1930 in Leicester, suspended home deliveries on Wednesday as it raced to secure a rescue deal.

Like many high street retailers, Wilko has been hit by inflationary pressures and supply chain challenges.

But last month a spokesperson for the company described talk of administration as “unfounded”.

It is Britain’s biggest retail collapse since **McColl’s in May last year**. The firm was later bought by supermarket group Morrisons.

Commenting on the collapse, Tom Davey, a director at Factor Risk Management, said: “The predicted perfect storm of rising prices coupled with higher mortgage rates has finally hit UK consumers’ spending power, with nasty knock-on effects for the retail industry.

“After a torrid period during the pandemic, and with continued supply issues and rising interest rates, many retailers will find the conditions impossible to survive in their current guise and we expect to see an increasing number of high profile companies restructuring and facing fire sales as a result of this.”