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THE FORESTAL LAND, TIMBER AND RAILWAYS COMPANY LIMITED (Company Number 88189)
DIRECTORS' REPORT - YEAR ENDED 31 DECEMBER 2005

Directors: Ladbroke Corporate Director Ltd

Secretary: Ladbroke Corporate Secretaries Ltd

Registered Office: Imperial House, Imperial Drive, Rayners Lane, Harrow, Middlesex,
HA2 7JW.

The director has pleasure in presenting his report and the company's accounts for the year ended 31 December 2005.

ACCOUNTS AND DIVIDENDS

The company has not traded during the year and accordingly it has made neither a profit nor a loss. No profit and loss account has therefore been prepared and no dividend is recommended. It is not expected that the company will recommence trading in the current year.

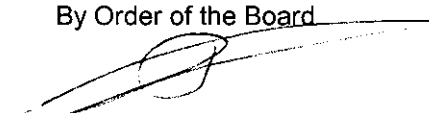
DIRECTORS

The current director and the director who served during the year is shown above.

DIRECTORS' INTERESTS

According to the register kept by the company pursuant to section 325 of the Companies Act 1985, the director at 31 December 2005 had no interests in shares or debentures of Ladbrokes plc (formally Hilton Group plc), or its subsidiaries.

By Order of the Board


Ladbroke Corporate Secretaries Ltd
Secretary

04 OCT 2006

**FOR AND ON BEHALF OF
LADBROKE CORPORATE
SECRETARIES LIMITED**



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THE FORESTAL LAND, TIMBER AND RAILWAYS COMPANY LIMITED (Company Number 88189)
BALANCE SHEET AT 31 DECEMBER 2005

	Note	2005 £	2004 £
CURRENT ASSETS			
Debtors	2	149,952,492	149,952,492
		<u>149,952,492</u>	<u>149,952,492</u>
CAPITAL AND RESERVES			
Called up share capital	3	157,540,511	157,540,511
Share premium account		371,347	371,347
Profit and loss account		(7,959,366)	(7,959,366)
		<u>149,952,492</u>	<u>149,952,492</u>

For the year ended 31 December 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The director acknowledges responsibility for:

- Ensuring the company keeps accounting records which comply with section 221;
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.



Ladbroke Corporate Director Ltd
 Director 04 OCT 2006

**FOR AND ON BEHALF OF
 LADBROKE CORPORATE
 DIRECTOR LIMITED**

THE FORESTAL LAND, TIMBER AND RAILWAYS COMPANY LIMITED (Company Number 88189)
NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention. They have been drawn up to comply with applicable UK accounting standards.

Taxation

No provision for taxation has been made, as an undertaking has been received from the company's ultimate holding company, Ladbroke's plc (formerly Hilton Group plc), that the latter will assume all liabilities for taxation, including those amounts arising as a result of the reversal of timing differences.

2. DEBTORS

	2005 £	2004 £
Amounts falling due within one year:		
Amounts due from group company	<u>149,952,492</u>	<u>149,952,492</u>

3. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised		
7,465,852 deferred shares of £1 each	7,465,852	7,465,852
15,013,414,800 ordinary shares of 1p each	<u>150,134,148</u>	<u>150,134,148</u>
	<u>157,600,000</u>	<u>157,600,000</u>
Allotted, called up and fully paid		
7,465,852 deferred shares of £1 each	7,465,852	7,465,852
15,007,465,852 ordinary shares of 1p each	<u>150,074,659</u>	<u>150,074,659</u>
	<u>157,540,511</u>	<u>157,540,511</u>

4. CONTINGENT LIABILITY

The company has jointly and severally guaranteed the value added tax liability of certain other Ladbroke's plc (formally Hilton Group plc) group companies, within the group registration, amounting to approximately £7.9 million (2004 - £12.1 million) at 31 December 2005.

5. CASH FLOW

The company has taken advantage of the provision within FRS 1 which exempts subsidiaries, 90% or more of whose voting rights are controlled within the group, from preparing a cash flow statement. The ultimate parent company, Ladbroke's plc (formally Hilton Group plc), has included the required consolidated cash flow statement within its consolidated financial statements.

THE FORESTAL LAND, TIMBER AND RAILWAYS COMPANY LIMITED (Company Number 88189)
NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 2005

6. ULTIMATE PARENT UNDERTAKING

The immediate holding company is Arbiter & Weston Ltd, a company registered in England and Wales. The ultimate holding company and the only company for which group accounts are prepared is Ladbroke's plc (formally Hilton Group plc), a company registered in England and Wales, the accounts of which are available from the registered office at Imperial House, Imperial Drive, Rayners Lane, Harrow, HA2 7JW.

The company has taken advantage of provisions in FRS8 which exempt subsidiary undertakings, 90% or more of whose voting rights are controlled from within the group, from disclosing transactions with other entities within the group. The ultimate parent undertaking, Ladbroke's plc (formally Hilton Group plc), has included the requested related party disclosures within its group accounts.