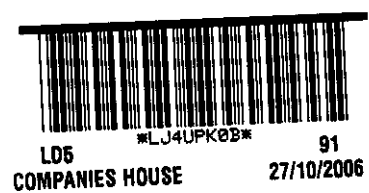


Company Registration No. 696650

Camec (Provincial) Limited

Report and Financial Statements

27 December 2005



Camec (Provincial) Limited

Report and financial statements 2005

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5

Camec (Provincial) Limited

Report and financial statements 2005

Officers and professional advisers

Directors

Mr T D Singer
Mr I J Spearing
Mr S Wasani

Secretary

Ms S Anderson

Registered Office

Greenside House
50 Station Road
Wood Green
London N22 7TP

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Camec (Provincial) Limited

Directors' report

The directors present their report and audited financial statements for the 52 week period ended 27 December 2005.

Principal activity

The principal activity of the Company is the operation of Licensed Betting Offices (LBOs). The Company is a subsidiary of William Hill PLC, which together with other subsidiaries of that company forms the William Hill Group of companies ("the Group").

Review of business developments and future activities

The Company's affairs and trading results for the period are shown in the attached financial statements.

The directors do not recommend the payment of a dividend for the period (period ended 28 December 2004 - £nil).

Trading performance

Gross profit movements reflected a number of factors including the impact of sporting results, the continuing roll out of fixed odds betting terminals (FOBTs), extended trading hours, and an expansion in the number of betting opportunities. Whilst there has been a staff cost associated with taking an increased volume of bets and extending opening hours, there is clear evidence that these initiatives will help to drive future growth once sporting results normalise.

Cost of content

In July 2005 the Court of Appeal agreed with the European Court of Justice (ECJ) interpretation of the Database Directive which had previously been referred to the ECJ by the Court of Appeal in relation to the dispute with the British Horseracing Board (BHB) on the use of certain racing data. This judgement supported the Group's position. Subsequently the BHB has decided not to challenge this judgement thus bringing to an end a dispute that commenced in 2001.

Had the BHB been successful, their database would have been the basis of a commercial deal between racing and betting that would have allowed the statutory levy scheme to end. As a result of the decision, the government has extended the Levy until 2009 and appointed a committee, under the chairmanship of Lord Donoghue, to find an alternative basis for a commercial arrangement. The committee issued its draft report in December 2005. It is anticipated that discussions will take place between the interested parties during 2006 in order to assess whether a viable alternative to the current statutory levy can be developed from the options identified by the committee.

The betting industry has contractual arrangements in place with 58 of the country's 59 race-tracks for the supply of horseracing pictures into licensed betting offices. These contracts expire between Spring 2007 and Summer 2009.

Business development

The Company intends to continue its investment in its retail business and to introduce new initiatives and products aimed at both retaining existing and attracting new customers.

Regulatory development

The Gambling Act 2005 passed its final parliamentary stage and received Royal Assent in April 2005. The directors are advised that it is unlikely to be fully implemented until the Gambling Commission is fully resourced and operational, which is unlikely to be before Autumn 2007.

Camec (Provincial) Limited

Directors' report (continued)

Directors

The present membership of the Board of Directors is set out on page 1.

The directors who served throughout the period and subsequently, except as shown below, are:

Mr D Lowrey (resigned 5 April 2006)

Mr T D Singer

Mr I J Spearing

Mr S Wasani

The directors' interests in the shares and rights to subscribe for shares in the Company's ultimate parent company (William Hill PLC) are disclosed in the financial statements of William Hill Organization Limited. Neither the directors nor the secretary had any interests in the share capital of the Company or any other Group company (except as disclosed in the accounts of William Hill Organization Limited) at any time during the period.

Terms of payment

William Hill Organization Limited, another operating company within the Group discharges all expenditure on behalf of the Group's UK subsidiaries. William Hill Organization Limited's normal practice is to agree terms of trading, including payment terms, with suppliers to all UK Group undertakings and, provided suppliers perform in accordance with agreed terms, it is the Group's policy that payment should be made accordingly. At 27 December 2005 the number of creditor days for William Hill Organization Limited was 19 days (28 December 2004 - 20 days).

Adoption of International Financial Reporting Standards (IFRS)

The Group will adopt IFRS as the primary basis for reporting for the 52 week period ending 26 December 2006. It does not expect the adoption of IFRS to have a material impact on the reporting of financial performance as compared to results prepared in accordance with UK GAAP.

The Company has evaluated the benefits of adopting IFRS and does not currently consider it beneficial to move away from producing financial statements under UK GAAP. This decision will be reassessed from time to time.

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S Anderson
Secretary

23 October 2006

Camec (Provincial) Limited

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Camec (Provincial) Limited

We have audited the financial statements of Camec (Provincial) Limited for the 52 weeks ended 27 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 27 December 2005 and of its profit for the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London



Camec (Provincial) Limited

Profit and loss account

52 week period ended 27 December 2005

	Notes	52 week period ended 27 December 2005 £'000	52 week period ended 28 December 2004 £'000
Turnover	1	41,782	33,986
Cost of sales		(39,735)	(31,902)
Gross profit		2,047	2,084
Net operating expenses		(1,613)	(1,577)
Operating profit	3	434	507
Net interest receivable	4	131	88
Profit on ordinary activities before tax		565	595
Tax on profit on ordinary activities	5	(174)	(183)
Profit on ordinary activities after tax and retained profit for the period transferred to reserves	10	391	412

There have been no recognised gains or losses other than those included in the profit and loss account for the current and preceding periods and accordingly no statement of total recognised gains and losses has been presented.

All transactions in the current and preceding financial periods are attributable to continuing activities.

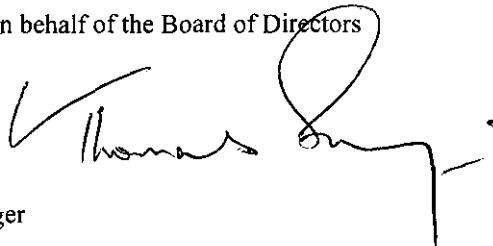
Camec (Provincial) Limited

Balance sheet 27 December 2005

	Notes	27 December 2005 £'000	28 December 2004 £'000
Fixed assets			
Tangible assets	6	282	331
Current assets			
Debtors	7	2,541	2,097
Cash at bank and in hand		44	48
Net current assets		2,585	2,145
Net assets		2,867	2,476
Capital and reserves			
Called up share capital	9, 10	10	10
Profit and loss account	10	2,857	2,466
Equity shareholders' funds	10	2,867	2,476

These financial statements were approved by the Board of Directors on 23 October 2006.

Signed on behalf of the Board of Directors



T D Singer
Director

Camec (Provincial) Limited

Notes to the accounts

52 week period ended 27 December 2005

1. Accounting policies

The significant accounting policies of the Company are as follows. They have all been applied consistently throughout the current and prior period.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

A cash flow statement, as required by Financial Reporting Standard ("FRS") 1 (Revised) 'Cash flow statements', has not been prepared, as the Company is a wholly owned subsidiary of William Hill PLC, a company incorporated in Great Britain and the consolidated accounts of William Hill PLC include a cash flow statement in the form prescribed by FRS 1 (see note 11).

William Hill Organization Limited, another operating company within the Group discharges all expenditure including auditors' remuneration on behalf of the Group's UK subsidiaries with appropriate charges being made to the Company for its share of the cost.

Revenue recognition and turnover

Revenue is recognised under an exchange transaction with a customer, when, and to the extent that, the Group obtains the right to consideration in exchange for its performance.

Turnover is the revenue resulting from exchange transactions under which the Group supplies to customers the services that it is in business to provide as set out below.

In the case of Amusements with Prizes (AWPs) turnover represents the net winnings (excluding VAT) from customers on gaming activity completed by the period end.

In the case of other LBO betting activity (including Fixed Odds Betting Terminals and other numbers bets), turnover represents the gross takings receivable from customers in respect of individual bets placed, on events that have occurred by the period end.

Turnover arises exclusively in the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost, less provision, if any, for impairment together with additions at cost, less cumulative depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	-	50 years
Short leasehold properties	-	over the unexpired period of the lease
Fixtures, fittings, equipment, plant and machinery	-	at variable rates between three and ten years

Tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Camec (Provincial) Limited

Notes to the accounts

52 week period ended 27 December 2005

1. Accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. Staff costs

There are no employees of the Company in either the current or preceding financial period. All UK employees of the Group are employed by William Hill Organization Limited or William Hill Holdings Limited. The details of the average monthly number of employees and remuneration in the period are disclosed in the financial statements of William Hill Organization Limited.

The directors of the Company are also directors of other trading and holding companies within the Group and it is not practicable to allocate their remuneration for the current or preceding period between their services to each company. Therefore details of their remuneration, for the 52 week period ended 27 December 2005 and the 52 week period ended 28 December 2004 are disclosed in the financial statements of William Hill Organization Limited.

	52 week period ended 27 December 2005 No.	52 week period ended 28 December 2004 No.
The number of directors who are members of: Defined benefit pension scheme	4	4

Disclosures in respect of the defined benefit pension scheme, which has a deficit at 27 December 2005 of £31,772,000 (2004: £38,473,000), are provided in the financial statements of William Hill Organization Limited.

Camec (Provincial) Limited

Notes to the accounts

52 week period ended 27 December 2005

3. Operating profit

	52 week period ended 27 December 2005 £'000	52 week period ended 28 December 2004 £'000
Operating is stated after charging:		
Administrative expenses		
Depreciation	51	46
Management charge	1,562	1,531
Total administrative expenses	<u>1,613</u>	<u>1,577</u>

Expenses of the Company and auditors' remuneration, which as explained in note 1 are borne by William Hill Organization Limited, are recharged to the Company and disclosed in total above as a management charge.

4. Net interest receivable

	52 week period ended 27 December 2005 £'000	52 week period ended 28 December 2004 £'000
Interest receivable on loans from Group undertakings	235	146
Interest payable on loans to Group undertakings	<u>(104)</u>	<u>(58)</u>
	<u>131</u>	<u>88</u>

5. Tax on profit on ordinary activities

	52 week period ended 27 December 2005 £'000	52 week period ended 28 December 2004 £'000
Current taxation:		
UK corporation tax	176	-
Group relief	<u>-</u>	<u>182</u>
Current tax	176	182
Deferred tax (note 8)	<u>(2)</u>	<u>1</u>
Total tax on profit on ordinary activities	<u>174</u>	<u>183</u>

Camec (Provincial) Limited

Notes to the accounts

52 week period ended 27 December 2005

5. Tax on profit on ordinary activities (continued)

Reconciliation to current tax charge:

	52 week period ended 27 December 2005 £'000	52 week period ended 28 December 2004 £'000
Profit before tax	565	595
Tax at 30% (2004: 30%)	170	179
Permanent differences	4	4
Accelerated capital allowances	2	(1)
Current tax charge	176	182

6. Tangible fixed assets

	Land and buildings £'000	Fixtures, fittings, equipment, plant and machinery £'000	Total £'000
Cost:			
At 29 December 2004	661	473	1,134
Additions		14	14
Disposals	(11)		(11)
At 27 December 2005	650	487	1,137
Accumulated depreciation:			
At 29 December 2004	426	377	803
Charge for period	11	41	52
At 27 December 2005	437	418	855
Net book value:			
At 27 December 2005	213	69	282
At 28 December 2004	235	96	331

	27 December 2005 £'000	28 December 2004 £'000
The net book value of land and buildings comprises:		
Freehold	150	152
Short leasehold	63	83
	213	235

Camec (Provincial) Limited

Notes to the accounts

52 week period ended 27 December 2005

7. Debtors

	27 December 2005 £'000	28 December 2004 £'000
Amounts owed by Group undertakings	2,533	2,090
Deferred taxation (note 8)	8	7
	<u>2,541</u>	<u>2,097</u>

8. Deferred taxation

	27 December 2005 £'000	28 December 2004 £'000
Accelerated capital allowances	(8)	(7)

The deferred taxation assets have been computed at 30% (28 December 2004 – 30%).

A potential deferred tax liability of £25,000 (28 December 2004 – £25,000) in respect of rolled over capital gains has not been provided on the basis that there is no intention to sell the assets into which the gains have been rolled over.

Movement in the period:

	£'000
At 29 December 2004	(6)
Amount credited to profit and loss account (note 5)	(2)
At 27 December 2005	<u>(8)</u>

9. Called up share capital

	27 December 2005 £'000	28 December 2004 £'000
Authorised:		
15,000 (2004: 15,000) ordinary shares of £1 each	15	15
Called up, allotted and fully paid:		
10,000 (2004: 10,000) ordinary shares of £1 each	10	10

Camec (Provincial) Limited

Notes to the accounts

52 week period ended 27 December 2005

10. Reconciliation of movement in equity shareholders' funds and statement of movement in reserves

	Share capital £'000	Profit and loss account £'000	Total £'000
At 29 December 2004	10	2,466	2,476
Retained profit for the financial period	-	391	391
	<hr/>	<hr/>	<hr/>
Balance at 27 December 2005	10	2,857	2,867
	<hr/>	<hr/>	<hr/>

11. Ultimate parent company and related party transactions

The Company is taking advantage of the exemption granted by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with companies within the William Hill PLC Group which are related parties.

At the balance sheet date, the Company's ultimate parent company and controlling party was William Hill PLC, a company incorporated in Great Britain. The Company's immediate parent company and controlling entity is Camec Limited, a company incorporated in Great Britain.

The parent company of the largest and smallest groups for which group accounts are prepared of which this Company is a member is William Hill PLC, a company incorporated in Great Britain.

Copies of the financial statements of William Hill PLC and Camec Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.