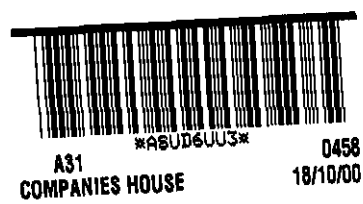


WILLIAM HILL (NUMBER 1) LIMITED

Report and Financial Statements

28 December 1999



WILLIAM HILL (NUMBER 1) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and financial statement for the year ended 28 December 1999.

ACTIVITIES

During the year the Company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss.

DIRECTORS

The Directors who served during the year and subsequently are:

Mr J M Brown
Mr R Lambert

The directors interests and rights to subscribe for shares in the ultimate parent company (William Hill Holdings Limited) are disclosed in the financial statements of William Hill Organization Limited.

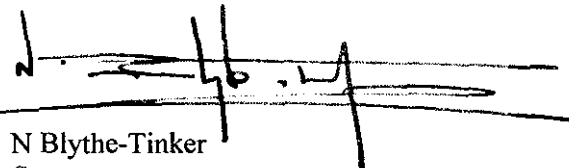
YEAR 2000

The company does not trade and is not expected to trade for the foreseeable future. The directors do not, therefore, consider the impact of the Year 2000 to be significant.

SALE OF THE WILLIAM HILL GROUP OF COMPANIES

In accordance with a Sale and Purchase Agreement dated 20 February 1999, as amended on 26 March 1999, Nomura International plc agreed to procure the sale by Grand Financing Limited (formerly The Grand Bookmaking Holdings Limited) of the entire issued share capital and certain securities of William Hill Limited an intermediate parent company of William Hill (Number 1) Limited, to Baseflame Limited. Baseflame Limited is an intermediate holding company ultimately owed by William Hill Holdings Limited (formerly Chartley Limited), a company formed for the purpose of the acquisition of William Hill Limited and controlled jointly by funds and investors managed or advised by Cinven Limited and CVC Capital Partners Limited or an affiliate thereof. The sale was completed on 29 March 1999.

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



N Blythe-Tinker
Secretary

9 October 2000

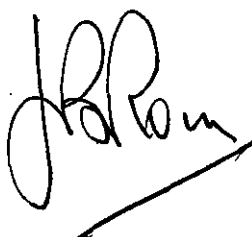
WILLIAM HILL (NUMBER 1) LIMITED
BALANCE SHEET AT 28 DECEMBER 1999

	Note	28 December 1999 £	29 December 1998 £
CAPITAL AND RESERVES			
Called up share capital	3	950	950
Profit and loss account		<u>(950)</u>	<u>(950)</u>
EQUITY SHAREHOLDERS' FUNDS		<u>—</u>	<u>—</u>

The Company was dormant throughout the year ended 28 December 1999 within the meaning of Section 250 (3) Companies Act 1985.

Approved by and signed on behalf of the Board of Directors on 9 October 2000.

J M BROWN
DIRECTOR



R LAMBERT
DIRECTOR



WILLIAM HILL (NUMBER 1) LIMITED
NOTES TO THE FINANCIAL STATEMENT

1. ACCOUNTING POLICY

The financial statement has been prepared under the historical cost convention.

2. During the year the Company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss. There are no recognised gains or losses for the current or preceding financial years. Neither of the Directors received any emoluments in respect of their services to the Company.

3. SHARE CAPITAL

	1999 and 1998 £
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>
Allotted and fully paid: 950 ordinary shares of £1 each	<u>950</u>

4. ULTIMATE PARENT COMPANY

The Company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with companies within the William Hill Holdings Limited group who are related parties.

The parent company of the largest and smallest groups which include the Company and for which group accounts are prepared are William Hill Holdings Limited and William Hill Limited respectively, companies incorporated in Great Britain. The company's immediate parent company and immediate controlling entity is William Hill (Western) Limited. The Company's ultimate parent company is William Hill Holdings Limited.

Copies of the financial statements of William Hill Holdings Limited, William Hill Limited and William Hill (Western) Limited are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.