

**BASEFLAME LIMITED**

**Report and Financial Statements**

**1 January 2002**

**Deloitte & Touche  
London**



# **BASEFLAME LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2001**

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# **BASEFLAME LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2001**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Mr W L Haygarth  
Mr D Lowrey  
Mr T D Singer  
Mr I J Spearing  
Mr S Wasani

#### **SECRETARY**

Mr N E Blythe-Tinker

#### **REGISTERED OFFICE**

Greenside House  
50 Station Road  
Wood Green  
London N22 7TP

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants  
London

# **BASEFLAME LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and audited financial statements for the 53 week period ended 1 January 2002.

### **PRINCIPAL ACTIVITIES**

The Company is a subsidiary of William Hill Holdings Limited and together with other subsidiaries of that company forms the William Hill Group of companies ("the Group").

The Company was formed for the purpose of the acquisition of Will Hill Limited (formerly William Hill Limited) in 1999 and following this transaction has not traded.

### **REVIEW OF BUSINESS DEVELOPMENTS AND FUTURE ACTIVITIES**

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

The directors do not recommend payment of a dividend for the period. Total capital and reserves at 1 January 2002 amounted to £650,000 (26 December 2000 – £650,000).

The Company is not expected to trade for the foreseeable future.

### **DIRECTORS**

The present membership of the Board of directors is set out on page 1. The directors who served during the period and subsequently are:

Mr J M Brown	(resigned 21 March 2001)
Mr W L Haygarth	
Mr R Lambert	(resigned 12 April 2001)
Mr D Lowrey	(appointed 21 March 2001)
Mr T D Singer	(appointed 21 March 2001)
Ms I J Spearing	(appointed 21 March 2001)
Mr S Wasani	(appointed 21 March 2001)

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. 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.

### **POST BALANCE SHEET EVENTS**

On 15 April 2002, the shareholders of William Hill Holdings Limited agreed to exchange their shares in that company for shares in William Hill plc (formerly Troniclong Limited) as part of a group reorganisation. From that date William Hill plc became the ultimate parent company of the Group.

On 20 June 2002, the ordinary shares of William Hill plc were admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange.

### **TERMS OF PAYMENT**

The Company has made no trade purchases during the current financial period and therefore the number of creditor days outstanding is not presented.

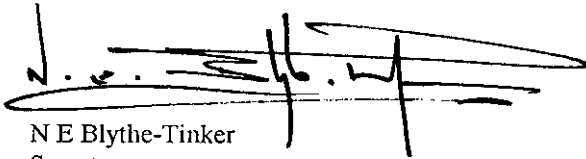
# BASEFLAME LIMITED

## DIRECTORS' REPORT

### AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors. A resolution to re-appoint them will be proposed at the next Annual General Meeting.

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

A handwritten signature in black ink, appearing to read 'N E Blythe-Tinker', is written over a horizontal line. The signature is stylized with a large loop at the end.

N E Blythe-Tinker  
Secretary

25 October 2002

## BASEFLAME LIMITED

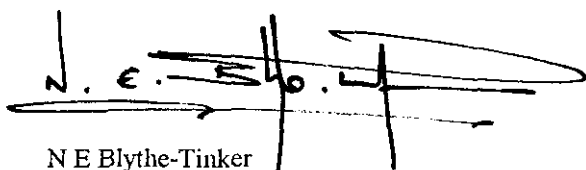
### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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, subject to any material departures disclosed and explained in the financial statements; 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 to 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.

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

A handwritten signature in black ink, appearing to read 'N. E. Blythe-Tinker', written over a horizontal line.

N E Blythe-Tinker  
Secretary

25 October 2002

## BASEFLAME LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BASEFLAME LIMITED

We have audited the financial statements of Baseflame Limited for the 53 week period ended 1 January 2002 which comprise the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

#### 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report 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 transactions with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

#### Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 of the state of affairs of the Company as at 1 January 2002 and of its result for the 53 week period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors  
London

31 October 2002

# BASEFLAME LIMITED

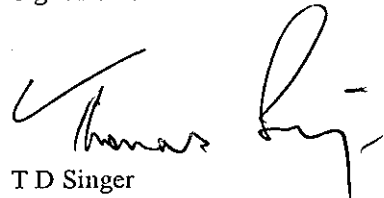
## BALANCE SHEET

1 January 2002

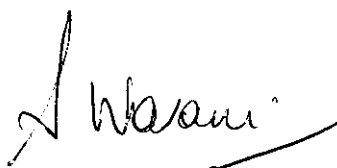
	Note	1 January 2002 £'000	26 December 2000 £'000
<b>CURRENT ASSETS</b>			
Debtors due after more than one year	6	651	651
<b>CREDITORS: amounts falling due within one year</b>	7	(1)	(1)
<b>NET CURRENT ASSETS</b>		<u>650</u>	<u>650</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	-
Profit and loss account	9	<u>650</u>	<u>650</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>650</u>	<u>650</u>

These financial statements were approved by the Board of Directors on ~~2~~ October 2002.

Signed on behalf of the Board of Directors



T D Singer  
Director



S Wasani  
Director



# BASEFLAME LIMITED

## NOTES TO THE ACCOUNTS

53 week period ended 1 January 2002

### 1. ACCOUNTING POLICIES

The significant accounting policies of the Company are as follows:

#### Basis of preparation

The financial statements are prepared in accordance with applicable UK accounting standards and under the historical cost convention.

A cash flow statement, as required by Financial Reporting Standard ("FRS") 1 has not been prepared, as the Company is a wholly owned subsidiary of William Hill Holdings Limited, a company incorporated in Great Britain and the consolidated accounts of Will Hill Holdings Limited include a cash flow statement in the form prescribed by FRS 1.

#### Deferred taxation

Deferred taxation is provided in full on material timing differences at the rate of taxation anticipated to apply when these differences crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised where it is more likely than not that it will be recoverable in the future. Deferred tax assets and liabilities recognised have not been discounted.

### 2. STAFF COSTS

There are no employees of the Company in either the current or preceding financial periods.

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 financial period between their services to each company. Therefore details of their remuneration for the 53 week period ended 1 January 2002 and the 52 week period ended 26 December 2000 are disclosed in the financial statements of William Hill Organization Limited.

	53 week period ended 1 January 2002 No.	52 week period ended 26 December 2000 No.
The number of directors who are members of: Defined benefit pension scheme	<u>5</u>	<u>3</u>

Disclosures in respect of the defined benefit pension scheme are provided in the financial statements of William Hill Organization Limited.

### 3. AUDITORS' REMUNERATION

Auditors' remuneration for the Company is borne by the company's fellow subsidiary, William Hill Organization Limited, and is disclosed in the financial statements of that company.

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

The Company has not traded during the current and preceding financial periods and hence no provision for taxation has been made.

# BASEFLAME LIMITED

## NOTES TO THE ACCOUNTS

53 week period ended 1 January 2002

### 5. INVESTMENTS

At 1 January 2002 and 26 December 2000 the Company owned 50,001 deferred shares in Will Hill Limited. The holders of these shares are not entitled to dividends or assets of the Company, other than on liquidation when an amount not exceeding the par value of the share is payable. Deferred shareholders are not entitled to attend and vote at general meetings.

The Company wrote off its investment in Will Hill Limited in 1999.

### 6. DEBTORS

	1 January 2002 £'000	26 December 2000 £'000
Amounts owed by group undertakings due after more than one year	651	651

Amounts owed by group undertakings due after more than one year comprise amounts due in respect of group relief. Payment for these amounts is prohibited under the terms of an Intercreditor Agreement and the Senior debt facilities entered into by Will Hill Limited and William Hill Organization Limited, fellow subsidiaries of the Company, without the prior agreement of the Group's banks.

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1 January 2002 £'000	26 December 2000 £'000
Amounts owed to group undertakings	1	1

### 8. CALLED UP SHARE CAPITAL

	1 January 2002 £	26 December 2000 £
Authorised, called up, allotted and fully paid: 2 ordinary shares of £1 each	2	2

### 9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

There have been no movements in shareholders funds during this or the preceding financial period.

## **BASEFLAME LIMITED**

### **NOTES TO THE ACCOUNTS**

**53 week period ended 1 January 2002**

#### **10. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS**

The Company is taking advantage of the exemption granted by paragraph 3(c) of FRS 8 not to disclose transactions with companies within the William Hill Holdings Limited Group who are related parties.

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

The parent company of the largest and smallest groups which include the Company and for which group accounts are prepared is William Hill Holdings Limited, incorporated in Great Britain.

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

#### **11. POST BALANCE SHEET EVENTS**

On 15 April 2002, the shareholders of William Hill Holdings Limited agreed to exchange their shares in that company for shares in William Hill plc (formerly Troniclong Limited) as part of a group reorganisation. From that date William Hill plc became the ultimate parent company of the Group.

On 20 June 2002, the ordinary shares of William Hill plc were admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange.