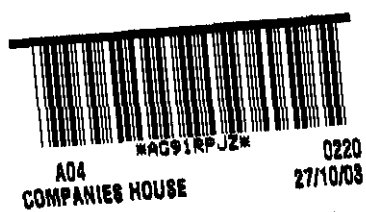


BASEFLAME LIMITED

Report and Financial Statements

31 December 2002



BASEFLAME LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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BASEFLAME LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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

BASEFLAME LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for the 52 week period ended 31 December 2002.

PRINCIPAL ACTIVITIES

The Company is a subsidiary of William Hill PLC 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 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 (1 January 2002 - £nil).

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

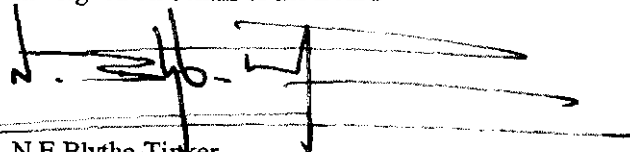
DIRECTORS

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

The directors' interests and rights to subscribe for shares in the 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.

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



N E Blythe-Tinker
Secretary

25 September 2003

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; 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.

BASEFLAME LIMITED

BALANCE SHEET 31 December 2002

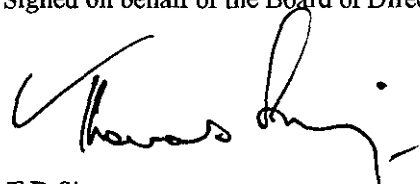
	Note	31 December 2002 £'000	1 January 2002 £'000
CURRENT ASSETS			
Debtors due after more than one year	5	651	651
CREDITORS: amounts falling due within one year	6	(1)	(1)
NET CURRENT ASSETS		<u>650</u>	<u>650</u>
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Profit and loss account	8	<u>650</u>	<u>650</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	8	<u>650</u>	<u>650</u>

The annual accounts have not been audited because the Company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the Company to obtain an audit of these accounts in accordance with section 249B(2).

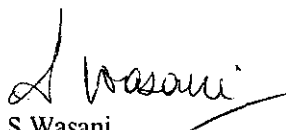
The directors acknowledge their responsibilities for ensuring that the Company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 25 September 2003.

Signed on behalf of the Board of Directors



T D Singer
Director



S Wasani
Director

BASEFLAME LIMITED

NOTES TO THE ACCOUNTS

52 week period ended 31 December 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 accounting standards and under the historical cost convention.

The financial statements present information about the individual Company and not about its group. The Company has not prepared group accounts as, in accordance with S228 of the Companies Act 1985, the Company is a wholly owned subsidiary of another company incorporated in Great Britain (see note 9).

A cash flow statement, as required by Financial Reporting Standard (FRS) 1 (Revised), 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.

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 substantially enacted by the balance sheet date.

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.

Profit and loss account

The Company has not entered into any transaction giving rise to a profit or loss during the current or preceding period and accordingly no profit and loss account has been prepared.

BASEFLAME LIMITED

NOTES TO THE ACCOUNTS

52 week period ended 31 December 2002

2. STAFF COSTS

There were 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 52 week period ended 31 December 2002 and the 53 week period ended 1 January 2002 are disclosed in the financial statements of William Hill Organization Limited.

	52 week period ended 31 December 2002 No.	53 week period ended 1 January 2002 No.
The number of directors who are members of: Defined benefit pension scheme	5	5

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

3. 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.

4. INVESTMENTS

At 31 December 2002 and 1 January 2002 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.

5. DEBTORS

	31 December 2002 £'000	1 January 2002 £'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.

BASEFLAME LIMITED

NOTES TO THE ACCOUNTS

52 week period ended 31 December 2002

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2002 £'000	1 January 2002 £'000
Amounts owed to Group undertakings	<u>1</u>	<u>1</u>

7. CALLED UP SHARE CAPITAL

	31 December 2002 £'000	1 January 2002 £'000
Authorised, called up, allotted and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

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

9. 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 PLC Group who 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 William Hill Investments 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 William Hill Investments Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.