

Company Registration No. 3972501

William Hill (Effects) Limited

Report and Financial Statements

26 December 2006



William Hill (Effects) Limited

Report and financial statements 2006

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William Hill (Effects) Limited

Report and financial statements 2006

Officers and professional advisers

Directors

Mr I J Spearing
Mr S P Lane

Secretary

Ms S Anderson

Registered office

Greenside House
50 Station Road
Wood Green
London
N22 7TP

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

William Hill (Effects) Limited

Directors' report

The directors present their report and audited financial statements for the 52 week period ended 26 December 2006

This report has been prepared in accordance with the special provisions relating to the small companies under s246(4) Companies Act 1985

Principal Activities

The principal activity of the Company is the supply of office materials and services and property management

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 prospects

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

The directors do not recommend payment of a dividend for the period (27 December 2005 - £nil)

Trading has been difficult in the period. The level of supply of stationery materials is not expected to increase

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 D Lowrey	(resigned 5 April 2006)
Mr T D Singer	(resigned 6 November 2006)
Mr S Wasani	(resigned 12 April 2007)
Mr S P Lane	(appointed 12 April 2007)
Mr I J Spearing	

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.

Adoption of International Financial Reporting Standards (IFRS)

The Group adopted IFRS as the primary basis for reporting for the 52 week period ending 26 December 2006. The Group Financial Statements provide a reconciliation between IFRS and UK GAAP, showing the impact of the adoption on the financial performance.

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.

William Hill (Effects) Limited

Directors' report (continued)

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 26 December 2006 the number of creditor days for William Hill Organization Limited was 19 days (27 December 2005 - 19 days).

Auditors

Each of the directors in office at the date when this report was approved confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The confirmation should be interpreted in accordance with Section 234ZA of the Companies Act 1985.

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

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



Ms S Anderson
Secretary
4th October 2007

William Hill (Effects) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 UK 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.

Independent auditors' report to the members of William Hill (Effects) Limited

We have audited the financial statements of William Hill (Effects) Limited for the period ended 26 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

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 26 December 2006 and of its loss for the 52 week period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
United Kingdom
11 October 2007

William Hill (Effects) Limited

Profit and loss account

52 week period ended 26 December 2006

	Note	52 week period ended 26 December 2006 £'000	52 week period ended 27 December 2005 £'000
Turnover	1	169	179
Cost of sales		(84)	(91)
Gross profit		85	88
Operating expenses		(104)	(104)
Operating loss	2	(19)	(16)
Interest payable	4	(13)	(12)
Loss on ordinary activities before taxation		(32)	(28)
Tax credit on loss on ordinary activities	5	8	7
Loss on ordinary activities after taxation	11	(24)	(21)

There have been no recognised gains or losses other than those included in the profit and loss account for the current and preceding financial period, and accordingly no statement of total recognised gains and losses has been prepared

All transactions in the current and preceding period are attributable to continuing activities

William Hill (Effects) Limited

Balance sheet 26 December 2006

	Note	26 December 2006 £'000	27 December 2005 £'000
Fixed assets			
Tangible assets	6	139	158
Current assets			
Debtors	7	6	1
Creditors: amounts falling due within one year	8	(231)	(218)
Net current liabilities		(225)	(217)
Total assets less current liabilities		(86)	(59)
Provisions for liabilities	9	(11)	(14)
Net liabilities		(97)	(73)
Capital and reserves			
Called up share capital	10,11	1	1
Profit and loss account	11	(98)	(74)
Shareholders' deficit	11	(97)	(73)

These financial statements were approved by the Board of Directors on 4th October 2007

Signed on behalf of the Board of Directors



I J Spearing

Director

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 26 December 2006

1. Accounting policies

The significant accounting policies of the Company are as follows and have been applied consistently in both the current and preceding periods

Basis of preparation

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

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 a company incorporated in Great Britain and the consolidated accounts of the Group include a cash flow statement in the form prescribed by FRS 1 (see note 12)

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. William Hill Organization Limited also holds leases on behalf of other Group companies

Turnover

Turnover represents amounts receivable in respect of sales of office supplies and property services which occurred by the period end. The directors consider this to be a single class of business, and the turnover arises exclusively within the United Kingdom. Consequently, segmental information is not presented

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost, less provision, if any, for impairment, 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

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

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

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 26 December 2006

2. Operating loss

	52 week period ended 26 December 2006 £'000	52 week period ended 27 December 2005 £'000
Operating loss is stated after charging		
Depreciation	19	26
Operating lease rentals – land and buildings	83	83

Expenses of the Company and auditors' remuneration of £1,000 (2005 £1,000) are borne by William Hill Organization Limited

3. 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 PLC. 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 or William Hill PLC.

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 26 December 2006 and the 52 week period ended 27 December 2005 are disclosed in the financial statements of William Hill Organization Limited or William Hill PLC.

	52 week period ended 26 December 2006 No.	52 week period ended 27 December 2005 No.
The number of directors who are members of Defined benefit pension scheme	2	4

Disclosures in respect of the defined benefit pension scheme, which has a deficit of £17,518,000 (27 December 2005 £34,472,000), are provided in the financial statements of William Hill Organization Limited.

4. Interest payable

	52 week period ended 26 December 2006 £'000	52 week period ended 27 December 2005 £'000
Interest payable on loans from Group undertakings	13	12

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 26 December 2006

5. Tax credit on loss on ordinary activities

	52 week period ended 26 December 2006 £'000	52 week period ended 27 December 2005 £'000
Deferred tax (see note 9)	(3)	(2)
Group relief.		
Current period	(5)	(5)
	<u>(8)</u>	<u>(7)</u>

Reconciliation to current tax credit:

	52 week period ended 26 December 2006 £'000	52 week period ended 27 December 2005 £'000
Loss before tax	(32)	(28)
Tax at 30% (27 December 2005 30%)	(10)	(8)
Permanent differences	2	2
Accelerated capital allowances	3	1
Current tax credit	<u>(5)</u>	<u>(5)</u>

6. Tangible fixed assets

	Land and buildings £'000	Fixtures, fittings, equipment, plant and machinery £'000	Total £'000
Cost:			
At 28 December 2005 and 26 December 2006	<u>112</u>	<u>140</u>	<u>252</u>
Depreciation			
At 28 December 2005	26	68	94
Charge for period	6	13	19
At 26 December 2006	<u>32</u>	<u>81</u>	<u>113</u>
Net book value:			
At 26 December 2006	<u>80</u>	<u>59</u>	<u>139</u>
At 27 December 2005	<u>86</u>	<u>72</u>	<u>158</u>
	26 December 2006 £'000	27 December 2005 £'000	
The net book value of land and buildings comprises			
Short leasehold	<u>80</u>	<u>86</u>	

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 26 December 2006

7. Debtors

	26 December 2006 £'000	27 December 2005 £'000
Other debtors	<u>6</u>	<u>1</u>

8. Creditors: amounts falling due within one year

	26 December 2006 £'000	27 December 2005 £'000
Amounts due to Group undertakings	<u>231</u>	<u>218</u>

9. Provision for liabilities

	26 December 2006 £'000	27 December 2005 £'000
Deferred taxation		
Accelerated capital allowances	<u>11</u>	<u>14</u>

The deferred taxation liabilities have been computed at 30% (27 December 2005 – 30%)

There are no amounts of unprovided deferred tax

Movement in the period:

	£'000
At 28 December 2005	14
Amount credited to profit and loss account (note 5)	<u>(3)</u>
At 26 December 2006	<u>11</u>

In the 2007 Budget, the Chancellor announced his intention to reduce the rate of Corporation tax from the current rate of 30% to a rate of 28% with effect from 1 April 2008. The directors do not consider the effect of this to be material.

10. Share capital

	26 December 2006 £	27 December 2005 £
Authorised:		
1,000 (2005 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
1 (2005 1) ordinary share of £1	<u>1</u>	<u>1</u>

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 26 December 2006

11. Reconciliation of movement in shareholders' deficit and statement of movement in reserves

	Share capital £'000	Profit and loss account £'000	Total £'000
At 27 December 2005	1	(74)	(73)
Retained loss for the period	-	(24)	(24)
	<hr/>	<hr/>	<hr/>
Balance at 26 December 2006	1	(98)	(97)
	<hr/>	<hr/>	<hr/>

12. 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 William Hill Organization 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 Organization Limited are available from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.