

Company Registration No. 3972501

William Hill (Effects) Limited

Report and Financial Statements

52 week period ended 30 December 2008



William Hill (Effects) Limited

Report and financial statements 2008

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William Hill (Effects) Limited

Report and financial statements 2008

Officers and professional advisers

Directors

Mr S P Lane
Mr A D Steele

Secretary

Mr D Read

Registered office

Greenside House
50 Station Road
Wood Green
London
N22 7TP

Auditors

Deloitte 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 30 December 2008.

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 (1 January 2008: £nil).

The Company has ceased to trade. Accordingly, the financial statements have been prepared on a basis other than that of a going concern.

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 S P Lane | |
| Mr I J Spearing | (resigned 31 December 2008) |
| Mr A D Steele | (appointed 31 December 2008) |

Adoption of International Financial Reporting Standards (IFRS)

The Group has used IFRS as the primary basis for reporting for the 52 week period ended 30 December 2008.

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.

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 30 December 2008 the number of creditor days for William Hill Organization Limited was 17 days (1 January 2008: 15 days).

William Hill (Effects) Limited

Directors' report (continued)

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.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. Accordingly Deloitte 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



D Read
Secretary
14th October 2009

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 52 week period ended 30 December 2008 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 judgments 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.

**Independent auditors' report to the members of
William Hill (Effects) Limited**
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 30 December 2008 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.

Emphasis of matter – financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the basis of preparation under note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.



Deloitte LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

14 October 2009

William Hill (Effects) Limited

Profit and loss account

52 week period ended 30 December 2008

| | | 52 week period ended 30 December 2008 £'000 | 53 week period ended 1 January 2008 £'000 |
|--|-------------|---|---|
| | Note | | |
| Turnover | 1 | - | 115 |
| Cost of sales | | - | (28) |
| Gross profit | | - | 87 |
| Operating expenses | | (14) | (103) |
| Operating loss | 2 | (14) | (16) |
| Interest payable | 4 | - | (17) |
| Loss on ordinary activities before taxation | | (14) | (33) |
| Tax credit on loss on ordinary activities | 5 | 2 | 6 |
| Loss on ordinary activities after taxation | 11 | (12) | (27) |

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 are attributable to discontinued activities.

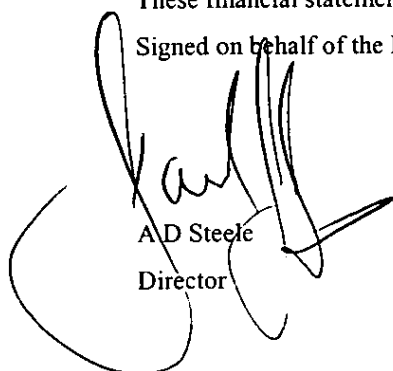
William Hill (Effects) Limited

Balance sheet 30 December 2008

| | Note | 30 December 2008 £'000 | 1 January 2008 £'000 |
|---|-------|------------------------------|----------------------------|
| Fixed assets | | | |
| Tangible assets | 6 | <u>106</u> | <u>120</u> |
| Current assets | | | |
| Debtors | 7 | - | 6 |
| Creditors: amounts falling due within one year | 8 | <u>(232)</u> | <u>(240)</u> |
| Net current liabilities | | <u>(232)</u> | <u>(234)</u> |
| Total assets less current liabilities | | <u>(126)</u> | <u>(114)</u> |
| Provision for liabilities | 9 | <u>(10)</u> | <u>(10)</u> |
| Net liabilities | | <u>(136)</u> | <u>(124)</u> |
| Capital and reserves | | | |
| Called up share capital | 10,11 | 1 | 1 |
| Profit and loss account | 11 | <u>(137)</u> | <u>(125)</u> |
| Shareholder's deficit | 11 | <u>(136)</u> | <u>(124)</u> |

These financial statements were approved by the Board of Directors on 14th October 2009.

Signed on behalf of the Board of Directors



A.D. Steele
Director

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 30 December 2008

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.

The Company has ceased trading. As required by FRS 18 'Accounting policies' the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose from ceasing to apply the going concern basis.

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. Turnover is recognised when the goods and services are supplied by the Company. 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.

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 30 December 2008

1. Accounting policies (continued)

Tax (continued)

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. Operating loss

| | 52 week period ended 30 December 2008 £'000 | 53 week period ended 1 January 2008 £'000 |
|--|---|---|
| Operating loss is stated after charging: | | |
| Depreciation | 14 | 19 |
| Operating lease rentals – land and buildings | - | 83 |

Expenses of the Company and auditors' remuneration of £1,000 (1 January 2008: £1,000) are borne by William Hill Organization Limited. The auditors received no fees for non-audit work in either period.

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 30 December 2008 and the 53 week period ended 1 January 2008 are disclosed in the financial statements of William Hill Organization Limited or William Hill PLC.

| | 52 week period ended 30 December 2008 No. | 53 week period ended 1 January 2008 No. |
|---|---|---|
| The number of directors who are members of: | | |
| Defined benefit pension scheme | 1 | 1 |
| Defined contribution pension scheme | 1 | 1 |

Disclosures in respect of the both pension schemes are provided in the financial statements of William Hill Organization Limited. The defined benefit pension scheme has a deficit of £18,630,235 (1 January 2008: £2,329,760).

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 30 December 2008

4. Interest payable

| | 52 week period ended 30 December 2008 £'000 | 53 week period ended 1 January 2008 £'000 |
|---|---|---|
| Interest payable on loans from Group undertakings | - | 17 |

5. Tax credit on loss on ordinary activities

| | 52 week period ended 30 December 2008 £'000 | 53 week period ended 1 January 2008 £'000 |
|---------------------------|---|---|
| Current period | | |
| Corporation tax | (2) | - |
| Group relief | - | (5) |
| Deferred tax (see note 9) | - | (1) |
| | <u>(2)</u> | <u>(6)</u> |

Reconciliation to current tax credit:

| | | |
|------------------------------------|------------|------------|
| Loss before tax | (14) | (33) |
| Tax at 28.5% (1 January 2008: 30%) | (4) | (10) |
| Permanent differences | - | 2 |
| Accelerated capital allowances | 2 | 3 |
| Current tax credit | <u>(2)</u> | <u>(5)</u> |

William Hill (Effects) Limited

Notes to the accounts 52 week period ended 30 December 2008

6. Tangible fixed assets

| | Land and buildings £'000 | Fixtures, fittings, equipment, plant and machinery £'000 | Total £'000 |
|--|--------------------------------|---|----------------|
| Cost: | | | |
| At 2 January 2008 and 30 December 2008 | 112 | 132 | 244 |
| Depreciation: | | | |
| At 2 January 2008 | 38 | 86 | 124 |
| Charge for period | 4 | 10 | 14 |
| At 30 December 2008 | 42 | 96 | 138 |
| Net book value: | | | |
| At 30 December 2008 | 70 | 36 | 106 |
| At 1 January 2008 | 74 | 46 | 120 |

6. Tangible fixed assets (continued)

| | 30 December 2008 £'000 | 1 January 2008 £'000 |
|---|------------------------------|----------------------------|
| The net book value of land and buildings comprises: | | |
| Short leasehold | 70 | 74 |

7. Debtors

| | 30 December 2008 £'000 | 1 January 2008 £'000 |
|---------------|------------------------------|----------------------------|
| Other debtors | - | 6 |

8. Creditors: amounts falling due within one year

| | 30 December 2008 £'000 | 1 January 2008 £'000 |
|-----------------------------------|------------------------------|----------------------------|
| Amounts due to Group undertakings | 232 | 240 |

William Hill (Effects) Limited

Notes to the accounts 52 week period ended 30 December 2008

9. Provision for liabilities

| | 30 December 2008 £'000 | 1 January 2008 £'000 |
|--------------------------------|------------------------------|----------------------------|
| Deferred taxation: | | |
| Accelerated capital allowances | 10 | 10 |

The deferred taxation liabilities have been computed at 28% (1 January 2008 – 28%).

There are no amounts of unprovided deferred tax.

Movement in the period:

| | £'000 |
|---|-------|
| At 2 January 2008 | 10 |
| Amount credited to profit and loss account (note 5) | - |
| At 30 December 2008 | 10 |

10. Share capital

| | 30 December 2008 £'000 | 1 January 2008 £'000 |
|--|------------------------------|----------------------------|
| Authorised: | | |
| 1,000 ordinary shares of £1 each | 1,000 | 1,000 |
| Called up, allotted and fully paid: | | |
| 1 ordinary share of £1 | 1 | 1 |

11. Reconciliation of movement in shareholder's deficit and statement of movement in reserves

| | Share capital £'000 | Profit and loss account £'000 | Total £'000 |
|------------------------------|---------------------------|--|----------------|
| At 2 January 2008 | 1 | (125) | (124) |
| Retained loss for the period | - | (12) | (12) |
| Balance at 30 December 2008 | 1 | (137) | (136) |

William Hill (Effects) Limited

Notes to the accounts

52 week period ended 30 December 2008

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, Maindy, Cardiff CF14 3UZ.