

MATSDOM LIMITED

Report and Financial Statements

31 December 2002



Deloitte & Touche LLP
London

MATSDOM LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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MATSDOM 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

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

MATSDOM LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is the supply of office supplies and services, including the supply of general office materials, and property owning and 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 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 (period ended 1 January 2002 - £nil).

Trading for the period has been satisfactory and is expected to remain so.

DIRECTORS

The present membership of the Board of directors is set out on page 1.

The directors who served throughout 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 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.

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 31 December 2002 the number of creditor days for William Hill Organization Limited was 17 days (1 January 2002 - 26 days).

MATSDOM LIMITED

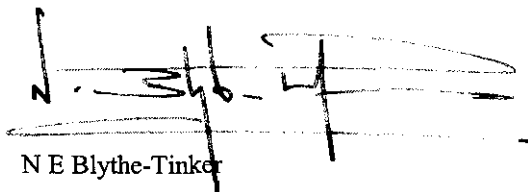
DIRECTORS' REPORT (continued)

AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming 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.

Secretary

25 September 2003

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 and 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 MATSDOM LIMITED

We have audited the financial statements of Matsdom Limited for the 52 week period ended 31 December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 8. 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

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 period and consider the implications for our report if we become aware of any apparent misstatements.

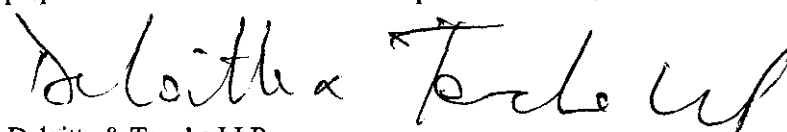
Basis of audit opinion

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 31 December 2002 and of its profit for the 52 week period ended 31 December 2002 and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

MATSDOM LIMITED

PROFIT AND LOSS ACCOUNT 52 week period to 31 December 2002

	Note	52 week period ended 31 December 2002 £	53 week period ended 1 January 2002 £
TURNOVER	1	72,140	46,465
Cost of sales		<u>(33,000)</u>	<u>(27,580)</u>
GROSS PROFIT		39,140	18,885
Operating expenses		<u>(38,480)</u>	<u>(20,000)</u>
OPERATING PROFIT/ (LOSS) AND PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		660	(1,115)
Tax (charge)/credit on profit/(loss) on ordinary activities	3	<u>(198)</u>	<u>335</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE PERIOD TRANSFERRED TO RESERVES	7	<u>462</u>	<u>(780)</u>

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 presented.

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

MATSDOM LIMITED

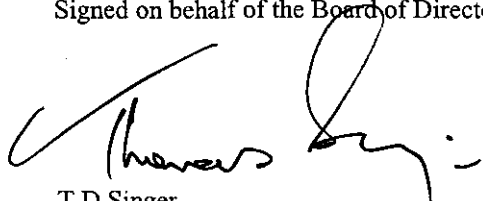
BALANCE SHEET

52 week period to 31 December 2002

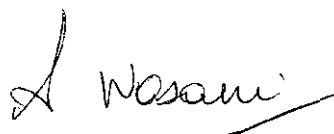
	Note	31 December 2002 £	1 January 2002 £
CURRENT ASSETS			
Debtors	4	4,696	574
CREDITORS: amounts falling due within one year	5	<u>(4,711)</u>	<u>(1,051)</u>
NET CURRENT LIABILITIES AND TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(15)</u>	<u>(477)</u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account	7	<u>(16)</u>	<u>(478)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT	7	<u>(15)</u>	<u>(477)</u>

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

NOTES TO THE ACCOUNTS
52 week period to 31 December 2002

1. ACCOUNTING POLICIES

The significant accounting policies of the Company are as follows:

Basis of preparation

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

The financial statements have been prepared on the going concern basis, given the continuing support from the company's parent company.

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 8).

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 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.

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.

NOTES TO THE ACCOUNTS

52 week period to 31 December 2002

2. STAFF COSTS

There are no employees of the Company. All UK employees of the Group are employed by William Hill Organization Limited or William Hill Holdings Limited. 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.

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 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 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 CHARGE/(CREDIT) ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	52 week period ended 31 December 2002 £	53 week period ended 1 January 2002 £
UK corporation tax	198	-
Group relief payable/(receivable): Current period	-	(335)
	198	(335)

Reconciliation to current tax charge:

	52 week period ended 31 December 2002 £	53 week period ended 1 January 2002 £
Profit /(loss) before tax	660	(1,115)
Tax at 30% (1 January 2002: 30%)	198	(335)

MATSDOM LIMITED

NOTES TO THE ACCOUNTS

52 week period to 31 December 2002

4. DEBTORS

	31 December 2002 £	1 January 2002 £
Other debtors	4,696	574

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2002 £	1 January 2002 £
Amount due to Group undertakings	4,711	1,051

6. CALLED UP SHARE CAPITAL

	31 December 2002 £	1 January 2002 £
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

7. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' DEFICIT AND STATEMENT OF MOVEMENT IN RESERVES

	Share capital £	Profit and loss account £	Total £
At 2 January 2002	1	(478)	(477)
Retained profit for the period	-	462	462
Balance at 31 December 2002	1	(16)	(15)

8. 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, Will Hill Limited and William Hill Organization Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.