

Registered No SC137651

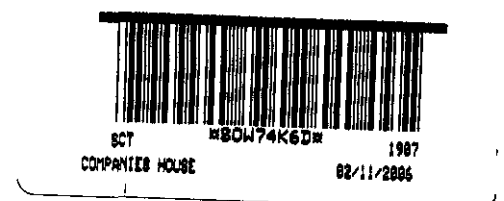
BONDAREA LIMITED

Report and Accounts

31 December 2005

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Bondarea Limited

Registered Number SC137651

DIRECTORS

Ladbroke Corporate Director Limited (resigned 23 February 2006)

S Humphreys (appointed 13 February 2006)

P James (appointed 13 February 2006)

P Bowcock (appointed 13 February 2006, resigned 29 September 2006)

J Thomson (appointed 29 September 2006)

SECRETARY

Ladbroke Corporate Secretaries Limited (resigned 23 February 2006)

B Wilson (appointed 23 February 2006)

AUDITORS

Ernst & Young LLP

1 More London Place

London SE1 2AF

REGISTERED OFFICE

4 Cadogan Square

Cadogan Street

Glasgow G2 7PH

Scotland

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2005

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company has not traded during the year and accordingly has made neither a profit nor a loss. No profit and loss account has been prepared and no dividend is recommended. It is not expected that the company will commence trading in the current year.

DIRECTORS

The current directors and the director during the year ended 31 December 2005 is shown above.

DIRECTORS' INTERESTS IN SHARES IN GROUP COMPANIES

No director at 31 December 2005 held at that date or at 31 December 2004 any interest in, or during the accounting period was granted or exercised a right to subscribe for the shares or debentures of this company or of Hilton Group plc (renamed Ladbroke's plc) or its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year Hilton Group plc purchased and maintained on behalf of the company, liability insurance for its directors and officers as permitted by Section 310 (3) of the Companies Act 1985.

POST BALANCE SHEET EVENT

On 23 February 2006, Hilton Hotels Corporation, a company incorporated in the United States of America, completed its acquisition of the hotels division of Hilton Group plc (which included the company) pursuant to a Sale and Purchase Agreement dated 29 December 2005.

On 23 February 2006, Hilton Group plc was also renamed Ladbroke's plc.

By order of the board



Secretary

Date 30 October 2006

Bondarea Limited

BALANCE SHEET at 31 December 2005

	Note	31 December 2005 £	31 December 2004 £
Current assets			
Debtors	3	<u>1,838,924</u>	<u>1,838,924</u>
Net current assets		<u>1,838,924</u>	<u>1,838,924</u>
		<u>1,838,924</u>	<u>1,838,924</u>
Capital and reserves			
Called up share capital	4	50,000	50,000
Profit and loss account		<u>1,788,924</u>	<u>1,788,924</u>
Equity shareholders' funds		<u>1,838,924</u>	<u>1,838,924</u>

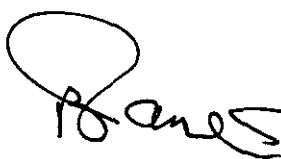
For the year ended 31 December 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2)

The director acknowledges responsibility for

- (a) Ensuring the company keeps accounting records which comply with section 221
- (b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

Director



NOTES TO THE ACCOUNTS
at 31 December 2005

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

2. RESULTS FOR THE FINANCIAL PERIOD

The company has not traded during the period and accordingly it has made neither a profit or a loss

3. DEBTORS

	31 December 2005 £	31 December 2004 £
Amounts due from group undertakings	<u>1,838,924</u>	<u>1,838,924</u>

4. SHARE CAPITAL

	31 December 2005 £	31 December 2004 £
Authorised		
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

5. CASH FLOW STATEMENT

The company has taken advantage of the provision in FRS 1 which exempts subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from preparing a cash flow statement. The ultimate parent undertaking at 31 December 2005, Hilton Group plc plc (renamed Ladbroke's plc), has included the required consolidated cash flow statement within its accounts.

NOTES TO THE ACCOUNTS

at 31 December 2005

6. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Stakis Limited, a company registered in Scotland. The ultimate parent undertaking at 31 December 2005 and the only undertaking for which group financial statements were prepared for the year then ended, was Hilton Group plc (renamed Ladbroke's plc), a company registered in England and Wales, financial statements for which can be obtained from the following address

Imperial House, Imperial Drive, Rayners Lane, Harrow, Middlesex, HA2 7JW

The company's ultimate parent undertaking and controlling party with effect from 23 February 2006 is Hilton Hotels Corporation, a company incorporated in the United States of America

7. CONTINGENT LIABILITIES

The company has jointly and severally guaranteed the value added tax liability of certain other Ladbroke's plc (formally Hilton group) companies, within the group registration, amounting to approximately £7.9 million (2004 £12.1 million) at 31 December 2005

The company was released from its liabilities under these guarantees on 23 February 2006

8. RELATED PARTY

The company has taken advantage of provisions in FRS 8 which exempt subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from disclosing transactions with other entities within the group. The ultimate parent undertaking at 31 December 2005, Hilton Group plc, has included the required related party disclosures within its group financial statements

9. POST BALANCE SHEET EVENT

On 23 February 2006, Hilton Hotels Corporation, a company incorporated in the United States of America, completed its acquisition of the hotels division of Hilton Group plc (which included the company) pursuant to a Sale and Purchase Agreement dated 29 December 2005

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