

UKCL LIMITED
(Registered No. 3266491)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2000



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UKCL LIMITED**REPORT OF THE DIRECTORS**

The directors hereby submit their report, together with the financial statements of the company, for the year ended 30 April 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company did not trade during the year and, accordingly, it made neither a profit nor a loss. Therefore, no profit and loss account is attached.

DIVIDEND

No dividend will be paid in respect of the period under review.

DIRECTORS

The directors who held office during the period were:

Mr. J. C. Thwaite	(Resigned 2 June 2000)
Mr. G. Speakman	
Mr. S. R. Taylor	(Appointed 2 June 2000)

There are no interests of directors which are within the disclosure requirements of the Companies Act 1985 in relation to the company, in shares of the company, its holding company or subsidiaries of the holding company.

During the year no remuneration or benefits of any kind were received by any director from the company.

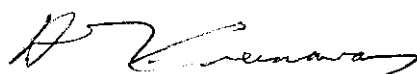
EMPLOYEES

The company has no employees.

AUDITORS

A resolution for the re-appointment of KPMG Audit Plc as auditor of the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD


Littlewoods Secretarial Services Limited
Secretary

LIVERPOOL

UKCL LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**REPORT OF THE AUDITOR, KPMG AUDIT PLC, TO THE MEMBERS OF
UKCL LIMITED**

We have audited the financial statements on pages 5 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you 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.

BASIS OF OPINION

We conducted our audit in accordance with 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 the company's affairs as at 30 April 2000 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants and
Registered Auditor

LIVERPOOL

26 June 2000

UKCL LIMITED

BALANCE SHEET AS AT 30 APRIL 2000

	Note	2000 £	1999 £
TOTAL ASSETS LESS CURRENT LIABILITIES		-	-
CAPITAL AND RESERVES			
Called up share capital	2a	2	2
Profit and loss account	2b	(2)	(2)
EQUITY SHAREHOLDERS' FUNDS	2b	-	-

The financial statements on pages 5 to 7 were approved by the Board of Directors on 16 June 2000 and signed on their behalf by



G. Speakman
Director

UKCL LIMITED**STATEMENT OF ACCOUNTING POLICIES****PRINCIPAL ACCOUNTING POLICES**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis of accounting.

CASH FLOW

The company is a wholly owned subsidiary of The Littlewoods Organisation PLC; consequently, the company is exempt from the requirement of Financial Reporting Standard No.1 (Revised) to prepare a separate cash flow statement.

RELATED PARTY TRANSACTIONS

In accordance with the exemption conferred by Financial Reporting Standard No.8, details of transactions with entities in the same group have not been disclosed.

UKCL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

1. DIRECTORS AND EMPLOYEES

The company has no employees.

During the period none of the directors received emoluments in respect of their services to the company. Two directors (1999 – two directors) participated in the group defined benefit pension scheme.

2. CAPITAL AND RESERVES

a) CALLED UP SHARE CAPITAL

	2000		1999	
	No	£	No	£
Authorised				
Ordinary shares of £1 each:				
At 1 May 1999	100	100	100	100
At 30 April 2000	100	100	100	100
Allotted, called up and fully paid				
Ordinary shares of £1 each:				
At 1 May 1999	2	2	2	2
At 30 April 2000	2	2	2	2

b) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	2000 Total £	1999 Total £
At 1 May 1999	2	(2)	-	-
At 30 April 2000	2	(2)	-	-

3. ULTIMATE HOLDING COMPANY

The Company is a subsidiary of Littlewoods Lotteries Limited, incorporated in Great Britain.

The largest Group in which the results of the company are consolidated is that headed by The Littlewoods Organisation PLC. No other Group accounts include the results of the Company.