

Company Registration No. 3722014

Baseflame Limited

Report and Financial Statements

27 December 2005



Baseflame Limited

Report and financial statements 2005

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Baseflame Limited

Report and financial statements 2005

Officers and professional advisers

Directors

Mr T D Singer
Mr I J Spearing
Mr S Wasani

Secretary

Ms S Anderson

Registered office

Greenside House
50 Station Road
Wood Green
London N22 7TP

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Baseflame Limited

Directors' report

The directors present their report and audited financial statements for the 52 week period ended 27 December 2005.

Principal activities

The Company is a subsidiary of William Hill PLC and together with other subsidiaries of that company forms the William Hill Group of companies ("the Group").

The Company was formed for the purpose of the acquisition of Will Hill Limited in 1999 and following this transaction has not traded.

Review of business developments and future activities

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

The directors do not recommend payment of a dividend for the period (28 December 2004 - £nil).

The Company is not expected to trade for the foreseeable future.

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

Mr I J Spearing

Mr S Wasani

The directors' interests and rights to subscribe for shares in the 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

The company has made no trade purchases during the current financial period and therefore the number of creditor days outstanding is not presented.

Adoption of International Financial Reporting Standards (IFRS)

The Group will adopt IFRS as the primary basis for reporting for the 52 week period ending 26 December 2006. It does not expect the adoption of IFRS to have a material impact on the reporting of financial performance as compared to results prepared in accordance with UK GAAP.

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.

Baseflame Limited

Directors' report (continued)

Auditors

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



S Anderson

Secretary

23 October 2006

Baseflame Limited

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 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 Baseflame Limited

We have audited the financial statements of Baseflame Limited for the 52 weeks ended 27 December 2005 which comprise the balance sheet and the related notes 1 to 10. 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above period as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

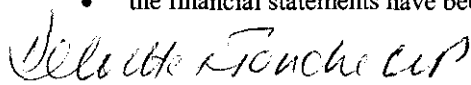
We conducted our audit in accordance with *International Standards on Auditing (UK and Ireland)* issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 27 December 2005; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

26 October 2006

Baseflame Limited

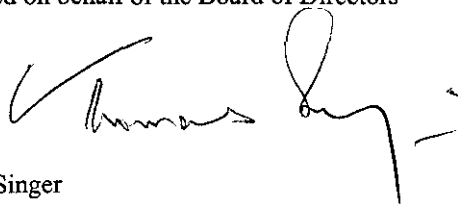
Balance sheet at 27 December 2005

	Notes	27 December 2005 £'000	28 December 2004 £'000
Current assets			
Debtors due after more than one year	6	650	651
Creditors: amounts falling due within one year	7	-	(1)
Net current assets		<u>650</u>	<u>650</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	<u>650</u>	<u>650</u>
Total equity shareholders' funds	9	<u>650</u>	<u>650</u>

The company has not traded and has made neither profit nor loss nor any recognised gain or loss in the financial periods ended 27 December 2005 and 28 December 2004, and accordingly no profit and loss account or statement of total recognised gains and losses is presented.

These financial statements were approved by the Board of Directors on 23 October 2006.

Signed on behalf of the Board of Directors



T D Singer

Director

Baseflame Limited

Notes to the accounts

52 week period ended 27 December 2005

1. Accounting policies

The significant accounting policies of the Company are as follows:

Basis of preparation

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

The financial statements present information about the individual Company and not about its group. The Company has not prepared group accounts as, in accordance with S228 of the Companies Act 1985, the Company is a wholly-owned subsidiary of another company incorporated in Great Britain (see note 10).

A cash flow statement, as required by Financial Reporting Standard (FRS) 1 (Revised), has not been prepared, as the Company is a wholly owned subsidiary of William Hill PLC, a company incorporated in Great Britain and the consolidated accounts of William Hill PLC include a cash flow statement in the form prescribed by FRS 1.

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.

Profit and loss account

The Company has not entered into any transaction giving rise to a profit or loss during the current or preceding period and accordingly no profit and loss account has been prepared.

Baseflame Limited

Notes to the accounts

52 week period ended 27 December 2005

2. Staff costs

There were no employees of the Company in either the current or preceding financial periods.

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 financial period between their services to each company. Therefore details of their remuneration for the 52 week periods ended 27 December 2005 and 28 December 2004 are disclosed in the financial statements of William Hill Organization Limited.

	52 week period ended 27 December 2005 No.	52 week period ended 28 December 2004 No.
<i>The number of directors who are members of:</i>		
Defined benefit pension scheme	4	4

Disclosures in respect of the defined benefit pension scheme are provided in the financial statements of William Hill Organization Limited.

3. Auditors' remuneration

Auditors' remuneration is borne by a fellow subsidiary of William Hill Plc, William Hill Organization Ltd, and is disclosed in the financial statements of that company.

4. Tax on profit on ordinary activities

The Company has not traded during the current and preceding financial periods and hence no provision for taxation has been made.

5. Investments

At 27 December 2005 and 28 December 2004 the Company owned 50,001 deferred shares in Will Hill Limited, a company incorporated in Great Britain. The holders of these shares are not entitled to dividends or assets of the Company, other than on liquidation when an amount not exceeding the par value of the share is payable. Deferred shareholders are not entitled to attend and vote at general meetings.

The Company wrote off its investment of £326,053,000 in Will Hill Limited in 1999.

6. Debtors

	27 December 2005 £'000	28 December 2004 £'000
Amounts owed by Group undertakings due after more than one year	650	651

Amounts owed by Group undertakings due after more than one year comprise amounts due in respect of group relief.

Baseflame Limited

Notes to the accounts

52 week period ended 27 December 2005

7. Creditors: amounts falling due within one year

	27 December 2005 £'000	28 December 2004 £'000
Amounts owed to Group undertakings	-	1

8. Called up share capital

	27 December 2005 £	28 December 2004 £
Authorised, called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2

9. Reconciliation of movements in equity shareholders' funds and statement of movements in reserves

There have been no movements in equity shareholders funds during this or the preceding financial period.

10. Ultimate parent company and related party transactions

The Company is taking advantage of the exemption granted by paragraph 3(c) of FRS 8 not to disclose transactions with companies within the William Hill PLC Group who 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 Investments 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 Investments Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.