Parent Company Balance Sheet

as at 29 December 2009

	Notes	29 December 2009 £m	30 December 2008 £m
Fixed assets			
Investments	4	**38.2**	38.2
		38.2	38.2
Current assets			
Debtors			
Due within one year	5	**1,941.6**	1,838.0
Due after more than one year	6	**10.3**	10.5
		1,951.9	1,848.5
Creditors: amounts falling due within one year	7	**(730.0)**	(339.3)
Net current assets		**1,221.9**	1,509.2
Total assets less current liabilities		**1,260.1**	1,547.4
Creditors: amounts falling due after more than one year	8	**(329.7)**	(1,105.0)
Net assets		**930.4**	442.4
Capital and reserves			
Called-up share capital	10,12	**70.2**	35.4
Premium on ordinary shares	11,12	**317.3**	–
Capital redemption reserve	12	**6.8**	6.8
Own shares held	12	**(3.7)**	(31.1)
Hedging reserve	12	**(12.7)**	(26.9)
Profit and loss account	12	**552.5**	458.2
Equity shareholders' funds	12,13	**930.4**	442.4

The Parent Company financial statements of William Hill Plc, registered number 4212563, were approved by the Board of directors and authorised for issue on 26 February 2010 and are signed on its behalf by:

R J Topping
Director

S P Lane
Director

Parent Company Statement of Accounting Policies

to the 52 weeks ended 29 December 2009

The unconsolidated financial statements for the Company have been prepared in accordance with UK law and applicable UK GAAP accounting standards. A summary of the Company's principal accounting policies, which have been applied consistently throughout the period and the preceding period is set out below.

Basis of accounting

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

Exemptions

The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company alone. The Company has also taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements'. The cash flows of the Company are included in the William Hill PLC Group financial statements. The Company is also exempt under the terms of FRS 8 'Related Parties' from disclosing related party transactions with entities that are part of the William Hill PLC Group.

Investments

Fixed asset investments are shown at cost less provision, if any, for impairment.

Cost is measured by reference to the nominal value only of the shares issued for investments in subsidiaries acquired for consideration that includes the issue of shares qualifying for merger relief. Any premium is ignored.

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.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transaction or at an average rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates ruling at that date. Translation differences arising are dealt with in the profit and loss account.

Finance costs

Finance costs of debt are recognised in the profit and loss account over the term of that debt at a constant rate on the carrying amount.

Interest-bearing borrowings

Interest-bearing borrowings are recorded at the fair value of the proceeds received, net of discounts and direct issue costs. Finance charges, including the unwinding of any discounts, premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using the effective interest method. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost. Any accrued finance costs are included in accruals and deferred income within trade and other payables.

Derivative financial instruments

Derivative instruments utilised by the Company are interest rate swaps and collars. The Company does not enter into speculative derivative contracts. All such instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the William Hill PLC Group in line with the Group's risk management policies. Amounts payable or receivable in respect of interest rate swaps and collars are recognised as adjustments to interest expense over the period of the contracts.

Termination payments made or received are spread over the life of the underlying exposure in cases where the underlying exposure continues to exist. In other cases termination payments are taken to the profit and loss account.

Own shares held

Own shares held in treasury and held in employment benefit trusts are included within reserves.

Share-based payments

The Company issues equity-settled share-based payments to certain employees within the William Hill PLC Group and operates a number of Inland Revenue approved Save As You Earn (SAYE) share option schemes open to all eligible employees within the William Hill PLC Group, which allow the purchase of shares at a discount. The cost to the Group of both of these share-based payments is measured at fair value at the date of grant. Fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and is borne by the employing company within the Group.

Fair value is measured by use of the Black-Scholes-Merton pricing formula. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. Where relevant, the value of the option has also been adjusted to take into account any market conditions applicable to the option.

Further descriptions of the Group's share-based payment plans are given in note 36 of the Group financial statements.

Going concern

As highlighted in note 21 and 22 to the Group financial statements, the Group meets its day to day working capital requirements through its cash resources supplemented by a revolving credit loan facility, which expires on 1 March 2010. As noted in the 'Refinancing' section of the Chairman's Statement, the Group's funding requirements beyond this date have been satisfied by raising approximately £350m through a rights issue, a further £300m through the issue of 7.125% Guaranteed Notes due 2016 and renegotiating the Group's bank loan facilities of £538.5m, which includes a £179.5m revolving credit facility. Whilst current economic conditions create uncertainty over the level of demand for the Group's products; the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its new borrowing facilities.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these accounts.

Statement of Directors' Responsibilities
Group Independent Auditors' Report
Group Financial Statements
Parent Company Independent Auditors' Report
Parent Company Financial Statements
Five-Year Summary
Abbreviations and Glossary

1. Directors' remuneration and interests

The Company had no employees other than directors during the current or prior period. The Company did not operate any pension schemes during the current or prior period. Details of directors' remuneration, share interests, share options and other entitlements, which form part of these financial statements, are given in the parts of the Directors' Remuneration Report on pages 56–58, which are described as having been audited.

Directors interests

The directors had the following interests, including family interests (all of which were beneficial) in the ordinary shares of William Hill PLC:

	29 December 2009 Number[1]	30 December 2008 Number
Chairman		
Charles Scott	**251,634**	125,817
Executive directors:		
Simon Lane	**3,000**	1,500
Ian Spearing[1]	**24,757**	24,757
Ralph Topping	**27,112**	13,556
Non-executive directors:		
David Allvey	**26,666**	13,333
David Edmonds	**24,000**	12,000
Barry Gibson[1]	**34,462**	17,231
Ashley Highfield	**–**	–

[1] As at the period end or date of resignation.

No changes took place in the interests of directors between 29 December 2009 and 26 February 2010.

No director had any interest in shares in any other Group company.

Directors' share options

Details of directors' share options are provided in the Directors' Remuneration Report on pages 51 to 58, which are described as having been audited.

2. Profit for the year

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. William Hill PLC reported a profit for the 52 weeks ended 29 December 2009 of £130.2m (52 weeks ended 30 December 2008 – £132.7m).

The auditors' remuneration for audit and other services is disclosed in note 5 to the Group financial statements.

3. Dividends proposed and paid

	29 December 2009 Per share	30 December 2008 Per share	29 December 2009 £m	30 December 2008 £m
Equity shares:				
– current year interim dividend paid	2.5p	7.75p	17.5	27.0
– prior year final dividend paid	–	15.50p	–	53.8
	2.5p	23.25p	17.5	80.8
Second interim dividend	5.0p	–	34.9	–

Further details of dividends paid and proposed are shown in note 10 of the Group financial statements.

4. Investments

	£m
Cost and net book value:	
At 30 December 2008 and 29 December 2009	38.2

It is the opinion of the directors that the total value of the Company's investment in its subsidiaries is not less than the amounts at which they are stated in the parent company balance sheet.

The principal subsidiaries of the Company, their country of incorporation, ownership of their share capital and the nature of their trade are shown in note 14 to the Group financial statements.

5. Debtors: amounts falling due within one year

	29 December 2009 £m	30 December 2008 £m
Amounts owed by Group undertakings	1,929.6	1,837.6
Derivative financial instruments (note 9)	–	0.4
Prepaid Finance Fees	12.0	–
	1,941.6	1,838.0

6. Debtors: amounts falling due after more than one year

Deferred tax

	29 December 2009 £m	30 December 2008 £m
At start of period	10.5	(1.2)
Deferred tax on hedging movement	(0.2)	11.7
At end of period	10.3	10.5

7. Creditors: amounts falling due within one year

	29 December 2009 £m	30 December 2008 £m
Bank loans	375.0	–
Amounts owed to Group undertakings	341.5	323.6
Accruals and deferred income	7.0	15.7
Derivative financial instruments (note 9)	6.5	–
	730.0	339.3

In line with the classification change in the Group financial statements, financial derivatives have been reclassified with reference to the expiry date of the hedging instrument. The prior year comparatives have also been restated to bring this into line. Further details can be found in note 23 to the Group financial statements.

8. Creditors: amounts falling due after one year

Bank overdrafts, loans and derivative financial instruments	29 December 2009 £m	30 December 2008 £m
Borrowings at amortised cost		
	–	1,070.0
£300m 7.125% Guaranteed Notes due 2016	300.0	–
	300.0	1,070.0
The borrowings are repayable as follows:		
Amounts due for settlement within one year	–	–
In the second year	–	820.0
In the third to fifth years inclusive	–	250.0
After more than five years	300.0	–
	300.0	1,070.0
Less: expenses relating to bank loans	(0.2)	(2.0)
Less: discount on bond issue £300m issued at £297.9m	(2.1)	–
Less: expenses relating to £300m 7.125% Guaranteed Notes due 2016	(4.0)	–
	293.7	1,068.0
Derivative financial instruments (note 9)	36.0	37.0
Amount due for settlement after 12 months	329.7	1,105.0

At the beginning of the year, the Company had total bank facilities of £1,450m available to it under two facility agreements. The first, totalling £1,200m repayable on 1 March 2010, and the second a Term Loan for £250m repayable on 30 July 2011. On 27 February 2009, £250m of the committed but undrawn facilities from the first agreement were cancelled, reducing the available facilities to £950m. On the same date, new Forward Start Facilities totalling £588.5m, available for drawing from 17 January 2010, were entered into.

On 8 April 2009, the £350m net proceeds of the rights issue were used to repay borrowings under the Company's bank facilities, this included the full repayment of the £250m Term Loan due on 30 July 2011. At the same time the amount available under the first facility was reduced to £700m.

On 12 November 2009, the Company issued £300m 7.125% Guaranteed Notes due 2016, the proceeds of which were used to repay borrowings under the Company's bank facilities. At the same time £50m of the Company's Forward Start Facilities were cancelled, reducing them to £538.5m.

On 29 January 2010, the Company utilised its new Forward Start Facilities to repay its outstanding bank loans.

Further details of bank loans are shown in note 21 of the Company financial statements.

9. Derivatives and other financial instruments

The Company holds derivatives and other financial instruments on behalf of the William Hill PLC Group. Note 22 to the Group's financial statements provides an explanation of the role that financial instruments have had during the period in creating or changing the risks that the Group faces in its activities. The explanation summarises the objectives and policies for holding or issuing financial instruments and similar contracts, and the strategies for achieving those objectives that have been followed during the period.

The value of net foreign currency monetary assets at 29 December 2009 was £nil (30 December 2008 – £nil).

10. Called-up share capital

	29 December 2009		30 December 2008	
	Number of shares	£m	Number of shares	£m
Called-up, allotted and fully paid – ordinary shares of 10p each:				
At start of period	353,718,759	35.4	353,718,759	35.4
Rights issue	347,927,441	34.8	–	–
At end of period	701,646,200	70.2	353,718,759	35.4

On 8 April 2009, the Group issued 347,927,441 Ordinary Shares of 10p each, as part of a one for one Rights Issue. The shares were issued at £1.05 raising £352.1m after expenses of £13.2m. The excess of cash received over nominal value was recorded as share premium (note 11).

The Company has one class of Ordinary Shares, which carry no right to fixed income.

Share options

Options have been granted to subscribe for Ordinary Shares of the Company under various share option and award schemes as shown below:

	Number of shares under option	Price per share	Exercise period
Long Term Incentive Plan (2003)	7,946		Between 2006 and 2013
Long Term Incentive Plan (2004)	20,577		Between 2007 and 2014
Operating Bonus 2004	6,075		Between 2007 and 2014
Performance Share Plan (2005)	56,223		Between 2008 and 2015
Performance Share Plan (2006)	70,370		Between 2009 and 2016
Executive Benefit Matching Scheme (2007)	676,281		Between 2010 and 2017
Executive Benefit Matching Scheme (2008)	1,502,902		Between 2011 and 2018
Executive Benefit Matching Scheme (2009)	4,312,225		Between 2012 and 2019
SAYE 2002	163,175	£1.27	Between 2005 and 2010
SAYE 2003	135,649	£1.24	Between 2006 and 2011
SAYE 2004	178,987	£2.77	Between 2007 and 2012
SAYE 2005	89,875	£3.23	Between 2008 and 2013
SAYE 2006	494,801	£3.25	Between 2009 and 2014
SAYE 2007	354,098	£3.49	Between 2010 and 2013
SAYE 2008	1,463,268	£1.98	Between 2011 and 2014
SAYE 2009	4,806,590	£1.39	Between 2012 and 2015

Note 36 to the Group financial statements has further information on these schemes, including the valuation models and assumptions used.

11. Share premium

	£m
At 2 January 2008 and 31 December 2008	–
Rights issue	317.3
At 29 December 2009	**317.3**

The share premium reserve records the excess of the cash actually received on the issue of shares over the nominal amount of the share capital issued. The movement in the period relates to the rights issue outlined in note 10.

12. Reserves

	Called-up share capital £m	Premium on ordinary shares £m	Capital redemption reserve £m	Own shares held £m	Hedging reserve £m	Profit and loss account £m	Total £m
At 31 December 2008	35.4	–	6.8	(31.1)	(26.9)	458.2	442.4
Retained profit for the financial period	–	–	–	–	–	130.2	130.2
Shares issued as part of rights issue	34.8	317.3	–	–	–	–	352.1
Transfer of own shares to recipients	–	–	–	27.4	–	(18.4)	9.0
Change in fair value of derivatives	–	–	–	–	1.2	–	1.2
Transfer to income on derivatives	–	–	–	–	18.5	–	18.5
Deferred tax on derivatives	–	–	–	–	(5.5)	–	(5.5)
Dividends paid	–	–	–	–	–	(17.5)	(17.5)
At 29 December 2009	**70.2**	**317.3**	**6.8**	**(3.7)**	**(12.7)**	**552.5**	**930.4**

13. Reconciliation of movements in equity shareholders' funds

	29 December 2009 £m	30 December 2008 £m
Opening equity shareholders' funds as previously reported	**442.4**	419.7
Profit for the financial period	**130.2**	132.7
Dividends paid	**(17.5)**	(80.8)
Issue of shares during the period (note 12)	**352.1**	–
Change fair value of derivative	**19.7**	(41.6)
Deferred tax on change in fair value of derivative	**(5.5)**	11.7
Movement on reserves due to transfer of own shares to recipients	**9.0**	0.7
Net increase to equity shareholders' funds	**488.0**	22.7
Closing equity shareholders' funds	**930.4**	442.4

14. Financial commitments

The Company had no capital commitments at 29 December 2009 (30 December 2008 – £nil).

The Company had no commitments under non-cancellable operating leases at 29 December 2009 (30 December 2008 – £nil).

Details of bank guarantees given to the Group's joint ventures are shown in note 38 of the Group financial statements.

15. 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.