

REPORT OF THE DIRECTORS
RELATING TO THE ACCOUNTS TO 28TH JANUARY 1982

The Directors of the Company are:

H.W. Abbey
G. Maitland Smith
A.I. Wyborn

The Directors are not required to retire by rotation and continue in office.

It is proposed to pay a dividend of £207,000 on the Issued Ordinary Share Capital.

The interests of the Directors of the Company and of their immediate families in the Ordinary Shares and the 7½% Unsecured Loan Stock 1992-97 of Sears Holdings Limited were as follows: -

<u>Ord</u> <u>Shares</u>	<u>7½% Unsecured</u> <u>Loan Stock 1992/97</u>	<u>Ord</u> <u>Shares</u>	<u>7½% Unsecured</u> <u>Loan Stock 1992/97</u>
<u>28th January 1982</u>		<u>29th January 1981</u>	
NIL		NIL	

No goods were exported from the United Kingdom.

Further information required by statute is set out in the attached accounts and notes.

The Auditors, Price Waterhouse & Co. have expressed their willingness to be re-appointed.

By Order of the Board

H.W. Abbey
Secretary



WILLIAM HILL LEISURE LIMITED

ACCOUNTS

FOR THE 52 WEEKS ENDED

28th JANUARY 1982



AUDITORS' REPORT TO THE MEMBERS OF

WILLIAM HILL LEISURE LIMITED

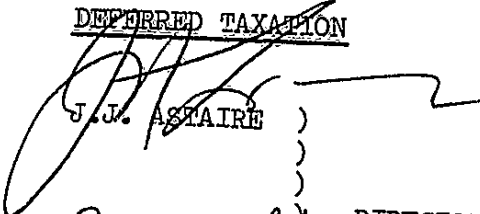

We have audited the annexed accounts in accordance with approved Auditing Standards.

In our opinion the accounts and notes which have been prepared under the historical cost convention give, under that convention, a true and fair view of the state of the company's affairs at 28th January 1982 and of its profit and source and application of funds for the 52 weeks then ended and comply with the Companies Acts 1948 to 1981.

12th May 1982

PRICE WATERHOUSE
Chartered Accountants
9 Bond Court,
LEEDS LS1 2SN

WILLIAM HILL LEISURE LIMITED
BALANCE SHEET AT 28th JANUARY 1982

	Notes	£	£	<u>29th January 1981</u> £
<u>INTEREST IN SUBSIDIARIES</u>	2		(201,897)	(299,263)
<u>DEPOSIT WITH A HOLDING COMPANY</u> (WILLIAM HILL ORGANIZATION LTD)	6		780,672	697,794
<u>CURRENT ASSETS</u>				
Debtors and prepayments		23,146		156,416
Bank balances and cash		17,568		26,300
		40,714		182,716
Deduct:				
<u>CURRENT LIABILITIES</u>				
Creditors and accrued expenses		4,074		4,249
Taxation	3	157,000		119,500
		161,074		123,749
<u>NET CURRENT (LIABILITIES)/CURRENT ASSETS</u>			(120,360)	58,967
Financed by:				
<u>SHARE CAPITAL</u>	4		427,755	427,755
<u>RESERVES</u>	5		29,826	28,487
<u>DEFERRED TAXATION</u>	3		834	1,256
 J.J. ASTAIRE				
 H.W. ABBEY				
) DIRECTORS				
APPROVED BY THE BOARD ON 12th MAY 1982			458,415	457,498

WILLIAM HILL LEISURE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 28th JANUARY 1982

			<u>29th January 1981</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
<u>TURNOVER</u>	1	12,000	20,000
<u>TRADING (LOSSES)</u>	8	(245)	(175)
<u>INTEREST</u>	10	153,426	148,764
<u>TRADING PROFIT AFTER INTEREST</u>		153,181	148,589
<u>DIVIDENDS RECEIVABLE FROM SUBSIDIARIES</u>		135,065	138,065
<u>DECREASE/(INCREASE) IN PROVISION AGAINST INTEREST IN SUBSIDIARY COMPANIES</u>		496	(65)
<u>SURPLUS ON DISPOSAL OF SUBSIDIARY</u>		-	14,959
<u>PROFIT BEFORE TAXATION</u>		288,742	301,548
<u>TAXATION</u>	3	(80,403)	(76,755)
<u>PROFIT AFTER TAXATION</u>		208,339	224,793
<u>DIVIDENDS</u>			
On ordinary shares (proposed)	6	(207,000)	(220,000)
<u>TRANSFER TO RESERVES</u>	5	1,339	4,793

WILLIAM HILL LEISURE LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE 52 WEEKS ENDED 28th JANUARY 1982

	<u>£</u>	<u>£</u>	<u>£</u>	<u>1980/81</u>
<u>SOURCE OF FUNDS</u>				<u>£</u>
Trading profit after interest		153,181		148,589
Item not involving the movement of funds:-				
Depreciation		-		(1,534)
Total generated from trading operations		<u>153,181</u>		<u>147,055</u>
Proceeds on disposal of fixed assets		-		2,750
Dividends receivable		135,065		138,065
Surplus proceeds on disposal of subsidiary		-		14,959
		<u>288,246</u>		<u>302,829</u>
 <u>APPLICATION OF FUNDS</u>				
Disposal of investment in subsidiary		-	(2)	
Increase in deposit with a holding company	82,878		79,053	
Increase/(Decrease) in amount due from subsidiaries	96,870		(164,183)	
Dividend paid	207,000		220,000	
Tax paid	<u>43,325</u>		<u>5,744</u>	
		430,073		140,612
 <u>(DECREASE)/INCREASE IN WORKING CAPITAL</u>				
(Decrease)/Increase in debtors	(133,270)		137,957	
Decrease in creditors	175		2,418	
(Decrease)/Increase in bank balances and cash	<u>(8,732)</u>		<u>21,842</u>	
		<u>(141,827)</u>		162,217
		<u>288,246</u>		<u>302,829</u>

WILLIAM HILL LEISURE LIMITED

NOTES ON THE ACCOUNTS - 52 WEEKS TO 28th JANUARY 1982

1. ACCOUNTING POLICIES

(a) Turnover

Turnover comprises management fees from subsidiaries.

(b) Deferred taxation

Provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in these accounts except to the extent that the liability will, with reasonable probability, be payable in the foreseeable future.

2. INTEREST IN SUBSIDIARIES

	<u>1982</u>	<u>1981</u>
	£	£
Shares at cost less amounts written off	171,832	171,832
Amounts due by subsidiaries less amounts written off	<u>24,462</u>	<u>3,133</u>
Less:	196,294	174,965
Amounts due to subsidiaries	<u>398,191</u>	<u>474,228</u>
	<u>(201,897)</u>	<u>(299,263)</u>

The principal subsidiaries of the company, all of which are registered in England, are as follows:-

<u>Name of subsidiary</u>	<u>% of nominal value of issued ordinary shares held by</u>	
	<u>The company</u>	<u>Subsidiaries</u>
Dale Martin Promotions Limited	100	
Joint Promotions Limited		85.7
Best Wryton Promotions Limited	100	
Viewsport Limited	100	
Family Entertainments Limited	100	

Group accounts are not submitted because the company is a wholly owned subsidiary of another company incorporated in Great Britain. The aggregate amount of retained profits/(losses) after taxation of subsidiaries since their dates of acquisition by the company so far as concerns members of the company were as follows:-

	<u>1982</u>	<u>Prior Years</u>
Not dealt with in the company's accounts	<u>£2,746</u>	<u>£284,804</u>

3. TAXATION

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
(a) The charge in the profit and loss account is made up of United Kingdom corporation tax based on the profits of the period at the rate of 52%	(80,825)	(75,499)
Deferred taxation	422	(1,256)
	<u>(80,403)</u>	<u>(76,755)</u>
(b) <u>Deferred taxation</u>		

Details of the potential liability for deferred taxation and the extent to which provision has been made in these accounts are set out below:-

	<u>1981/82</u>		<u>1980/81</u>	
	<u>Potential liability</u>	<u>Provision made</u>	<u>Potential liability</u>	<u>Provision made</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Capital allowances	Nil	Nil	Nil	Nil
Other timing differences	834	834	1,256	1,256
	<u>834</u>	<u>834</u>	<u>1,256</u>	<u>1,256</u>

(c) Taxation included under current liabilities in the balance sheet may include amounts payable to fellow subsidiaries for group relief.

4. SHARE CAPITAL

	<u>Authorised</u>	<u>Issued and fully paid</u>
Ordinary shares of 10p each	£500,000	£427,755

The company's ultimate holding company is Sears Holdings Limited, a company incorporated in Great Britain.

5. RESERVES

	<u>£</u>
Balance 30th January 1981	28,487
Retained profit for the period	1,339
Balance 28th January 1982	<u>29,826</u>

6. DEPOSIT WITH A HOLDING COMPANY

The balance includes the proposed dividend shown in the profit and loss account, based on trading profits only.

7. CONTINGENT LIABILITY

The company and its immediate holding company and certain fellow subsidiaries have jointly and severally given letters of set off to bankers in connection with a bank facility made available to these companies. At 28th January 1982 there were no overdrawn balances in respect of which the company was contingently liable under the terms of the set off arrangement.

WILLIAM HILL LEISURE LIMITED

NOTES ON THE ACCOUNTS - 52 WEEKS TO 28th JANUARY 1982 (CONTINUED)

8. TRADING (LOSSES)

Trading (losses) are stated after taking account of the following:-

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
(a) Depreciation (Note 1 (b))	-	(1,534)
(b) Aggregate remuneration of Nil employee (1981 1 employee)	-	3,980
(c) Emoluments of directors of the company (Note 9)	3,840	9,561
(d) Auditors' remuneration	<u>1,000</u>	<u>850</u>

9. FURTHER PARTICULARS OF DIRECTORS' EMOLUMENTS

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
Chairman	3,000	3,000
Highest paid director	<u>840</u>	<u>5,761</u>

Scale of emoluments:

<u>Exceeding</u>	<u>Not exceeding</u>	<u>Number of Directors</u>	
		<u>1982</u>	<u>1981</u>
£15,001	£20,000	-	-
£10,001	£15,000	-	-
1	£ 5,000	2	3
No remuneration		<u>2</u>	<u>2</u>

10. INTEREST

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
Interest receivable	<u>153,426</u>	<u>148,764</u>