STAFFORD HOTEL LIMITED

DIRECTORS REPORT AND ACCOUNTS

YEAR TO 31st MARCH 2003

Registered number 2992607



Report of the Directors

The Directors submit their report and accounts for the year ended to 31 March 2003.

Principal Activity

The Company has not traded during the year and therefore no profit and loss account is presented.

Directors

Mr I A M Harkness
Mr D A Robson
Mrs J Richardson
Mrs J Waterworth
Mr P T Eaton - resigned on 17 January 2003
Mr T Holmes
Mr A W Van Ness Jr.
Mr D Lowe

No director has any interest in the shares of the Company.

The interests of the directors in the ultimate parent company, Daniel Thwaites P.L.C., are shown in the directors' report of that company.

Holding company

The Company is a wholly owned subsidiary of Shire Hotels Limited and the ultimate holding company is Daniel Thwaites P.L.C., a company incorporated in England.

By Order of the Board

S. Woodward

S I Woodward
Secretary

26 June 2003

Balance Sheet
At 31 March 2003

	Note	2003 £	2002 £
Current asset			
Amount owing by holding company		**100**	100
Capital and reserves			
Share capital			
Allotted, called up and fully paid			
100 ordinary shares of £1 each	**4**	**100**	100

For the year ended 31 March 2003 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's acknowledge their responsibility for: (i) Ensuring the Company keeps accounting records which comply with section 221; and (ii) 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.

These accounts were approved by the Board of Directors on 26 June 2003 and signed on its behalf by :

I A M Harkness
Director

Notes to the Accounts

1. Preparation of accounts

The accounts have been prepared under the historical cost convention and comply with applicable Accounting

2. Profit and loss account

The Company has not traded during the period, has received no income and incurred no expenditure, and consequently has made neither a profit or a loss.

3. Emoluments of the directors

None of the directors received any emoluments from the Company during the year.

4. Share capital

Authorised share capital comprises 100 ordinary shares of £1 each.

5. Parent company

The controlling and parent company is Shire Hotels Limited, a company incorporated in England. The ultimate holding company is Daniel Thwaites P.L.C., a company incorporated in England.