Registered Number 368879

Q&M LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2002

Q&M LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 31st December 2002. None of the directors held any beneficial interests in the shares of the company during the year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company did not trade during the year and the directors do not therefore recommend the payment of a dividend.

FUTURE PROSPECTS

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

DIRECTORS

T J Gates
G McKenna

AUDITORS

The annual accounts have not been audited because the company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and the members have not required the company to obtain an audit under section 249B(2) of the Companies Act 1985.

BY ORDER OF THE BOARD

M R France
Secretary,

8th January 2003

Q&M LIMITED

BALANCE SHEET AT 31ST DECEMBER 2002

	Notes	2002	2001
		£	£
ASSETS			
DEBTORS			
Amount owed by ultimate holding company falling due after more than one year		54	54
NET ASSETS		54	54
Financed by:			
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	5	54	54
PROFIT AND LOSS ACCOUNT		-	-
		54	54

The Company did not trade during the current or preceding financial year and has made neither profit nor loss, nor any other recognised gain or loss.

For the year ended 31 December 2002 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985. Members have not required the Company to obtain an audit in accordance with section 242B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for:

(i) ensuring the company keeps proper accounting records in accordance with section 221; and

(ii) preparing accounts that give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

The financial statements on pages 2 to 4 were approved by the board of directors on 8th January 2003 and are signed on its behalf by:

T J Gates
Director

Q&M LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICY - BASIS OF ACCOUNTING

These financial statements have been prepared on the historical cost basis of accounting.

2. TRADING

The company did not trade during the year.

3. DIRECTORS' EMOLUMENTS

No remuneration was paid to any director during the year (2001: Nil).

4. PROPOSED DIVIDENDS

No dividends have been provided in 2002 (2001: Nil).

5. CALLED UP SHARE CAPITAL

	2002	2001
	£	£
Authorised:		
100 Ordinary shares of £1 each	100	100
	100	100
Allotted, called up and fully paid:		
54 Ordinary shares of £1 each	54	54
	54	54

6. ULTIMATE HOLDING COMPANY

At 31 December 2002, the company's ultimate parent company and controlling party is BRE/Savoy Acquisition Company (an unlimited company) registered in England and Wales. This is the largest group in which the company is a member and for which Group accounts are prepared. Copies of its statutory accounts are available from its registered office 1 Savoy Hill, London WC2R 0BP.

Blackstone Hotel Acquisitions Company is the smallest member of the Group in which the company is a member and for which Group accounts are prepared. Copies of its statutory accounts are also available from its registered office 1 Savoy Hill, London WC2R 0BP.

7. RELATED PARTY TRANSACTIONS

The company is exempt under the provisions of paragraph 3, Financial Reporting Standard 8 "Related Party Disclosures" from disclosing details of transactions with Group related parties.