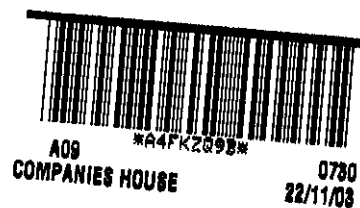


BADGER INNS LIMITED

191 8 509

Directors Report & Accounts

25 January 2003



BADGER INNS LIMITED

Directors and Advisors

Directors R S Mackenzie (Resigned 14 March 2003)
 J M Scott , BA, ACMA
 D H Woodhouse, BA, MBA

Secretary L M Clive, LLB, MSc, ACIS

Registered Office The Brewery
 Blandford St. Mary
 Dorset
 DT11 9LS

Registered Number 1918509

BADGER INNS LIMITED

Notice Of Meeting

NOTICE IS HEREBY GIVEN that the SEVENTEENTH ANNUAL GENERAL MEETING of the company will be held at The Visitors Centre, The Brewery, Blandford St Mary, Dorset on Friday the 16th day of May, 2003 at 11:30 am to transact the following business:

- 1) To receive and consider the Report of the Directors and statement of accounts for the year ended 25 January 2003.
- 2) To transact any other ordinary business of the company.

By order of the Board



L M Clive
Secretary

The Brewery
Blandford St. Mary
Dorset

15th April 2003

Note:

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy and such a proxy need not also be a member of the Company.

BADGER INNS LIMITED

Directors' Report

The directors have pleasure in submitting their report for the year ended 25 January 2003.

Principal Activity and Review of the Business

The directors submit the accounts for the year ended 25 January 2003.

The company has not traded during the year and is dormant within the meaning of section 249AA of the Companies Act 1985.

Directors

The names of the directors in office are set out on page 1.

Directors Interests

No shares were held by directors of this company, except as nominees of Hall & Woodhouse Limited.

The interests of those directors who are also directors of Hall & Woodhouse Limited in the shares of the ultimate parent undertaking are set out in the accounts of that company.

Directors Responsibilities In Respect Of The Accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

In preparing those accounts 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, subject to any material departures disclosed and explained in the accounts; and
- *prepare the accounts on a 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The company satisfies the provisions of section 249AA of the Companies Act 1985 and accordingly the company is exempt from the obligation to appoint auditors.

By order of the Board



L M Clive
Secretary

15th April 2003


BADGER INNS LIMITED

Balance Sheet as at 25 January 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Loan due from parent undertaking		2	2
		<hr/>	<hr/>
		2	2
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called-up share capital	3	2	2
		<hr/>	<hr/>
Shareholders' funds		2	2
		<hr/>	<hr/>

For the year ended 25 January 2003:

- 1] the company is entitled to the exemption conferred by section 249AA of the Companies Act 1985 from the provisions of that Act relating to the audit of accounts;
- 2] the members have not required the company to obtain an audit of its accounts in accordance with section 249B(2) of the Companies Act 1985.
- 3] the directors acknowledge their responsibilities for:
 - i] ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985.
 - ii] preparing accounts which 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 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.


D H Woodhouse
Director

15th April 2003

BADGER INNS LIMITED

Notes to the Accounts as at 25 January 2003

1. Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention.

The accounts are prepared in accordance with applicable accounting standards.

2. Profit and Loss Account

The company had no transactions during the year and has made neither a profit or a loss. No Profit and Loss Account has therefore been prepared.

3. Called-Up Share Capital

	2003	2002
Ordinary shares of £1 each:	£	£
Authorised	100	100
Allotted, called-up and fully paid	2	2

4. Ultimate Parent Undertaking

The ultimate parent undertaking is Hall & Woodhouse Limited, a company incorporated in England & Wales.

The parent undertaking of the smallest and largest group of which the company is a member and for which group accounts are prepared is Hall & Woodhouse Limited. A copy of group accounts can be obtained from Companies House, Cardiff.