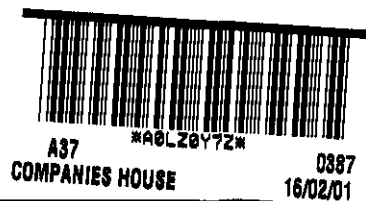


Registered in England
Company No. 01989821

**Report
And
Financial Statements**

QLODGE LIMITED

**Abbreviated Accounts
for the year ended 30 June 2000**



K J Pittalis & Co.

KJP

ACCOUNTANTS

90-92 HIGH ROAD, EAST FINCHLEY, LONDON N2 9EB

QLODGE LIMITED

Auditors' Report to Qlodge Limited under Section 247b of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 4 together with the full statutory accounts of the company for the year ended 30 June 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors:

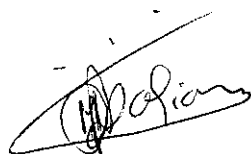
The directors are responsible for preparing abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with the events after the date of our report on the full statutory accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246 (5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



K J Pittalis & Co
Registered Auditors
90-92 High Road
London N2 9EB

12 February 2001

QLODGE LIMITED

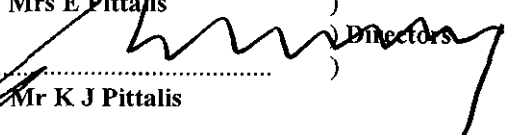
Abbreviated Balance Sheet As at 30 June 2000

	Notes	2000 £	1999 £
FIXED ASSETS	2		
Tangible assets			
Freehold premises		1,418,902	1,397,575
Fixtures/Fittings and equipment		90,961	96,014
		1,509,863	1,493,589
CURRENT ASSETS			
Debtors & prepayments		10,222	2,122
Cash at bank		5,328	3,406
		15,550	5,528
CREDITORS - Amounts falling due within one year			
Amount owed to Holding Company		854,780	827,620
Creditors & accruals		5,623	13,443
		860,403	841,063
Net current (liabilities)		(844,853)	(835,535)
NET ASSETS		665,010	658,054
CAPITAL AND RESERVES			
Called up share capital	3	850,000	850,000
Profit & loss account		(184,990)	(191,946)
Shareholders' Funds		665,010	658,054

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the board of directors on 12 February 2001 and signed on its behalf by:


Mrs E Pittalis


Mr K J Pittalis

Directors

QLODGE LIMITED

Notes forming part of the accounts for the year ended 30 June 2000

1. ACCOUNTING POLICIES

(i) Accounting convention

The Financial Statements were prepared under the historical cost convention as modified by the revaluation of freehold premises and comply with all applicable accounting standards.

(ii) Turnover

It represents rents net of Value Added Tax derived from the freehold premises owned by the Company.

(iii) Depreciation

In accordance with SSAP 19 no depreciation is provided for the freehold premises. This represents a departure from the Companies Act 1985 requirements concerning the depreciation of fixed assets. The directors consider that the adoption of this policy is necessary to give a true and fair view. Depreciation is provided for the Fixtures, Fittings and Equipment at 5% pa on a straight line method and aims to write off the cost over their expected useful lives.

2. FIXED ASSETS

	Freehold premises £	Fixtures/Fittings and Equipment £	Total £
Tangible assets			
Cost/revaluation			
At 1 July 1999	1,397,575	101,067	1,498,642
Legal on construction costs	21,327	--	21,327
At 30 June 2000	1,418,902	101,067	1,519,969
Depreciation			
At 1 July 1999	--	5,053	5,053
Charge for year	--	5,053	5,053
At 30 June 2000	--	10,106	10,106
Net Book Values			
At 30 June 2000	1,418,902	90,961	1,509,863
At 30 June 1999	1,397,575	96,014	1,493,589

The freehold premises are charged to the Company's bankers for loan advances to the Holding Company.

QLODGE LIMITED

Notes forming part of the accounts for the year ended 30 June 2000

3. SHARE CAPITAL

	2000 £	1999 £
Ordinary shares of £1 each		
Authorised	1,000,000	1,000,000
Allotted, called up and fully paid	850,000	850,000