

**Report
And
Financial Statements**

QLODGE LIMITED

**Abbreviated Accounts
for the year ended 30 June 2002**



K J Pittalis & Co.

KJP

CHARTERED 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 3 together with the full statutory accounts of the company for the year ended 30 June 2002 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 3 are properly prepared in accordance with those provisions.



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

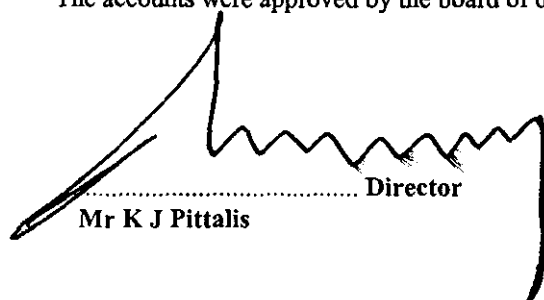
2 September 2002

QLODGE LIMITED
Abbreviated Balance Sheet
As at 30 June 2002

	Notes	2002 £	2001 £
FIXED ASSETS	2		
Tangible assets			
Freehold premises		1,850,000	1,418,902
Fixtures, fittings and equipment		80,855	85,908
Motor van		3,000	--
		1,933,855	1,504,810
CURRENT ASSETS			
Debtors & prepayments		8,131	12,420
CREDITORS - amounts falling due within one year			
Creditors & accruals		16,142	29,434
Bank overdraft		9,649	1,031
		25,791	30,465
Net current (liabilities)		(17,660)	(18,045)
Total net assets less current liabilities		1,916,195	1,486,765
CREDITORS amounts falling due after more than one year			
Amounts owed to holding company		(675,200)	(769,370)
NET ASSETS		1,240,995	717,395
CAPITAL AND RESERVES			
Called up share capital	3	850,000	850,000
Profit & loss account		(40,103)	(132,605)
Revaluation reserve		431,098	--
Shareholders' Funds		1,240,995	717,395

The abbreviated 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 2 September 2002 and signed on its behalf by:


..... Director
Mr K J Pittalis

QLODGE LIMITED

Notes forming part of the accounts for the year ended 30 June 2002

1. ACCOUNTING POLICIES

(i) Accounting convention

The accounts were prepared under the historical cost convention as modified by the revaluation of freehold premises and in accordance with the financial reporting standard for smaller entities (effective June 2000).

(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 25% pa for motor vehicle on the reducing balance method.

2. FIXED ASSETS

Tangible assets	Freehold premises £	Fixtures/Fittings and Equipment £	Motor van £	Total £
Cost/revaluation				
At 1 July 2001	1,418,902	101,067	--	1,519,969
Addition	--	--	4,000	4,000
Surplus on revaluation	431,098	--	--	431,098
At 30 June 2002	<u>1,850,000</u>	<u>101,067</u>	<u>4,000</u>	<u>1,955,067</u>
Depreciation				
At 1 July 2001	--	15,159	--	15,159
Charge for year	--	5,053	1,000	6,053
At 30 June 2002	<u>--</u>	<u>20,212</u>	<u>1,000</u>	<u>21,212</u>
Net Book Values				
At 30 June 2002	<u>1,850,000</u>	<u>80,855</u>	<u>3,000</u>	<u>1,933,855</u>
At 30 June 2001	<u>1,418,902</u>	<u>85,908</u>	<u>--</u>	<u>1,504,810</u>

The freehold premises are charged to the Company's bankers for loan advances to the Holding Company. The freehold premises were revalued by the directors on the basis of their market values as at 30 June 2002..

3. SHARE CAPITAL

	2002 £	2001 £
Ordinary shares of £1 each		
Authorised	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid	<u>850,000</u>	<u>850,000</u>