

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2002
FOR
LODGE SERVICE (NORTHERN) LIMITED



LODGE SERVICE (NORTHERN) LIMITED

**CONTENTS OF THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 July 2002**

	Page
Company Information	1
Report of the Independent Auditors on the Abbreviated Financial Statements	2
Abbreviated Balance Sheet	4
Notes to the Abbreviated Financial Statements	5

LODGE SERVICE (NORTHERN) LIMITED

COMPANY INFORMATION
for the Year Ended 31 July 2002

DIRECTORS:

J S Lodge
S R Lodge
O Dale-Jones

SECRETARY:

S R Lodge

REGISTERED OFFICE:

Stuart House
55 Catherine Place
London
SW1E 6DY

REGISTERED NUMBER:

541701

AUDITORS:

Wellers
Accountants
Registered Auditor
Stuart House
55 Catherine Place
London
SW1E 6DY

BANKERS:

National Westminster Bank plc
55 King Street
Manchester
M60 2DB

LODGE SERVICE (NORTHERN) LIMITED
REPORT OF THE INDEPENDENT AUDITORS TO
LODGE SERVICE (NORTHERN) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to six, together with the full financial statements of the company for the year ended 31 July 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements 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 consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

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

Other information

On 13 MAY 2003 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 July 2002 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements of Lodge Service (Northern) Limited for the year ended 31 July 2002 on pages four to eight. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

LODGE SERVICE (NORTHERN) LIMITED
REPORT OF THE INDEPENDENT AUDITORS TO
LODGE SERVICE (NORTHERN) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2002 or its results for the year then ended. In all other aspects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect of the limitation of our work on the following items, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit and we were unable to determine whether proper accounting records had been maintained:

- | | | |
|----|-----------------|----------|
| a) | Trade debtors | £200,084 |
| b) | Trade creditors | £8,651 |

Wellers

Wellers
Accountants
Registered Auditor
Stuart House
55 Catherine Place
London
SW1E 6DY

Dated: *13 May 2003*

LODGE SERVICE (NORTHERN) LIMITED

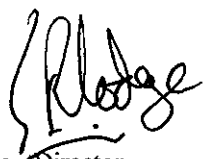
ABBREVIATED BALANCE SHEET

31 July 2002

	Notes	2002 £	2001 £
FIXED ASSETS:			
Tangible assets	2	38,284	37,868
CURRENT ASSETS:			
Debtors		217,227	245,282
Cash at bank and in hand		<u>2,719</u>	<u>2,335</u>
		219,946	247,617
CREDITORS: Amounts falling due within one year		<u>205,922</u>	<u>207,768</u>
NET CURRENT ASSETS:		<u>14,024</u>	<u>39,849</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		52,308	77,717
CREDITORS: Amounts falling due after more than one year		<u>6,440</u>	<u>8,472</u>
		<u><u>£45,868</u></u>	<u><u>£69,245</u></u>
CAPITAL AND RESERVES:			
Called up share capital	3	1,499	1,499
Capital redemption reserve		2,249	2,249
Profit and loss account		<u>42,120</u>	<u>65,497</u>
SHAREHOLDERS' FUNDS:		<u><u>£45,868</u></u>	<u><u>£69,245</u></u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



S R Lodge - Director

Approved by the Board on 19 March 2003

The notes form part of these financial statements

LODGE SERVICE (NORTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 July 2002**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 15% on cost
Motor vehicles	- 33% on reducing balance
Computer equipment	- 33% on cost

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Debtors

Known bad debts are written off and specific provision is made for those debts which are considered to be doubtful of collection.

2. TANGIBLE FIXED ASSETS

	Total £
COST:	
At 1 August 2001	82,443
Additions	<u>16,948</u>
At 31 July 2002	<u>99,391</u>
DEPRECIATION:	
At 1 August 2001	44,575
Charge for year	<u>16,532</u>
At 31 July 2002	<u>61,107</u>
NET BOOK VALUE:	
At 31 July 2002	<u>38,284</u>
At 31 July 2001	<u>37,868</u>

The net book value of tangible fixed assets included above held under finance lease or hire purchase contract amounted to £19,086 (2001 : £23,843). Total depreciation allocated to these assets during the year was £9,110 (2001 : £6,106).

LODGE SERVICE (NORTHERN) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Year Ended 31 July 2002

3. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2002 £	2001 £
40,000	Ordinary	5p	2,000	2,000
3,000	6% Redeemable Cumulative Preference	£1	<u>3,000</u>	<u>3,000</u>
			<u>5,000</u>	<u>5,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2002 £	2001 £
29,980	Ordinary	5p	<u>1,499</u>	<u>1,499</u>

4. ULTIMATE PARENT COMPANY AND CONTROL

The holding company was Lodge Service International Limited, incorporated in England, which is controlled by family members and associates of Mr J S Lodge, as at 31 July 2002 and 2001.

5. SECURED CREDITORS

Hire Purchase	2002 £	2001 £
Amount due within one year	<u>9,923</u>	<u>7,521</u>
Amount due after more than one year	<u>6,440</u>	<u>8,472</u>