

REGISTRAR OF COMPANIES

CORALTREND LIMITED

Report and financial statements

Year ended

31 December 1992



CORALTREND LIMITED

Annual report and financial statements for the year ended 31 December 1992

Contents

Directors

Page:

1	Report of the directors
3	Profit and loss account
4	Balance sheet
5	Notes forming part of the financial statements
13	Report of the auditors

Directors

Chris Josife
Costas Josife

Secretary and registered office

George Josife, 66-68 Margaret Street, London, W1N 7FL.

Company number

2048708

Auditors

Stoy Hayward, 8 Baker Street, London, W1M 1DA.

CORALTREND LIMITED

Report of the directors for the year ended 31 December 1992

The directors present their report together with the audited financial statements for the year ended 31 December 1992.

Results and dividends

The profit and loss account is set out on page 3 and shows the result for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity of the company is that of hoteliers.

The company has been going through a transitional period but the directors are confident that this will provide a firm basis for future profitability.

Significant changes in fixed assets

Significant changes in fixed assets are shown in note 9 to the financial statements.

Market value of freehold properties

In the opinion of the directors, the current market value of freehold properties are lower than the book value at which the property is stated. However, the directors do not consider that this diminution in value is permanent and no adjustment has been made to the value of the property in these financial statements.

Revaluation of investment property

The company's freehold investment property was revalued by the directors on 31 December 1992 at open market value.

Directors

The directors of the company during the year were:

Chris Josife
Costas Josife

The directors are also directors of the ultimate parent company, Carafe Limited (formerly Desilu Dresses Limited), in which they each have an interest in 50% of the share capital of that company.

CORALTREND LIMITED

Report of the directors for the year ended 31 December 1992 *(Continued)*

Auditors

Stoy Hayward have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

By order of the board

George Josife

Secretary

21 February 1994

CORALTREND LIMITED

Profit and loss account for the year ended 31 December 1992

	Note	1992 £	1991 £
Turnover	2	1,266,786	1,095,896
Cost of sales		619,933	583,050
Gross profit		646,853	512,846
Administrative expenses		474,291	338,591
		172,562	174,255
Other income	4	-	181
		172,562	174,436
Interest payable	5	411,826	498,373
		(239,264)	(323,937)
Exceptional item	6	-	(220,113)
Loss on ordinary activities before und after taxation	7	(239,264)	(544,050)
Retained profit brought forward		778,045	1,322,095
Retained profit carried forward		538,781	778,045

The notes on pages 5 to 12 form part of these financial statements

CORALTREND LIMITED

Balance sheet at 31 December 1992

	Note	1992	1991
		£	£
Fixed assets			
Tangible assets	9	5,913,269	5,823,739
Investments	10	-	50,000
		<u>5,913,269</u>	<u>5,873,739</u>
Current assets			
Stocks	11	17,282	20,932
Debtors	12	52,389	70,870
Cash at bank and in hand		712	-
		<u>70,383</u>	<u>91,802</u>
Creditors: amounts falling due within one year	13	1,849,790	1,856,748
Net current liabilities		<u>(1,779,407)</u>	<u>(1,764,946)</u>
Total assets less current liabilities		4,133,862	4,108,793
Creditors: amounts falling due after more than one year	14	3,417,658	3,153,325
		<u>716,204</u>	<u>955,468</u>
Capital and reserves			
Called up share capital	16	2	2
Profit and loss account		538,781	778,045
Revaluation reserve	17	177,421	177,421
		<u>716,204</u>	<u>955,468</u>

These financial statements were approved by the Board on 21 February 1994

Chris Josife

Directors

Costas Josife

The notes on pages 5 to 12 form part of these financial statements

CORALTREND LIMITED

Notes forming part of the financial statements for the year ended 31 December 1997

1 Accounting policies

There have been no changes in accounting policies during the year.

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold properties, over their expected useful lives. It is calculated on the original cost of the asset at the following rates:

Improvements to premises	- 20% per annum
Fixtures, furniture, and equipment	- 20% per annum

Freehold properties are not depreciated since the company adopts a policy of maintaining such properties to a high standard and any depreciation would not be material. These properties are revalued on a regular basis and provision is made for any permanent diminution.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

Investment properties

Investment properties are included at open market value. No depreciation is provided on freehold investment property and the directors consider that this accounting policy results in the financial statements giving a true and fair view.

2 Turnover

All of the turnover and results for the year are due solely from the company's principal activity as hoteliers. The figures include turnover and profit in respect of a consequential loss claim following a fire at the Manor House Hotel. The amounts included represent proceeds from the insurance and equate to lost turnover of £88,082 and the respective cost of sales of £16,612.

CORALTREND LIMITED

Notes forming part of the financial statements for the year ended 31 December 1992 *(Continued)*

3 Employees

	1992 £	1991 £
Staff costs consist of:		
Wages and salaries	365,075	353,240
Social security costs	24,255	26,690
	<u>389,330</u>	<u>379,930</u>

Neither director received any remuneration in the year.

The average weekly number of employees during the year was as follows:

	Number	Number
Full time	35	43
Part time	13	-
	<u>48</u>	<u>43</u>

4 Other operating income

	£	£
Interest receivable	-	181
	<u>-</u>	<u>181</u>

5 Interest payable

Loans repayable wholly within five years	154,223	-
Loans repayable in more than five years	224,368	445,407
Bank overdrafts	33,235	52,966
	<u>411,826</u>	<u>498,373</u>

CORAL TREND LIMITED

Notes forming part of the financial statements for the year ended 31 December 1992 (Continued)

6 Exceptional Item

	1992 £	1991 £
Provision against investment in associated undertaking	-	259,120
Write back of provisions no longer required	-	(39,007)
	<u>-</u>	<u>220,113</u>

7 Loss on ordinary activities before taxation

This is arrived at after charging/(crediting):

Depreciation	75,111	54,702
Auditors' remuneration	10,000	4,413
Hire of equipment	22,862	18,215
Profit on sale of fixed assets	(485)	(1,062)
	<u>107,488</u>	<u>76,268</u>

8 Taxation on result from ordinary activities

There is no tax charge for the year or in 1991 due to the availability of tax losses.

CORALTREND LIMITED

Notes forming part of the financial statements for the year ended 31 December 1992 (Continued)

9 Tangible assets

	Freehold properties and improvements £	Fixtures, furniture and equipment £	Total £
<i>Cost or valuation</i>			
At beginning of year	5,593,852	317,302	5,911,154
Additions	7,121	232,535	239,656
Disposals	(66,251)	(14,607)	(80,858)
At end of year	5,534,722	535,230	6,069,952
<i>Depreciation</i>			
At beginning of year	-	87,415	87,415
Provided for the year	-	75,111	75,111
Eliminated on disposals	-	(5,843)	(5,843)
At end of year	-	156,683	156,683
<i>Net book value</i>			
At 31 December 1992	5,534,722	378,547	5,913,269
At 31 December 1991	5,593,852	229,887	5,823,739

The company's freehold investment property was revalued on 31 December 1992 by the directors at open market value. The historical cost of this property was £481,132.

CORALTREND LIMITED

Notes forming part of the financial statements for the year ended 31 December 1992 (*Continued*)

10 Investments	£
Carrying value at beginning of year	50,000
Disposal in year	(50,000)
Carrying value at end of year	-

During the year the company sold its 50% share in The Foley Arms Hotel (Great Malvern) Limited.

11 Stocks	1992 £	1991 £
Raw materials and consumables	17,282	20,932
12 Debtors		
Trade debtors	31,245	40,727
Other debtors	6,794	17,894
Prepayments and accrued income	14,350	12,249
	52,389	70,870

All amounts shown under debtors fall due for payment within one year.

CORALTREND LIMITED

Notes forming part of the financial statements for the year ended 31 December 1992 *(Continued)*

13 Creditors: amounts falling due within one year

	1992 £	1991 £
Bank overdraft and loan (secured)	136,434	540,769
Trade creditors	116,375	98,386
Amount due to parent company	-	1,145,288
Other creditors	5,763	14,670
Creditors for taxation and social security	35,247	32,362
Accruals	67,266	23,336
Amount due to group undertakings	1,488,705	1,937
	1,849,790	1,856,748

The bank overdraft is covered by cross guarantees from the parent company and certain other group undertakings.

The bank loan is secured by way of a legal charge over one of the company's freehold properties.

14 Creditors: amounts falling due after more than one year

	1992 £	1991 £
Bank and other loans	1,850,000	3,153,325
Amount due to connected company	1,567,658	-
	3,417,658	3,153,325

The bank loan is secured by way of a legal charge over the company's freehold investment property.

The loan is repayable after 8 years with interest charged at 1% above the Building Society rate.

The amount due to the connected company is secured by way of legal charge over two of the company's freehold properties.

CORALTREND LIMITED

Notes forming part of the financial statements for the year ended 31 December 1992 (*Continued*)

15 Deferred taxation

	1992		1991	
	Unprovided £	Provided £	Unprovided £	Provided £
Accelerated capital allowances	-	21,863	-	38,589
Capital gain rolled over	1,314,414	-	1,314,414	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,314,414	21,863	1,314,414	38,589
Less: rollover relief	-	(21,863)	-	(38,589)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,314,414	-	1,314,414	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 Share capital

	Authorised		Issued, allotted and fully paid	
	1992 £	1991 £	1992 £	1991 £
Ordinary shares of £1 each	1,000	1,000	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Revaluation reserve

	£
At 1 January 1992 and at 31 December 1992	177,421
	<u> </u>

CORALTREND LIMITED

Notes forming part of the financial statements for the year ended 31 December 1992 (*Continued*)

18 Ultimate parent company

The ultimate parent company is Carafe Limited (formerly Desilu Dresses Limited), a company registered in England.

During the year an exercise to restructure the companies within the group was started and it is anticipated it will be completed by 31 December 1993. As a result of this, it is intended for the ultimate parent company will be Josife Holdings Limited, a newly formed company in which the directors will each own 50% of the issued share capital.

19 Going concern

The parent company and the directors have given undertakings to provide the necessary financial support to enable the company to meet its obligations as they fall due for payment and to fund the trading of the company for the foreseeable future. The directors believe therefore that the company will continue to be a going concern and have prepared the financial statements on that basis.

20 Cashflow statement

The company has taken advantage of the exemption offered under Financial Reporting Standard No 1 not to prepare a cashflow statement, as the directors believe that the company is a "small entity" under sections 246 and 249 of the Companies Act 1985.

CORALTREND LIMITED

Report of the auditors

To the members of Coraltrend Limited

We have audited the financial statements on pages 3 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1992 and of the result of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

21 February 1994