

REGISTERED NUMBER: 2048708

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

FOR

CORALTREND LIMITED



CORALTREND LIMITED

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CORALTREND LIMITED

COMPANY INFORMATION

DIRECTORS:

Christopher Josife
Costas Josife

SECRETARY:

Jack Chiakli

REGISTERED OFFICE:

Langley House
Park Road
London N2 8EX

REGISTERED NUMBER:

2048708

AUDITORS:

Langley & Partners
Registered Auditors
Langley House
Park Road
London N2 8EX

CORALTREND LIMITED

REPORT OF THE AUDITORS TO
CORALTREND LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to seven together with the full financial statements of CORALTREND LIMITED prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page four and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1994, and the abbreviated financial statements on pages four to seven have been properly prepared in accordance with that Schedule.

Other information

On 29 February 1996 we reported, as auditors of CORALTREND LIMITED, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994, and our audit report was as follows:

"We have audited the financial statements on pages four to eleven which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgments 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.

CORALTREND LIMITED

REPORT OF THE AUDITORS TO
CORALTREND LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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.

Fundamental uncertainty

The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of connected companies and other creditors. The financial statements do not include any adjustments that would result from the company being unable to continue trading. Details of the circumstances relating to this fundamental uncertainty are described in note 18 to the financial statements. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Langley & Partners

Langley & Partners
Registered Auditors
Langley House
Park Road
London N2 8EX

Dated: 29 February 1996

CORALTREND LIMITED

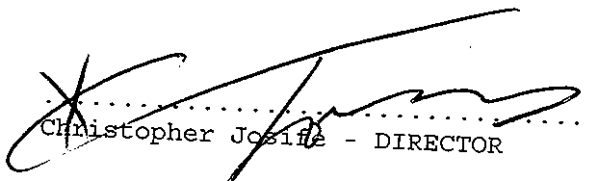
ABBREVIATED BALANCE SHEET
As at 31 December 1994

	Notes	31.12.94		31.12.93	
		£	£	£	£
FIXED ASSETS:					
Tangible Assets	2		5,784,179		5,898,509
CURRENT ASSETS:					
Stocks		16,227			
Debtors		155,067		17,988	
Cash at Bank and In Hand		31,481		71,937	
		202,775		23,427	
CREDITORS: Amounts falling due within one year	3	1,670,976		113,352	
				1,931,270	
NET CURRENT LIABILITIES:			(1,468,201)		(1,817,918)
TOTAL ASSETS LESS CURRENT LIABILITIES:			4,315,978		4,080,591
CREDITORS: Amounts falling due after more than one year	3		3,577,696		3,417,658
			£738,282		£662,933
			=====		=====
CAPITAL AND RESERVES:					
Called Up Share Capital	4		2		2
Revaluation Reserve			177,421		177,421
Profit & Loss Account			560,859		485,510
Shareholders' Funds			£738,282		£662,933
			=====		=====

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
Christopher Joshi - DIRECTOR

Approved by the Board on 29 February 1996

The notes form part of these financial statements

CORALTREND LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 December 1994

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net hotel income, 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.

Land & Buildings - see below
Plant & Machinery etc - 20% on cost

Freehold properties and associated improvements are maintained, as a matter of company policy, by a programme of repair and refurbishment such that the residual values of these properties taken as a whole will never drop below cost. Having regard to this, it is the opinion of the directors that the depreciable amount of any such property is therefore nil.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Going Concern

The financial statements have been prepared on a going concern basis. The applicability of this policy is dependent upon the continued support of connected companies and other creditors of the company.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 December 1994

	Total

	£
COST OR VALUATION:	
As at 1 January 1994	
Additions	6,185,297
	18,089

As at 31 December 1994	6,203,386

DEPRECIATION:	
As at 1 January 1994	
Charge for Year	286,788
	132,419

As at 31 December 1994	419,207

NET BOOK VALUE:	
As at 31 December 1994	
	£5,784,179
	=====
As at 31 December 1993	£5,898,509
	=====

The following secured debts are included within creditors:

	31.12.94	31.12.93
Bank Loans	£	£
Amount due to Connected Company	1,865,593	1,850,000
	144,445	-
	-----	-----
	2,010,038	1,850,000
	=====	=====

Authorised:				
Number:	Class:	Nominal	31.12.94	31.12.93
		Value:	£	£
1,000	Ordinary	£1	1,000	1,000
			=====	=====
Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.12.94	31.12.93
		Value:	£	£
2	Ordinary	£1	2	2
			=====	=====

The ultimate parent company is Carafe Limited, a company registered in England and Wales.

CORALTREND LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 December 1994

6. TRANSACTIONS WITH DIRECTORS

Creditors falling due within one year include £15,000 due to Josife Holdings Limited. This company is connected by virtue of having directors in common with Coraltrend Limited. The above was the maximum amount outstanding during the year.

All transactions with Josife Holdings Limited arose in the ordinary course of business and were conducted at arms length.

Included within creditors falling due after more than one year is £1,712,103 owed to Pillar Enterprises Limited, a company registered in Cyprus. This company is connected by having directors in common with Coraltrend Limited. The balance arose from a loan made by Pillar Enterprises Limited to Coraltrend Limited and represents the maximum amount outstanding during the year. The balance at the beginning of the year was £1,567,658.

7. GOING CONCERN

The financial statements have been prepared on a going concern basis. There is uncertainty as to whether this basis is appropriate as the balance sheet shows net current liabilities of £1,468,201 (1993: £1,817,918). The basis of preparing the financial statements depends on continued support from connected companies and other creditors 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.

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities and to reclassify fixed assets as current assets, reduced in value.