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**CORALTREND LIMITED**

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**ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED  
31 DECEMBER 1996**



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**AUDITORS' REPORT TO CORALTREND LIMITED**

**pursuant to paragraph 24 of schedule 8 to the Companies Act 1985**

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We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of Coraltrend Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the 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 consider necessary to confirm, by reference to the financial statements, 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 did not include examining or dealing with events after the date of our report on the financial statements

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) and 247 of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

*Smith & Williamson*

**Smith & Williamson**  
Registered Auditors and  
Chartered Accountants

Prospect House  
2 Athenaeum Road  
Whetstone  
London  
N20 9YU

Dated: 10 May 1997

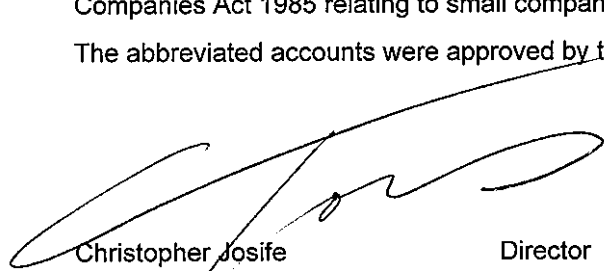
## CORALTREND LIMITED

**ABBREVIATED BALANCE SHEET**  
As at 31 December 1996

|                                                                | Note | £                  | 1996<br>£          | £                  | 1995<br>£          |
|----------------------------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                                            |      |                    |                    |                    |                    |
| Tangible fixed assets                                          | 2    |                    | 5,810,455          |                    | 5,790,223          |
| <b>CURRENT ASSETS</b>                                          |      |                    |                    |                    |                    |
| Stocks                                                         |      | 21,437             |                    | 21,499             |                    |
| Debtors                                                        |      | 379,832            |                    | 222,393            |                    |
| Cash at bank and in hand                                       |      | 39,325             |                    | 85,459             |                    |
|                                                                |      | <u>440,594</u>     |                    | <u>329,351</u>     |                    |
| <b>CREDITORS: amounts falling due within one year</b>          | 3    | <u>(1,763,580)</u> |                    | <u>(1,736,224)</u> |                    |
| <b>NET CURRENT LIABILITIES</b>                                 |      |                    | <u>(1,322,986)</u> |                    | <u>(1,406,873)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                    | <u>4,487,469</u>   |                    | <u>4,383,350</u>   |
| <b>CREDITORS: amounts falling due after more than one year</b> | 3    |                    | <u>(3,571,356)</u> |                    | <u>(3,571,356)</u> |
| <b>NET ASSETS</b>                                              |      |                    | <u>916,113</u>     |                    | <u>811,994</u>     |
| <b>CAPITAL AND RESERVES</b>                                    |      |                    |                    |                    |                    |
| Called up share capital                                        | 4    |                    | 2                  |                    | 2                  |
| Revaluation reserve                                            |      |                    | 177,421            |                    | 177,421            |
| Profit and loss account                                        |      |                    | 738,690            |                    | 634,571            |
| <b>SHAREHOLDERS' FUNDS</b>                                     |      |                    | <u>916,113</u>     |                    | <u>811,994</u>     |

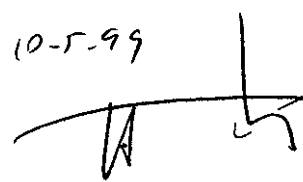
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the board on 10-5-99



Christopher Josife

Director



Costas Josife

Director

The notes on pages 3 to 5 form part of these financial statements.

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 1996

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**1. ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Freehold property and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999) and include the results of the company's operations which are described in the Directors' Report.

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

**1.2 Cash Flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

**1.3 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                     |   |     |                  |
|---------------------|---|-----|------------------|
| Freehold buildings  | - | NIL |                  |
| Plant and machinery | - | 20% | reducing balance |

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.

**1.5 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**1.6 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.7 Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 December 1996**

**2. TANGIBLE ASSETS**

|                          | £                |
|--------------------------|------------------|
| <b>Cost or valuation</b> |                  |
| At 1 January 1996        | 6,271,664        |
| Additions                | 87,675           |
|                          | <u>6,359,339</u> |
| At 31 December 1996      |                  |
| <b>Depreciation</b>      |                  |
| At 1 January 1996        | 481,441          |
| Charge for year          | 67,443           |
|                          | <u>548,884</u>   |
| At 31 December 1996      |                  |
| <b>Net Book Value</b>    |                  |
| At 31 December 1996      | <u>5,810,455</u> |
| At 31 December 1995      | <u>5,790,223</u> |

**3. CREDITORS**

Creditors include loans not wholly repayable within 5 years as follows:

|                                       | 1996<br>£        | 1995<br>£        |
|---------------------------------------|------------------|------------------|
| Repayable by instalments falling due: |                  |                  |
| - after 5 years                       | <u>1,865,593</u> | <u>1,865,593</u> |

Creditors amounting to £2,010,129 (1995 - £2,003,698) are secured.

**4. CALLED UP SHARE CAPITAL**

|                                           | 1996<br>£    | 1995<br>£    |
|-------------------------------------------|--------------|--------------|
| <b>Authorised</b>                         |              |              |
| 1,000 ordinary shares of £1 each          | <u>1,000</u> | <u>1,000</u> |
| <b>Allotted, called up and fully paid</b> |              |              |
| 2 ordinary shares of £1 each              | <u>2</u>     | <u>2</u>     |

**5. TRANSACTIONS WITH DIRECTORS**

Creditors falling due within one year include £15,500 (1995 - £15,500) 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. The balance at the beginning of the year was £15,500 (1995 - £15,000). The balance arose from transactions between the two companies which were conducted at arms length and in the normal course of business.

Included within other creditors falling due after more than one year is £1,705,763 (1995 - £1,705,763) owed to Pillar Enterprises Limited, a company registered in Cyprus. This company is connected by having directors in common with Coraltrend Limited. the balance at the beginning of the year, and maximum outstanding was £1,705,763 (1995 - £1,712,103). The period over which the loan is to be repaid after more than one year is at the discretion of the lender. Interest payable includes an amount of £13,811 (1995 - £13,811) paid to Pillar Enterprises Limited.

Included within debtors falling due within one year is £995 (1995 - £995) owed by Desilu Trust Fund. This pension fund is connected by virtue of having the directors of Coraltrend Limited as Trustees and main beneficiaries. This balance was the maximum amount outstanding during the year.

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 December 1996**

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**6. PARENT COMPANY**

The ultimate parent company is Carafe Limited, a company incorporated in Great Britain.