

Company Registration No. 2954699

STELIA INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2003

9502-A-2003

Registered Office
5 Bourlet Close
London



STELIA INTERNATIONAL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2003

The director presents his report and financial statements for the year ended 30 September 2003.

Principal activity

The principal activity of the company continued to be that of an investment company.

Review of the business and future developments

The director considers that the results of the company are satisfactory and that the company is expected to continue at its present levels in the future.

Results and dividends

The results for the year are set out on page 4.

No dividends have been declared or paid during this or the comparative period.

Director

The following director has held office since 1 October 2002:

J. Trachsel

The director has no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board


.....
J. Trachsel (Director)

Date: 14/10/04

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

5th Floor, 86 Jermyn St, London SW1Y 6AW
Telephone: +44 (0) 207 930 711 Facsimile: +44 (0) 207 930 744
E-mail: audit@matthew-edwards.com

STELIA INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF STELIA INTERNATIONAL LIMITED**

We have audited the financial statements of Stelia International Limited on pages 4 to 10 for the year ended 30 September 2003. These financial statements have been prepared 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 the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the 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 director's report 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 director's remuneration and transactions with the company is not disclosed.

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

STELIA INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF STELIA INTERNATIONAL LIMITED

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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 director 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. However, the evidence available to us was limited because the director has not complied with Financial Reporting Standard No. 8 as he is unable to disclose the identity of the ultimate controlling party, transactions related thereto, and any other related party transactions. There were no other satisfactory audit procedures that we could adopt to ensure compliance with Financial Reporting Standard No. 8.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements. The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the ultimate beneficial shareholder. The financial statements do not include any adjustments that would result from a change to that basis. Our opinion is not qualified in this respect.

Qualified opinion arising from limitation in audit scope

Except for any adjustments or additional disclosures that may have been found to be necessary with regard to compliance with FRS 8, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

Matthew Edwards & Co.
Matthew Edwards & Co.
Chartered Accountants
Registered Auditor

14/10/04.
86 Jermyn Street
St. James
London, England

STELIA INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

		Year ended 30 September 2003 €	Year ended 30 September 2002 €
	Notes		
Administrative expenses		(12,473)	(15,132)
Operating loss	2	(12,473)	(15,132)
Other interest receivable and similar income	3	4	2,390
Interest payable and similar charges	4	15	(234)
Loss on ordinary activities before taxation		(12,454)	(12,976)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation	11	(12,454)	(12,976)
Loss brought forward at 1 October 2002		(687,061)	(674,085)
Loss carried forward at 30 September 2003		(699,515)	(687,061)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

STELIA INTERNATIONAL LIMITED

BALANCE SHEET
AS AT 30 SEPTEMBER 2003

	Notes	2003 €	€	2002 €	€
Current assets					
Debtors	7	2,394		2,014	
Cash at bank and in hand		33,818		76,544	
		<u>36,212</u>		<u>78,558</u>	
Creditors: amounts falling due within one year	8	<u>(510,826)</u>		<u>(540,718)</u>	
Total assets less current liabilities			(474,614)		(462,160)
Creditors: amounts falling due after more than one year	9		<u>(217,373)</u>		<u>(217,373)</u>
			<u>(691,987)</u>		<u>(679,533)</u>
Capital and reserves					
Called up share capital	10		7,528		7,528
Profit and loss account	11		<u>(699,515)</u>		<u>(687,061)</u>
Shareholders' funds - equity interests	12		<u>(691,987)</u>		<u>(679,533)</u>

The financial statements were approved by the Board on ...14/10/2004.....

.....
J. Trachsel
Director

STELIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.3 Foreign currency translation

The company's accounting records are maintained in Euros.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating loss

	2003	2002
	€	€
Operating loss is stated after charging:		
Auditors' remuneration	2,774	1,224

3 Other interest receivable and similar income

	2003	2002
	€	€
Bank interest received	-	2,342
Profit on foreign exchange	4	48
	4	2,390

STELIA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

4	Interest payable and similar charges	2003	2002
		€	€
	On overdue tax	(15)	234
		<u>(15)</u>	<u>234</u>
5	Taxation	2003	2002
		€	€
	Domestic current year tax		
	Corporation tax at 30.00% (2002 - 30.00%)	-	-
		<u>-</u>	<u>-</u>
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(12,454)	(12,976)
		<u>(12,454)</u>	<u>(12,976)</u>
	Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00% (2002: 30.00%)	(3,736)	(3,893)
		<u>(3,736)</u>	<u>(3,893)</u>
	Effects of:		
	Losses not recognised for accounting purposes	3,736	3,893
		<u>3,736</u>	<u>3,893</u>
	Current tax charge	<u>-</u>	<u>-</u>

On the basis of these financial statements no provision has been made for corporation tax.

STELIA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

6 Fixed asset investments

	Shares in subsidiary undertakings €	Loans to subsidiary undertakings €	Total €
Cost			
At 1 October 2002 & at 30 September 2003	342,987	252,850	595,837
Provisions for diminution in value			
At 1 October 2002 & at 30 September 2003	342,987	252,850	595,837
Net book value			
At 30 September 2003	-	-	-
At 30 September 2002	-	-	-

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Coginvest S.A.	France	Ordinary	100
Carlest	France	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal Activity	Capital and reserves €	Profit for the year €
Coginvest S.A.	Investment company	(358,524)	(11,370)
Carlest	Fast food franchiser	(556,180)	111,145

The investment in Carlest is owned 100% by Coginvest SA.

7 Debtors	2003 €	2002 €
Prepayments and accrued income	2,394	2,014

STELIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2003

8	Creditors: amounts falling due within one year	2003	2002
		€	€
	Corporation tax	102	1,016
	Other creditors	508,685	536,927
	Accruals and deferred income	2,039	2,775
		<u>510,826</u>	<u>540,718</u>
9	Creditors: amounts falling due after more than one year	2003	2002
		€	€
	Other loans	<u>217,373</u>	<u>217,373</u>
	Analysis of loans		
	Wholly repayable within five years	<u>217,373</u>	<u>217,373</u>
		<u>217,373</u>	<u>217,373</u>
	Loan maturity analysis		
	In more than two years but not more than five years	<u>217,373</u>	<u>217,373</u>
10	Share capital	2003	2002
		No.	No.
	Authorised		
	60,000 ordinary £1 shares	<u>60,000</u>	<u>60,000</u>
	Allotted, called up and fully paid	€	€
	6,000 ordinary £1 shares	<u>7,528</u>	<u>7,528</u>
11	Statement of movements on profit and loss account		Profit and loss account
			€
	Balance at 1 October 2002		(687,061)
	Retained loss for the period		<u>(12,454)</u>
	Balance at 30 September 2003		<u>(699,515)</u>

STELIA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

12 Reconciliation of movements in shareholders' funds	2003	2002
	€	€
Loss for the financial year	(12,454)	(12,976)
Opening shareholders' funds	(679,533)	(666,557)
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>(691,987)</u>	<u>(679,533)</u>

13 Contingent liabilities

There were no known contingent liabilities at the balance sheet date.

14 Capital commitments

There were no major capital commitments as at the balance sheet date

15 Director's emoluments	2003	2002
	€	€
Emoluments for qualifying services	<u>3,453</u>	<u>5,389</u>

16 Employees

Number of employees

There were no employees during the year apart from the director.

Employment costs	2003	2002
	€	€
Wages and salaries	<u>3,453</u>	<u>5,389</u>