

BELLEVIEW PLC
REPORT AND ACCOUNTS
30 SEPTEMBER 1994

COMPANIES HOUSE COPY

COMPANY No. 2600072

 **Hacker
Young**
Chartered Accountants

St. Alphage House 2 Fore Street London EC2Y 5DH



AUDITORS' REPORT TO THE MEMBERS OF
BELLEVIEW PLC

We have audited the accounts set out on pages 3 to 18 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 30 September 1994 and of the group loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

14 July 1995

Hacker Young
Hacker Young

Registered Auditor

Chartered Accountants

REPORT OF THE DIRECTORS

The directors present their report with the audited accounts of the company for the year ended 30 September 1994.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of operating convenience stores.

REVIEW OF THE BUSINESS

The results for the year and financial position of the group are as shown in the attached accounts.

During the year the group opened three new outlets and expanded one existing unit. Since the year end the group has opened two further outlets.

Both the level of business and the year end financial position were satisfactory and the directors anticipate that the present level of activity will be increased in the foreseeable future as the Group's programme of expansion of sites continues.

DIVIDEND AND TRANSFERS TO RESERVES

No dividends will be distributed for the year ended 30 September 1994. The loss of £25,054 attributable to shareholders will be transferred to reserves.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:

		30 September 1994	30 September 1993
	<u>Class of Capital</u>		
S. J. Barry BA (Econ)FCA ATII	Ordinary £1	7,500	7,500
U. S. Trivedi	Ordinary £1	3,000	3,000
S. Krishna Kumar	Ordinary £1	3,000	3,000

Mr S. Karim was appointed a director on 14 April 1994.

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and the group and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis, and that applicable accounting standards have been followed.

REPORT OF THE DIRECTORS

(CONTINUED)

AUDITORS

Hacker Young having replaced Langley & Partners as auditors, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

Registered Office

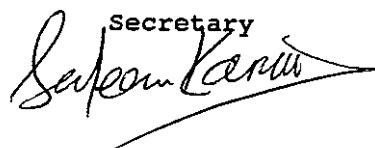
2nd Floor
1 Wilton Road
London SW1V 1LL

14 July 1995

By order of the board

S. Karim

Secretary

A handwritten signature in dark ink, appearing to read 'S. Karim', with a long horizontal flourish extending to the right.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1994

	<u>Notes</u>	Continuing operations <u>1994</u>	<u>1993</u> (restated)
		£	£
TURNOVER	2	8,275,598	5,770,808
Cost of sales		(6,329,328)	(4,475,267)
GROSS PROFIT		1,946,270	1,295,541
Administrative expenses		(1,841,779)	(941,202)
Other operating income	3	114,775	4,790
OPERATING PROFIT	4	219,266	359,129
Interest receivable		28	8,074
Interest payable and similar charges	7	(55,345)	(48,394)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		163,949	318,809
Tax on profit on ordinary activities	8	(136,860)	(70,849)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		27,089	247,960
Minority interest		(52,143)	(103,254)
(LOSS) RETAINED PROFIT FOR THE THE FINANCIAL YEAR TRANSFERRED TO PROFIT AND LOSS RESERVE		£ (25,054)	£ 144,706
		=====	=====

CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u> (restated)
		£	£
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	2,215,400	1,002,464
Investments	11	3,000	2,500
		<hr/>	<hr/>
		2,218,400	1,004,964
CURRENT ASSETS			
Stocks	12	215,894	263,541
Debtors	13	297,187	98,818
Cash at bank and in hand		15,966	272,444
		<hr/>	<hr/>
		529,047	634,803
CREDITORS: amounts falling due within one year	14	(1,989,188)	(910,457)
NET CURRENT LIABILITIES		<hr/> (1,460,141) <hr/>	<hr/> (275,654) <hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 758,259 <hr/>	<hr/> 729,310 <hr/>
CREDITORS: amounts falling due after more than one year	15	(283,000)	(343,000)
PROVISION FOR LIABILITIES AND CHARGES	30	(61,860)	-
		<hr/> £ 413,399 <hr/>	<hr/> £ 386,310 <hr/>
CAPITAL AND RESERVES			
Called up share capital	16	200,000	200,000
Profit & loss account	19	(47,404)	77,649
Capital reserve	21	99,999	-
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		252,595	277,649
Minority interest - equity		160,804	108,661
		<hr/> £ 413,399 <hr/>	<hr/> £ 386,310 <hr/>
Analysis of shareholders' funds			
Equity		202,595	227,649
Non equity		50,000	50,000
		<hr/> £ 252,595 <hr/>	<hr/> £ 277,649 <hr/>

SIGNED ON BEHALF OF THE BOARD

U.S. TRIVEDI

S. KARIM

14 July 1995

) DIRECTORS



COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u> (restated)
		£	£
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	229,607	93,465
Investments	11	3,101	2,503
		<hr/>	<hr/>
		232,708	95,968
CURRENT ASSETS			
Stocks	12	41,277	134,726
Debtors	13	281,090	229,906
Cash at bank and in hand		5,483	148,640
		<hr/>	<hr/>
		327,850	513,272
CREDITORS: amounts falling due within one year	14	(408,353)	(426,869)
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS		(80,503)	86,403
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/>	<hr/>
		152,205	182,371
PROVISION FOR LIABILITIES AND CHARGES	30	(9,860)	-
		<hr/>	<hr/>
		142,345	182,371
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	16	200,000	200,000
Profit & loss account	19	(57,655)	(17,629)
		<hr/>	<hr/>
		£ 142,345	£ 182,371
		=====	=====
Analysis of shareholders' funds			
Equity		92,345	132,371
Non-equity		50,000	50,000
		<hr/>	<hr/>
		£ 142,345	£ 182,371
		=====	=====

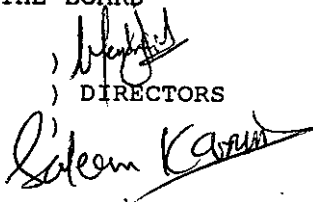
SIGNED ON BEHALF OF THE BOARD

U.S. TRIVEDI

) DIRECTORS

S. KARIM

14 July 1995



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u> (restated)
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	26	722,270	516,849
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	28		8,074
Interest paid	(51,288)		(48,394)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(51,260)	(40,320)
TAXATION			
Corporation tax (paid)/refunded		(16,019)	1,685
INVESTING ACTIVITIES			
Purchase of tangible fixed assets	(1,277,341)		(352,861)
Purchase of other investments	(500)		-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,277,841)	(352,861)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(622,850)	125,353
FINANCING ACTIVITIES			
Repayment of deferred loan		(60,000)	-
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	28	£ (682,850) =====	£ 125,353 =====

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

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

Goodwill

Goodwill is being written off directly to reserves in the year in which it arises (note 9).

Tangible fixed assets

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

Freehold land and buildings	- see below
Leasehold property - short	- over the length of the lease
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Freehold properties

Freehold properties 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 are unlikely to fall below cost and while depreciation is taking place, it is matched by refurbishment expenditure. Having regard to this, it is the opinion of the directors that the depreciable amount of any such property is therefore nil.

Stock

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

Deferred taxation

Deferred taxation is provided on all timing differences using the liability method where it can be demonstrated with reasonable probability that a tax liability is likely to arise in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

3. OTHER OPERATING INCOME

	<u>1994</u>	<u>1993</u>
	£	£
Rents received	6,708	2,768
Insurance claim	-	2,022
Franchise income	108,067	-
	<hr/>	<hr/>
	£ 114,775	£ 4,790
	=====	=====

4. OPERATING PROFIT

	<u>1994</u>	<u>1993</u>
	£	£
Directors' emoluments	86,000	45,000
Hire of plant and machinery	5,146	7,025
Depreciation - owned assets	252,490	106,200
Auditors' remuneration	22,000	20,000
	=====	=====

Other professional fees payable to the auditors for the year ended 30 September 1994 are £23,000.

5. STAFF COSTS

	<u>1994</u>	<u>1993</u>
	£	£
Wages and salaries	1,023,184	589,292
Social security costs	91,187	52,208
Other pension costs	11,631	5,525
	<hr/>	<hr/>
	£1,126,002	£ 647,025
	=====	=====

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

	<u>Number</u>	<u>Number</u>
Sales and distribution	100	75
Administration	10	6
	<hr/>	<hr/>
	110	81
	===	===

6. DIRECTORS' EMOLUMENTS

	<u>1994</u>	<u>1993</u>
	£	£
Directors' emoluments comprise:		
Remuneration including pension contributions	86,000	45,000
	=====	=====
Chairmans' emoluments excluding pension contributions	-	-
	=====	=====
Emoluments of highest paid director excluding pension contributions	43,000	22,500
	=====	=====

NOTES TO THE ACCOUNTS - 30. SEPTEMBER 1994

(CONTINUED)

6. DIRECTORS' EMOLUMENTS (continued)

Emoluments of all the directors excluding pension contributions fell in the following ranges

	<u>1994</u> Number	<u>1993</u> Number
£Nil - £5,000	1	1
£20,001 - £25,000	-	2
£40,001 - £45,000	2	-
	=====	=====

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Group	
	<u>1994</u> £	<u>1993</u> £
Bank loans, overdrafts and other loans repayable within five years	32,439	18,524
Other loans repayable after five years	22,906	29,870
	=====	=====
	£ 55,345	£ 48,394
	=====	=====

8. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	Group	
	<u>1994</u> £	<u>1993</u> £
U.K. Corporation tax at 33% based on the adjusted results for the year	75,000	70,849
Deferred taxation		
- Current year	31,860	-
- Prior years	30,000	-
	=====	=====
	£ 136,860	£ 70,849
	=====	=====

9. INTANGIBLE FIXED ASSETS

	<u>Group</u> £	<u>Company</u> £
Goodwill		
COST		
As at 1 October 1993:		
As previously stated	94,966	74,966
Prior year adjustment	(94,966)	(74,966)
	=====	=====
As restated	-	-
	=====	=====
AMORTISATION		
As at 1 October 1993:		
As previously stated	28,831	22,759
Prior year adjustment	(28,831)	(22,759)
	=====	=====
As restated	-	-
	=====	=====

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

9. INTANGIBLE FIXED ASSETS (Continued)

The goodwill, which arose in connection with the acquisition of a business in 1991, was previously amortised evenly over its estimated useful life of 7 years. The directors consider that in line with the accepted practice of not including non-purchased goodwill (i.e. goodwill which can be attributed to businesses which are not subject of an acquisition), purchased goodwill should also be eliminated by immediate write-off. In order to achieve consistency of treatment with non-purchased goodwill, SSAP22 requires that as a matter of accounting policy, a write-off of purchased goodwill should be made against reserves.

The prior year adjustments arise from the group's change in accounting policy to write-off goodwill directly to reserves in the year in which it arises.

10. TANGIBLE FIXED ASSETS

Group

	<u>Freehold property</u>	<u>Leasehold properties short</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£	£
COST					
As at 1 October 1993	375,115	169,223	631,220	11,704	1,187,262
Additions	40,000	324,345	1,101,081	-	1,465,426
As at 30 September 1994	415,115	493,568	1,732,301	11,704	2,652,688
DEPRECIATION					
As at 1 October 1993	-	39,708	142,895	2,195	184,798
Charge for year	-	35,081	215,033	2,376	252,490
As at 30 September 1994	-	74,789	357,928	4,571	437,288
NET BOOK VALUE					
As at 30 September 1994	£ 415,115	£ 418,779	£1,374,373	£ 7,133	£2,215,400
As at 30 September 1993	£ 375,115	£ 129,515	£ 488,325	£ 9,509	£1,002,464

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

10. TANGIBLE FIXED ASSETS (continued)

Company

	<u>Leasehold property short</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
COST				
As at 1 October 1993	1,013	116,482	11,704	129,199
Additions	35,440	145,698	-	181,138
As at 30 September 1994	36,453	262,180	11,704	310,337
DEPRECIATION				
As at 1 October 1993	-	33,539	2,195	35,734
Charge for year	1,800	40,820	2,376	44,996
As at 30 September 1994	1,800	74,359	4,571	80,730
NET BOOK VALUE				
As at 30 September 1994	£ 34,653	£ 187,821	£ 7,133	£ 229,607
As at 30 September 1993	£ 1,013	£ 82,943	£ 9,509	£ 93,465

11. FIXED ASSET INVESTMENTS

Group

	<u>1994</u> £	<u>1993</u> £
Other investments	3,000	2,500

Company

	<u>Shares in subsidiary undertakings</u> £	<u>Other investments</u> £	<u>Total</u> £
At 1 October 1993	3	2,500	2,503
Additions	98	500	598
At 30 September 1994	£ 101	£ 3,000	£ 3,101

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

11. FIXED ASSET INVESTMENTS (continued)

The company had holdings in group undertakings as follows:

Company	% Holding	Country of Incorporation	Principal Activity
Meritmark Limited	100	England	Property management
Whistlestop Foods Limited	50	England	Convenience stores
*Sandwich Plus Limited	50	England	Convenience stores
*Sandwich Plus 101 Limited	50	England	Non-trading

* Held through the intermediate subsidiary undertaking, Whistlestop Foods Limited.

As the company has a 50 percent interest in the undertaking, Whistlestop Foods Limited, and it exercises a dominant influence over the undertaking, and the company and the undertaking are managed on a unified basis, Whistlestop Foods Limited is treated as a subsidiary undertaking in the accounts. Similarly the accounts of the subsidiary undertakings of Whistlestop Foods Limited have been consolidated on the same basis as Whistlestop Foods Limited.

12. STOCKS

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
Goods for resale	£ 215,894	£ 263,541	£ 41,277	£ 134,726
	=====	=====	=====	=====

13. DEBTORS: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
VAT	55,456	-	21,678	-
Other debtors	36,267	33,692	21,014	15,700
Prepayments	176,714	10,401	54,708	9,496
Deposits	28,750	54,725	-	5,000
Amounts owed by group undertakings	-	-	183,690	199,710
	=====	=====	=====	=====
	£ 297,187	£ 98,818	£ 281,090	£ 229,906
	=====	=====	=====	=====

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

14. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Bank overdrafts (secured)	426,372	-	93,550	-
HP creditors	36,997	-	36,997	-
Trade creditors	975,511	648,908	136,094	308,174
Other creditors	72,958	34,851	70,089	26,242
VAT	-	9,791	-	13,053
Other taxes & Social Security	97,172	17,564	28,187	8,896
Accrued expenses	225,053	103,199	31,570	41,170
Amount owed to group undertakings	-	-	-	4,968
Taxation	155,125	96,144	11,866	24,366
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,989,188	£ 910,457	£ 408,353	£ 426,869
	=====	=====	=====	=====

The bank overdrafts are secured upon the assets and undertakings of the group.

15. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>	
	<u>1994</u>	<u>1993</u>
	£	£
Deferred loan	-	60,000
Guardian Assurance Plc loan	283,000	283,000
	<hr/>	<hr/>
	£ 283,000	£ 343,000
	=====	=====

The loan from Guardian Assurance Plc is interest bearing only and the capital sum is repayable in 2019. The interest is payable at 2% above Barclays Bank base rate. The loan is secured by a legal charge on the freehold property of the group.

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

	<u>1994</u> £	<u>1993</u> £
150,000 Ordinary shares of £1 each	150,000	150,000
50,000 5% Cumulative redeemable preference shares of £1 each	50,000	50,000
	<hr/>	<hr/>
	£ 200,000	£ 200,000
	=====	=====

The dividend on the preference shares is payable if and so far as in the opinion of the directors the profits of the company justify such payments. The dividend is due with effect from the year ended 30 September 1993. As of 30 September 1994 the cumulative dividends that could be payable and which have not been provided in these accounts amount to £5,000 (1993: £2,500). These preference shares can be redeemed at the option of the holder or the company at any time.

17. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

18. TRANSACTIONS WITH DIRECTORS

A consultancy fee of £110,859 (1993: £95,009) was paid to Lime Court Investments Limited, a company in which Mr S. J. Barry is both a director and shareholder.

19. PROFIT AND LOSS ACCOUNT

	<u>Group</u> £	<u>Company</u> £
At 1 October 1993:		
As previously reported	136,820	34,578
Prior year adjustments (note (a) below)	(66,135)	(52,207)
Minorities share of prior year adjustments	6,964	-
	<hr/>	<hr/>
As restated	77,649	(17,629)
Loss for the year after taxation and minority interest	(25,054)	(40,026)
Transfer to capital reserve (note (b) below)	(99,999)	-
	<hr/>	<hr/>
At 30 September 1994	(47,404)	(57,655)
	=====	=====

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

19. PROFIT AND LOSS ACCOUNT (continued)

- a) Details of the prior year adjustments are set out in note 9 to these accounts. These gave rise to a cumulative net debit adjustment to reserves as follows:

	<u>1994</u> Cumulative	<u>1993</u>	<u>1992 and</u> <u>earlier years</u>
Group	£ (66,135)	£ 13,565	£ (79,700)
	=====	=====	=====
Company	£ (52,207)	£ 10,708	£ (62,915)
	=====	=====	=====

- b) On 24 June 1994 a subsidiary undertaking, which is 50% owned by the company, had a bonus issue of 199,998 ordinary shares of £1 each made out of its profit and loss reserves arising subsequent to its acquisition by the company. 50% of £199,998 (i.e. £99,999) has therefore been transferred from the group's profit and loss reserves to a capital reserve account.
- c) As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. In 1993 the parent company's profit after tax as restated was £44,298.

20. STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>Group</u> <u>1994</u> £	<u>1993</u> (restated) £
(Loss)/profit attributable to shareholders	(25,054)	144,706
Total recognised gains and losses relating to the year	(25,054)	144,706
	=====	=====
Note on prior period adjustment:		
Total recognised gains and losses relating to the year as above	(25,054)	
Prior period adjustments (notes 9 and 19 net of minority share)	(59,171)	
Total gains and losses recognised since the last annual report	(84,225)	
	=====	

21. CAPITAL RESERVE

	<u>1994</u>
Amount transferred from profit and loss reserve during the year (note 19 (b))	£ 99,999
	=====

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group:

	<u>1994</u>	<u>1993</u>
	£	£
(Loss)/profit for the year after tax	(25,054)	144,706
Opening shareholders' funds		
As previously reported	336,820	204,252
Prior year adjustments net of minority share	(59,171)	(71,309)
As restated	<u>277,649</u>	<u>132,943</u>
Closing shareholders' funds	<u>£ 252,595</u>	<u>£ 277,649</u>

Company:

(Loss)/profit for the year after tax	(40,026)	44,298
Opening shareholders' funds		
As previously reported	234,578	200,988
Prior year adjustments	(52,207)	(62,915)
As restated	<u>182,371</u>	<u>138,073</u>
Closing shareholders funds	<u>£ 142,345</u>	<u>£ 182,371</u>

23. MINORITY INTEREST

At 1 October 1993

	£
As previously reported	115,623
Prior year adjustments - minority share	(6,962)
As restated	<u>108,661</u>
Minority share of profit for the year	<u>52,143</u>
As at 30 September 1994	<u>£ 160,804</u>

24. OTHER FINANCIAL COMMITMENTS

There are no capital commitments authorised or contracted for at the balance sheet date.

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

25. OPERATING LEASE COMMITMENTS

At 30 September 1994 the Group was committed to making the following minimum payments during the next year in respect of operating leases on land and buildings.

	<u>1994</u> £
Leases which expire:	
Within two to five years	339,000
After five years	230,000
	<hr/>
	£ 569,000
	=====

26. RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u> £	<u>1993</u> (restated) £
Operating profit	219,266	359,129
Depreciation charges	252,490	106,200
Decrease/(increase) in stock	47,647	(110,003)
Increase in debtors	(198,369)	(9,562)
Increase in creditors	401,236	171,085
	<hr/>	<hr/>
	£ 722,270	£ 516,849
	=====	=====

27. ANALYSIS OF CHANGES IN CASH AND
CASH EQUIVALENTS DURING THE YEAR

	<u>1994</u> £	<u>1993</u> £
Balance at 1 October 1993	272,444	147,091
Net cash (outflow)/inflow	(682,850)	125,353
	<hr/>	<hr/>
Balance at 30 September 1994	£ (410,406)	£ 272,444
	=====	=====

28. ANALYSIS OF THE BALANCES OF CASH AND CASH
EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1994</u> £	<u>1993</u> £	Change in <u>the year</u> £
Cash at bank and in hand	15,966	272,444	(256,478)
Bank overdrafts	(426,372)	-	(426,372)
	<hr/>	<hr/>	<hr/>
	£ (410,406)	£ 272,444	£ (682,850)
	=====	=====	=====

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

(CONTINUED)

29. GOING CONCERN - BASIS OF PREPARING THE ACCOUNTS

At the year end, the group's current liabilities exceeded its current assets by £1,460,141.

The group currently meets its day to day working capital requirements through a group bank overdraft facility of £450,000 which is repayable on demand.

In addition the company is currently in the process of raising approximately £1 million, principally from an issue of redeemable Preference Shares. Negotiations on this matter are at an advanced stage. The group intends to use these funds to expand the business, primarily by opening new outlets.

The directors of the company have prepared, on a group basis, projected cashflow information for the period ending 15 months from 1 July 1995. They have alternative plans for utilising the group's resources and restricting the opening of new outlets should the negotiations for raising funds be unsuccessful.

The directors are confident that the group bank overdraft facility will continue to remain available to the group. Taking into account the group cashflow information, the alternative plans and discussions with the group's banker, the directors consider that the group will continue to operate within the group bank overdraft facility even though the margin of facility over requirements is small.

On this basis it has been considered appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result from a withdrawal of the overdraft facility by the group's banker.

30. PROVISION FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Provided <u>1994</u> £	Provided <u>1993</u> £	Not provided <u>1994</u> £	Not provided <u>1993</u> £
Capital allowances in excess of depreciation	61,860	-	-	36,770
On rolled over capital gains	-	-	26,000	26,000
	<u>61,860</u>	<u>-</u>	<u>26,000</u>	<u>62,770</u>
	=====	=====	=====	=====
Company				
Capital allowances in excess of depreciation	9,860	-	-	6,270
On rolled over capital gains	-	-	26,000	26,000
	<u>9,860</u>	<u>-</u>	<u>26,000</u>	<u>32,270</u>
	=====	=====	=====	=====
	£ 9,860	£ -	£ 26,000	£ 32,270
	=====	=====	=====	=====