

BADAT BROS. LIMITED

REPORT AND FINANCIAL STATEMENTS

28 FEBRUARY 1994



K. D. POPAT & CO.  
CHARTERED ACCOUNTANTS  
65, ASHLEY PARK AVENUE  
WALTON ON THAMES  
SURREY, KT12 1EU.

BADAT BROS. LIMITED  
FINANCIAL STATEMENTS  
YEAR ENDED 28 FEBRUARY 1994

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The following pages do not form part of the statutory accounts:

Detailed profit and loss account	18 and 19
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BADAT BROS. LIMITED

COMPANY INFORMATION

DIRECTORS

I. A. Badat  
S. Y. Patel

SECRETARY

S. Y. Patel

REGISTERED OFFICE

BBL Building,  
Cooks Road,  
Stratford,  
London, E15 2PW.

REGISTRATION NUMBER

870298

HEAD OFFICE

BBL Building,  
Cooks Road,  
Stratford,  
London, E15 2PW.

AUDITORS

K. D. Popat & Co.,  
Chartered Accountants,  
65, Ashley Park Avenue,  
Walton On Thames,  
Surrey, KT12 1EU.

BANKERS

Albaraka International Limited,  
40, Upper Brook Street,  
London, W1Y 2AH.

Habibsons Bank Limited,  
65, Whitechapel Road,  
London, E1 1DU.

## BADAT BROS. LIMITED

### REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements of the company for the year ended 28 February 1994.

#### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of wholesale and retail grocers.

During the year, the trend towards lower sales was reversed dramatically with sales increasing by almost 60% over the previous comparable period even though this was achieved by a significantly reduced gross profit margin. The loss for the year was, however, mainly attributed to (a) a bad debt of £133,000 being incurred as a result of Stratford Cash & Carry Limited (a company with whom Badat Bros. Limited had trading relationship) going into liquidation during the year, and (b) provision of £318,200 being made in these accounts in respect of guarantees given to Albaraka International Limited in respect of debts of Stratford Cash & Carry Limited (In Liquidation). Further details is given in note 5 to the financial statements.

In spite of these setbacks, the directors consider that the financial statements should be prepared on a going concern basis in view of the fact that the trading and financial position of the company has improved in a significant manner in the year ended 28 February 1995 with sales again rising sharply over the 1994 figures; in the opinion of the directors, this improvement will continue in 1995/96.

#### RESULTS AND DIVIDENDS

The company made a loss during the year, after exceptional item but before taxation, of £474,341 (1993: Profit £29,472), as set out on page 5. The directors do not recommend that a dividend be paid for the year and the loss for the year has been transferred to reserves.

#### FIXED ASSETS

Details of the changes in fixed assets during the year are set out in note 9 to the financial statements. In the opinion of the directors, there was no significant difference between market and book value of property at 28 February 1994.

#### CHARITABLE DONATIONS

The company made charitable donations during the year of £1,039 (1993: £169).

#### DIRECTORS

Directors who served during the year and their interests in the capital of the company were as follows:

	<u>Number of £1 Ordinary Shares</u>		<u>Number of £1 Preference Shares</u>	
	<u>28.2.1994</u>	<u>28.2.1993</u>	<u>28.2.1994</u>	<u>28.2.1993</u>
I. A. Badat	660	660	2,000	2,000
S. Y. Patel	330	330	1,000	1,000

#### AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution to reappoint K. D. Popat & Co. as auditors will be placed before the annual general meeting.

BADAT BROS. LIMITED

REPORT OF THE DIRECTORS - CONTINUED

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period 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 accounts the directors are 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are 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.

SIGNED ON BEHALF OF  
THE BOARD OF DIRECTORS.



S. Y. PATEL  
DIRECTOR

This report was approved by the Board on 12 September 1995.

AUDITORS REPORT

TO THE SHAREHOLDERS OF BADAT BROS. LIMITED

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3, 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 judgements 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.

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.

Going Concern

In forming our opinion, we have also considered the adequacy of disclosures made in note 5 to the financial statements concerning the liability arising from the guarantees given by the company in respect of debts of another company, Stratford Cash & Carry Limited, which went into liquidation in September 1993 and the provision made in respect of it in these financial statements. In view of the significant losses suffered by the company during the year (mainly as a result of this provision and the bad debts) and the excess of liabilities over assets as shown by the balance sheet on page 6, we consider that this should be drawn to your attention; however, 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 28 February 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



K. D. POPAT & CO.

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

65, Ashley Park Avenue, Walton On Thames, Surrey, KT12 1EU.

12 September 1995.

BADAT BROS. LIMITED  
PROFIT AND LOSS ACCOUNT  
YEAR ENDED 28 FEBRUARY 1994

	<u>NOTES</u>	<u>£</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
<u>TURNOVER</u>	2		3, 104, 095	1, 949, 387
Cost of sales			(2, 849, 740)	(1, 740, 526)
Gross Profit			254, 355	208, 861
Selling and distribution expenses			( 98, 731)	( 88, 872)
Administrative expenses			( 193, 760)	( 11, 366)
			( 38, 136)	108, 623
Other income	3		-	62, 500
<u>OPERATING PROFIT (LOSS)</u> <u>BEFORE EXCEPTIONAL ITEM,</u> <u>INTEREST AND TAXATION</u>			( 38, 136)	171, 123
Exceptional Item	5		318, 200	-
			( 356, 336)	171, 123
Interest payable	6		( 118, 005)	( 141, 651)
<u>PROFIT (LOSS) ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>	4		( 474, 341)	29, 472
Tax on profits on ordinary activities	7		7, 323	( 386)
<u>RETAINED PROFIT (LOSS) FOR THE YEAR</u>	8		£( 467, 018)	£ 29, 086
			=====	=====

The notes on pages 8 to 17 form part of these financial statements.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above mentioned financial years.

TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than those stated above and contained in note 8 of these financial statements.

A statement on movements on reserves is given in note 8.

BADAT BROS. LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 1994

	<u>NOTES</u>	<u>£</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
<u>FIXED ASSETS</u>				
Tangible assets	9		965,427	960,319
Investment	10		2	2
			<u>965,429</u>	<u>960,321</u>
<u>CURRENT ASSETS</u>				
Stock	11	467,742		552,837
Debtors	12	628,399		794,060
Cash at bank and in hand		33,414		404
		<u>1,129,555</u>		<u>1,347,301</u>
<u>CREDITORS</u>				
Amounts falling due within one year	13	(1,121,207)		(1,153,045)
				<u></u>
<u>NET CURRENT ASSETS (LIABILITIES)</u>			<u>8,348</u>	<u>194,256</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>973,777</u>	<u>1,154,577</u>
<u>CREDITORS</u>				
Amounts falling due after one year	14		(1,231,620)	( 945,402)
			<u></u>	<u></u>
<u>TOTAL NET ASSETS (LIABILITIES)</u>			<u>£( 257,843)</u>	<u>£ 209,175</u>
			=====	=====
<u>CAPITAL AND RESERVES</u>				
Called-up share capital	15		4,000	4,000
Profit and loss account	8		( 261,843)	205,175
			<u></u>	<u></u>
			<u>£( 257,843)</u>	<u>£ 209,175</u>
			=====	=====

The financial statements were approved by the Board of Directors on 12 September 1995.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS.



S. Y. PATEL - DIRECTOR.

The notes on pages 8 to 17 form part of these financial statements.



BADAT BROS. LIMITED

CASH FLOW STATEMENT

YEAR ENDED 28 FEBRUARY 1994

	<u>NOTES</u>	<u>£</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Net cash inflow (outflow) from operating activities	16		156,259	( 240,332)
Returns on investments and servicing of finances				
Interest paid		( 103,409)		( 139,246)
Finance charges paid		( 1,453)		( 2,405)
			( 104,862)	( 141,651)
Taxation				
U.K. corporation tax paid			( 2,172)	( - )
Investment activities				
Purchase of tangible fixed assets		( 14,979)		( 19,461)
Sale of tangible fixed assets		19,075		<u>70,000</u>
			4,096	50,539
			53,321	( 331,444)
Financing				
(Repayment)/Increase in bank loans		( 37,282)		( 30,803)
Payment of principal under finance leases		( 7,390)		( 9,122)
Net cash (outflow) from financing			( 44,672)	( 39,925)
Increase (Decrease) in cash and cash equivalents	17		£ 8,649	£( 371,369)
			=====	=====

The notes on pages 8 to 17 form part of these financial statements.

BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies of the Company which have been applied consistently are set out below.

Basis of accounting

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

Turnover

Turnover represents invoices rendered for goods supplied during the year, exclusive of Value Added Tax and trade discounts.

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition.

Depreciation of tangible fixed assets is calculated to write off the cost of the assets over their expected useful economic lives. The principal annual rates used for this purpose are:

Freehold premises	Nil.
Leasehold premises	Evenly over the terms of leases.
Furniture, fixtures and fittings	15% p. a. on written down value.
Motor vehicles	15% p. a. on written down value.

The freehold premises is held by the company as an investment and, as such, no depreciation has been provided.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of material timing differences except where, in the opinion of the directors, there is a reasonable probability that a liability will not arise in the foreseeable future. However, in these financial statements, no provision was considered necessary.

Stock

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

In case of raw material and consumable stores, cost means purchase price calculated on a first in first out basis.

Net realisable value means estimated selling price less all costs to be incurred in marketing, selling and distribution.

BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

1 ACCOUNTING POLICIES - CONTINUED

Lease and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised as tangible assets in the balance sheet and are depreciated over their estimated useful lives. Obligations under such agreements are included in creditors, net of finance charges allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals paid under operating leases are charged against income on a straight line basis over the period of the lease.

2 TURNOVER

Turnover is mainly attributable to the activity of providing wholesale and retail grocery in the United Kingdom.

3 OTHER INCOME

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Rent receivable	£ -	£ 62,500
	=====	=====

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Depreciation of tangible fixed assets:		
- owned by the Company	9,471	7,568
- held under finance leases & hire purchase contracts	1,322	6,015
Loss (Profit) on sale of tangible fixed assets	2,003	( 31,071)
Auditors remuneration:		
- Audit	4,500	4,050
- Other services	-	2,307
Operating lease rentals:		
- land and buildings	57,500	38,500
- hire of plant and machinery	83	83
	=====	=====

BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

5 EXCEPTIONAL ITEM

Under the terms of guarantees given by the company to Albaraka International Limited, it has been called upon to pay debts of Stratford Cash & Carry Limited (a company with whom Badat Bros. Limited had trading relationship) which went into liquidation in September 1993. Under the terms of the agreement reached with Albaraka International Limited, the company has agreed to pay a sum of £318,200 by monthly instalments of £3,788, commencing from May 1995 and increasing to £7,576 per month from May 1998. Since the liability of £318,200 has materialised (albeit after the year end), a provision of £318,200 has been made in these accounts as shown in the profit and loss account on page 5.

6 INTEREST PAYABLE

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Bank loan and overdraft:		
Repayable within five years	30,821	14,632
Repayable after five years	85,731	124,614
Hire purchase and finance leases	1,453	2,405
	<hr/>	<hr/>
	£118,005	£ 141,651
	=====	=====

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
U.K. corporation tax @ 25% (1993: 25%):		
- current	( 7,000)	-
- deferred	-	-
Under/(over) provision in respect of prior years:		
- corporation tax	( 323)	386
	<hr/>	<hr/>
	£( 7,323)	£ 386
	=====	=====

8 RESERVES

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
RETAINED PROFITS		
At 1 March 1993	205,175	176,089
Profit (Loss) for the year after taxation	(467,018)	29,086
	<hr/>	<hr/>
At 28 February 1994	£(261,843)	£ 205,175
	=====	=====

BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

9 TANGIBLE FIXED ASSETS

	<u>FREEHOLD PREMISES</u>	<u>LEASEHOLD PREMISES</u>	<u>FURNITURE FIXTURES FITTINGS &amp; EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation					
At 1 March 1993	877,294	10,895	30,138	132,150	1,050,477
Additions	-	-	4,529	32,450	36,979
Disposal	( - )	( - )	( - )	( 46,950)	( 46,950)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 1994	£877,294	£ 10,895	£ 34,667	£117,650	£1,040,506
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 March 1993	-	726	14,016	75,416	90,158
Provision for year	-	1,211	2,701	6,881	10,793
Disposal	( - )	( - )	( - )	( 25,872)	( 25,872)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 1994	£ -	£ 1,937	£ 16,717	£ 56,425	£ 75,079
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value					
At 28 February 1994	£877,294	£ 8,958	£ 17,950	£ 61,225	£ 965,427
	=====	=====	=====	=====	=====
At 28 February 1993	£877,294	£ 10,169	£ 16,122	£ 56,734	£ 960,319
	=====	=====	=====	=====	=====

The net book value of tangible fixed assets includes an amount of £23,993 (1993: £34,089) in respect of assets held under finance leases or hire purchase contracts. Depreciation in respect of these assets amounted to £1,322 (1993: £6,015) for the year.

The freehold building located at 140, Abbey Lane, London E15, is stated at cost and is held by the company as an investment property; as such, no depreciation has been provided in these financial statements. The property was valued at open market value by H. S. Sohal Associates, Chartered Surveyors, on 29 March 1993 at £900,000. If the property was to be sold at this valuation, subject to cost of disposal, a tax liability is unlikely to arise.

BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

10 FIXED ASSET INVESTMENT

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Cost of investment in Dacca Caterers Limited	£ 2	£ 2
	=====	=====

In the opinion of the directors, the aggregate value of the Company's investment in Dacca Caterers Limited is not less than the amount included in the balance sheet.

11 STOCK

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Goods for resale	£ 467,742	£ 552,837
	=====	=====

12 DEBTORS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Trade debtors	9,473	4,196
Other debtors	67,981	226,969
Prepayments, accrued income and deferred expenditure	2,522	2,106
Amounts due from participating interests	548,423	560,789
	-----	-----
	£ 628,399	£ 794,060
	=====	=====

BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

13 CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Bank loans	376,287	368,151
Bank overdrafts	78,523	55,804
Trade creditors	595,927	636,013
Net obligations under finance leases and hire purchase	5,279	2,463
Directors loans	33,271	8,499
Corporation tax	3,729	13,224
Other taxes and social security	4,455	-
Accrued expenses and deferred income	9,843	34,852
Other creditors	13,893	34,039
	<hr/>	<hr/>
	£1,121,207	£1,153,045
	=====	=====

Bank loan is repayable in monthly instalments over 15 years from July 1991 and interest is charged at 2% over Albaraka International Limited (formerly "Albaraka International Bank Limited") base rate.

The bank loans and overdrafts are secured by a fixed charge over freehold and leasehold buildings and by a fixed and floating charge in favour of Albaraka International Limited over the other assets of the company and by securities provided by the directors. In addition, the company has given unlimited cross guarantees in respect of its participating interest, Dacca Caterers Limited.

14 CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Bank loans	1,217,676	943,252
Net obligations under finance leases and hire purchase contracts:		
- falling due between two and five years	13,944	2,150
	<hr/>	<hr/>
	£1,231,620	£ 945,402
	=====	=====

BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

14 CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR (CONTINUED)

Bank loan is repayable in monthly instalments over 15 years from July 1991 and interest is charged at 2% over Albaraka International Limited (formerly "Albaraka International Bank Limited") base rate.

In the opinion of the directors, it is not practical to split the bank loan between amounts repayable within two to five years and over five years.

The bank loans are secured by a fixed charge over freehold and leasehold buildings and by a fixed and floating charge in favour of Albaraka International Limited over the other assets of the company and by securities provided by the directors. In addition, the company has given unlimited cross guarantees in respect of its participating interest, Dacca Caterers Limited.

Furthermore, as mentioned in note 5 of the accounts, under the terms of guarantees given by the company to Albaraka International Limited, it has been called upon to pay debts of Stratford Cash & Carry Limited (a company with whom Badat Bros. Limited had trading relationship) which went into liquidation in September 1993. Under the terms of the agreement reached with Albaraka International Limited, the company has agreed to pay a sum of £318,200 by monthly instalments of £3,788, commencing from May 1995 and increasing to £7,576 per month from May 1998. This amount of £318,200 is included in bank loans shown above.

15 CALLED UP SHARE CAPITAL

	<u>1994</u>		<u>1993</u>
	<u>£</u>		<u>£</u>
Authorised			
1,000 ordinary shares of £1 each	£ 1,000	£	1,000
4,000 preference shares of £1 each	4,000	£	4,000
	<hr/>		<hr/>
	£ 5,000	£	5,000
	=====		=====
Allotted, called up and fully paid			
1,000 ordinary shares of £1 each	£ 1,000	£	1,000
3,000 preference shares of £1 each	3,000	£	3,000
	<hr/>		<hr/>
	£ 4,000	£	4,000
	=====		=====



BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

16 RECONCILIATION OF OPERATING PROFIT TO  
NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Operating profit (loss) after exceptional item	(356,336)	171,123
Depreciation of tangible fixed assets	10,793	13,583
Loss (profit) on sale of tangible fixed assets	2,003	( 31,071)
(Increase) / decrease in stock	85,095	( 245,250)
(Increase) / decrease in debtors	165,661	( 298,180)
Increase / (decrease) in creditors	( 69,157)	149,463
Exceptional item	318,200	-
	<hr/>	<hr/>
Net cash inflow (outflow) from operating activities	£ 156,259	£( 240,332)
	=====	=====

17 CASH AND CASH EQUIVALENTS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Changes during the year		
At 1 March 1993	(382,716)	( 11,347)
Net cash inflow (outflow)	8,649	( 371,369)
	<hr/>	<hr/>
At 28 February 1994	£(374,067)	£( 382,716)
	=====	=====

	<u>1994</u>	<u>1993</u>	<u>CHANGE</u>
	<u>£</u>	<u>£</u>	<u>IN YEAR</u>
			<u>£</u>
Analysis of balances			
Cash at bank and in hand	33,414	404	33,010
Bank overdraft	( 78,523)	( 55,804)	( 22,719)
Short term borrowings	(328,958)	(327,316)	( 1,642)
	<hr/>	<hr/>	<hr/>
At 28 February 1994	£ 374,067	£ 382,716	£ 8,649
	=====	=====	=====

BADAT BROS. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1994

18 ANALYSIS OF CHANGES IN  
FINANCING DURING THE YEAR

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
At 1 March 1993	992,700	1,032,626
Net Cash inflow (outflow) from financing	( 37,282)	( 30,803)
New capital leases	22,000	-
Repayment of principal on finance leases	( 7,390)	( 9,123)
Amounts payable under guarantee	318,200	-
	<hr/>	<hr/>
At 28 February 1994	£1,288,228	£ 992,700
	=====	=====

19 FINANCIAL COMMITMENTS

At 28 February 1994, the Company had annual commitments under non cancellable operating leases as follows:

	<u>Land and Building</u>		<u>Others</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Operating leases which expire:				
Within one year	-	-	-	-
Between two to five years inclusive	-	-	-	-
Over five years	57,500	57,500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 57,500	£ 57,500	£ -	£ -
	=====	=====	=====	=====

20 DIRECTORS EMOLUMENTS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Emoluments (including pension contributions and benefits in kind)	£ 2,890	£ 2,605
	=====	=====
Emoluments disclosed above (exclusive of pension contributions) include amounts paid to:		
The Chairman and highest paid director	£ 2,890	£ 2,605
	=====	=====