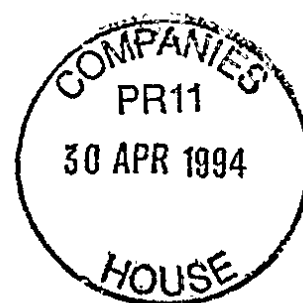


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CANEI INTERNATIONAL LIMITED

31ST OCTOBER, 1993



PHIPP & CO

CHARTERED ACCOUNTANTS

CANEI INTERNATIONAL LIMITED

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CANET INTERNATIONAL LIMITED
Registered in England No. 2576310

COMPANY PARTICULARS

DIRECTORS:

R. L. Bhardwaj (Chairman)
B. Bhardwaj
K. K. Bhardwaj

SECRETARY:

K. K. Bhardwaj

REGISTERED OFFICE:

6, Nottingham Road,
Long Eaton,
Nottingham.
NG10 1HP

AUDITORS:

Phipp & Co.,
Chartered Accountants,
6, Nottingham Road,
Long Eaton,
Nottingham.
NG10 1HP

BANKERS:

Royal Bank of Scotland P.L.C.,
Market Place,
Long Eaton,
Nottingham.

CANEI INTERNATIONAL LIMITED

DIRECTORS' REPORT

The Directors present their report to the members together with the annual accounts for the period 1st July, 1992 to 31st October, 1993.

PRINCIPAL ACTIVITY

The principle activity of the company, which is unchanged since last year, is that of service station operators.

DIRECTORS

The directors of the company and their interests in shares of the company are set out below. There were no changes in the composition of the board of directors during the year.

	<u>31:10:93</u>	<u>30:06:92</u>
R. L. Bhardwaj	333	333
K. K. Bhardwaj	333	333
B. K. Bhardwaj	334	334

Mr. S. D. Bhardwaj served as a Director until his resignation on 1st November, 1993.

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which gives 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 directors are required to:

- * select suitable accounting policies and apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

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 financial statements 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.

DONATIONS

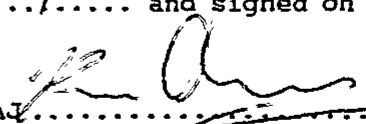
No charitable or political donations were made during the period.

AUDITORS

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

The directors have taken advantage, in the preparation of their report, of the special exemptions applicable to small companies.

Approved by the board of directors on 27.11.1994 and signed on their behalf by:


K. K. BHARDWAJ..... (Secretary)

AUDITORS REPORT

AUDITORS REPORT TO THE MEMBERS OF CANEI INTERNATIONAL LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st October, 1993 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PHIPP & CO

Chartered Accountants

and Registered Auditors

27 APR 1994

6, Nottingham Road,
Long Eaton, Nottingham

CANEI INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD

1ST JULY, 1992 TO 31ST OCTOBER, 1993

	<u>Notes</u>	01:07:92 to 31:10:93	17:10:91 to 30:05:92
TURNOVER		1,739,649	793,278
Cost of sales		<u>1,415,365</u>	<u>634,795</u>
GROSS PROFIT		324,284	158,483
Administration expenses		<u>277,120</u>	<u>134,200</u>
		47,164	24,283
Interest received		<u>392</u>	<u>-</u>
Profit on ordinary activities before taxation		47,556	24,283
Taxation on ordinary activities	3	<u>10,944</u>	<u>5,071</u>
Profit on ordinary activities after taxation		36,612	18,212
Retained profits brought forward		<u>18,212</u>	<u>-</u>
Retained profits carried forward		<u>£ 54,824</u>	<u>£ 18,212</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit for the above two financial years.

CANEI INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31ST OCTOBER, 1993

	<u>Notes</u>	<u>31:10:93</u>	<u>31:06:92</u>
FIXED ASSETS			
Tangible assets	4	642,210	633,937
CURRENT ASSETS			
Stocks	5	53,882	51,522
Debtors	6	13,555	53,309
Bank and cash balances		<u>22,522</u>	<u>16,022</u>
		89,959	120,853
CREDITORS			
Amounts falling due within one year	7	<u>353,880</u>	<u>370,008</u>
<u>NET CURRENT LIABILITIES</u>		(263,921)	(249,155)
Total assets less current liabilities		378,289	384,782
CREDITORS			
Amounts falling due over one year	8	<u>322,465</u>	<u>365,570</u>
		£ 55,824	£ 19,212
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account		<u>54,824</u>	<u>18,212</u>
		£ 55,824	£ 19,212

The directors have taken advantage in the preparation of the accounts of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985. In the opinion of the directors, the Company qualifies as a small company and is entitled to make use of the special exemptions.

APPROVED BY THE BOARD ON *27 April 1994* and signed on the behalf by:

R. L. BHARDWAJ

..... (*R. L. Bhardwaj*) DIRECTOR)

CANEI INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD 1ST JULY, 1992 TO 31ST OCTOBER, 1993

1. ACCOUNTING POLICIES

There have been no changes in the accounting policies during the year.

CASH FLOW STATEMENT

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemptions under FRS I not to prepare a cash flow statement.

TURNOVER

Turnover represents invoiced sales values of goods after deduction of value added tax.

DEPRECIATION

Depreciation on fixed assets is calculated to write off their cost over their expected useful lives on the following bases:-

Freehold land and buildings	2% p.a. on cost
Fixtures and fittings	10% p.a. on cost
Motor vehicles	25% p.a. on cost

Depreciation is charged proportionately for the period of acquisition but none is charged in the year of disposal. No provision is made for the increased replacement cost of fixed assets.

No depreciation is charged on freehold property.

STOCK AND WORK IN PROGRESS

Stock and work in progress are valued at the lower of cost and net realisable value. The valuation of work in progress and finished goods includes direct materials, direct labour and appropriate manufacturing and administration overheads.

DEFERRED TAXATION

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

2. OPERATING PROFIT

This is stated after charging or crediting:

	01:07:92 to <u>31:10:93</u> £	17:10:91 to <u>30:06:92</u> £
Directors' remuneration	15,141	2,592
Auditors' remuneration	3,946	1,575
Depreciation	<u>24,955</u>	<u>4,399</u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax at 25% on the taxable profits for the period	£10,944	£ 6,071
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CANEI INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD 1ST JULY, 1992 TO 31ST OCTOBER, 1993 (CONTINUED)

4.	<u>TANGIBLE ASSETS</u>	At 01:07:92	Additions	Disposals	At 31:10:93
	<u>Cost</u>				
	Freehold property	585,610	1,317	-	586,927
	Fixtures and fittings	50,846	2,111	-	52,957
	Motor vehicle	1,880	29,800	-	31,680
		<u>638,336</u>	<u>33,228</u>	<u>-</u>	<u>671,564</u>
	<u>Depreciation</u>				
	Freehold property	-	11,739	-	11,739
	Fixtures and fittings	4,233	5,296	-	9,529
	Motor vehicle	166	7,920	-	8,086
		<u>4,399</u>	<u>24,955</u>	<u>-</u>	<u>29,354</u>
	<u>Net Book Value</u>				
	Freehold property	585,610			575,188
	Fixtures and fittings	46,613			43,428
	Motor vehicles	1,714			23,564
		<u>£633,937</u>			<u>£642,210</u>
5.	<u>STOCK AND WORK IN PROGRESS</u>		01:07:92 to 31:10:93		17:10:91 to 30:06:92
	Goods for resale		£53,882		£51,522
6.	<u>DEBTORS</u>				
	Trade debtors		13,555		50,056
	Prepayments and accrued income		-		3,253
			<u>£13,555</u>		<u>£53,309</u>
7.	<u>CREDITORS FALLING DUE WITHIN ONE YEAR</u>				
	Trade creditors		35,945		23,290
	Taxation and social security		974		2,345
	Accruals and deferred income		7,089		28,466
	Directors current accounts		230,600		260,207
	Corporation tax		13,140		6,071
	Bank loan and overdraft		66,132		49,629
			<u>£353,880</u>		<u>£370,008</u>
8.	<u>CREDITORS FALLING DUE OVER ONE YEAR</u>				
	Bank loans		£322,465		£365,570
The bank loans and overdraft are secured by a legal mortgage over the freehold property, a fixed charge on fixtures and fittings, stock and debtors and a floating charge on all other assets.					
9.	<u>CALLED UP SHARE CAPITAL</u>		<u>1993</u>		<u>1992</u>
	Ordinary shares of £1 each				
	Allotted and fully paid		£ 1,000		£ 1,000
	Authorised		£ 1,000		£ 1,000