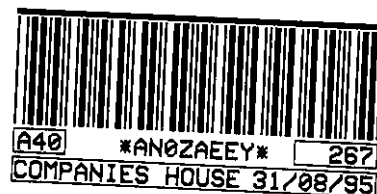


Rymer

2576310

CANEI INTERNATIONAL LIMITED

31ST OCTOBER, 1994



PHIPP & CO

CHARTERED ACCOUNTANTS

CANEI INTERNATIONAL LIMITED

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CANEI 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 year ended 31st October, 1994.

PRINCIPAL ACTIVITY

The principal 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>31:10:94</u>	<u>30:10:93</u>
R. L. Bhardwaj	333	333
K. K. Bhardwaj	333	333
B. K. Bhardwaj	334	334

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

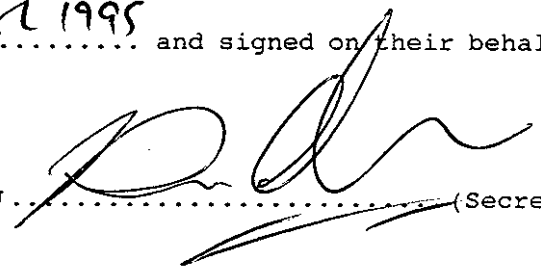
No charitable or political donations were made during the period.

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 *30th August 1995* 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.

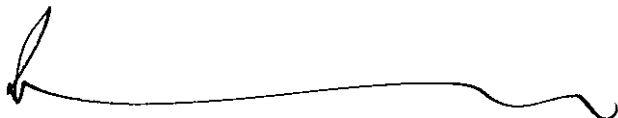
Basis of opinion

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, 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
and Registered Auditors

6, Nottingham Road,
Long Eaton, Nottingham

30.8.95

CANEI INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER, 1994

	<u>Notes</u>	<u>Year Ended</u> <u>31:10:94</u>	<u>01:07:92</u> <u>To</u> <u>30:10:93</u>
TURNOVER		1,564,238	1,739,649
Cost of sales		<u>1,280,189</u>	<u>1,415,365</u>
GROSS PROFIT		284,049	324,284
Administration expenses		<u>251,538</u>	<u>277,120</u>
		32,511	47,164
Interest received		<u>79</u>	<u>392</u>
Profit on ordinary activities before taxation		32,590	47,556
Taxation on ordinary activities	3	<u>10,169</u>	<u>10,944</u>
Profit on ordinary activities after taxation		22,421	36,612
Retained profits brought forward		<u>54,824</u>	<u>18,212</u>
Retained profits carried forward		£ 77,245	£ 54,824
		<u>£ 77,245</u>	<u>£ 54,824</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, 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
FIXED ASSETS			
Tangible assets	4	652,088	642,210
CURRENT ASSETS			
Stocks	5	66,182	53,882
Debtors	6	29,046	13,555
Bank and cash balances		<u>14,309</u>	<u>22,522</u>
		109,537	89,959
CREDITORS			
Amounts falling due within one year	7	<u>393,543</u>	<u>353,880</u>
<u>NET CURRENT LIABILITIES</u>		(284,006)	(263,921)
Total assets less current liabilities		368,082	378,289
CREDITORS			
Amounts falling due over one year	8	<u>289,837</u>	<u>322,465</u>
		£ 78,245	£ 55,824
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account		<u>77,245</u>	<u>54,824</u>
		£ 78,245	£ 55,824

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 30 - 8 - 95 and signed on the behalf by:

..... R. L. Bhardwaj R. L. BHARDWAJ, ESQ. DIRECTOR)

CANEI INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER, 1994

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

	Year Ended <u>31:10:94</u>	01:07:92 to <u>31:10:93</u>
This is stated after charging or crediting:	£	£
Directors' remuneration	11,766	15,141
Auditors' remuneration	2,800	3,946
Depreciation	<u>26,067</u>	<u>24,955</u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax at 25% on the taxable profits for the period	<u>£10,169</u>	<u>£10,944</u>
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CANEI INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER, 1994 (CONTINUED)

4.	<u>TANGIBLE ASSETS</u>	At <u>01:11:93</u>	<u>Additions</u>	<u>Disposals</u>	At <u>31:10:94</u>
	<u>Cost</u>				
	Freehold property	586,927	-	-	586,927
	Fixtures and fittings	52,957	35,945	-	88,902
	Motor vehicle	<u>31,680</u>	<u>-</u>	<u>-</u>	<u>31,680</u>
		<u>671,564</u>	<u>35,945</u>	<u>-</u>	<u>707,509</u>
	<u>Depreciation</u>				
	Freehold property	11,739	11,737	-	23,476
	Fixtures and fittings	9,529	6,410	-	15,939
	Motor vehicle	<u>8,086</u>	<u>7,920</u>	<u>-</u>	<u>16,006</u>
		<u>29,354</u>	<u>26,067</u>	<u>-</u>	<u>55,421</u>
	<u>Net Book Value</u>				
	Freehold property	575,188			563,451
	Fixtures and fittings	43,428			72,963
	Motor vehicles	<u>23,594</u>			<u>15,674</u>
		<u>£642,210</u>			<u>£652,088</u>
5.	<u>STOCK AND WORK IN PROGRESS</u>				01:07:92 to <u>31:10:94</u> <u>31:10:93</u>
	Goods for resale			£66,182	£53,882
6.	<u>DEBTORS</u>				
	Trade debtors			26,739	13,555
	Prepayments and accrued income			<u>2,307</u>	<u>-</u>
				£29,046	£13,555
7.	<u>CREDITORS FALLING DUE WITHIN ONE YEAR</u>				
	Trade creditors			31,056	35,945
	Taxation and social security			10,547	974
	Accruals and deferred income			7,708	7,089
	Directors current accounts			232,053	230,600
	Corporation tax			16,144	13,140
	Bank loans and overdrafts			<u>96,035</u>	<u>66,132</u>
				£393,543	£353,880
8.	<u>CREDITORS FALLING DUE OVER ONE YEAR</u>				
	Bank loans			£289,837	£322,465
	The bank loans and overdrafts 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>1994</u>	<u>1993</u>
	Ordinary shares of £1 each				
	Allotted and fully paid			£ 1,000	£ 1,000
				<u>£ 1,000</u>	<u>£ 1,000</u>
	Authorised			£ 1,000	£ 1,000