

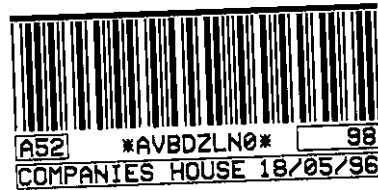
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2576310

CANEI INTERNATIONAL LIMITED

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31 OCTOBER 1995



CANEI INTERNATIONAL LIMITED  
ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 OCTOBER 1995  
COMPANY NUMBER : 02576310

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**REPORT OF THE AUDITORS****TO THE DIRECTORS OF CANEI INTERNATIONAL LIMITED****FOR THE YEAR ENDED 31 OCTOBER 1995****PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5 together with the full Financial Statements of Canei International Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1995.

**Respective Responsibilities of Directors and Auditors**

The Directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 Part III of the Companies Act 1985. It is our responsibility to form an independent opinion as to the Company's entitlement to the exemptions claimed in the Directors' Statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of Opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited Financial Statements. The scope of our work for the purpose of this report does not include examining or dealing with the events after the date of our report on the full Financial Statements.

**Opinion**

In our opinion the company is entitled under Section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to the Act in respect of the year ended 31 October 1995 and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with that Schedule.

**Other Information**

On 13 May 1996 we reported, as auditors of Canei International Limited to the members on the full Financial Statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1995, and our report was as follows;

We have audited the Financial Statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out in those Financial Statements.

**Respective Responsibilities of Directors and Auditors**

As described on page 1 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 accounts. 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.

**Continued.....**

**REPORT OF THE AUDITORS****TO THE DIRECTORS OF CANEI INTERNATIONAL LIMITED****FOR THE YEAR ENDED 31 OCTOBER 1995****PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985****(CONTINUED)**

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, in common with other cash businesses the evidence available to us was limited in respect of cash sales, over which there was no system of control on which we could rely for the purposes of our audit. There were no other satisfactory audit procedures that we could adopt to confirm that cash sales were properly recorded. Also, we were not provided with adequate evidence to support the opening balances, as the Company changed auditors during the year. We did not audit the opening balances and as such our audit was limited. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the Financial Statements.

**Qualified Opinion Arising From Limitation In Audit Scope**

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning cash sales, and opening balances, in our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 31 October 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.

In respect alone of the limitation on our work relating to cash sales:

- \* we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- \* we were unable to determine whether proper accounting records had been maintained.

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**CHURCH & CO**  
**CHARTERED ACCOUNTANTS**  
**REGISTERED AUDITORS**

13 May 1996

## CANEI INTERNATIONAL LIMITED

## BALANCE SHEET AS AT 31 OCTOBER 1995

|                                              | <u>Notes</u> | <u>1995</u>     | <u>1994</u>    |
|----------------------------------------------|--------------|-----------------|----------------|
|                                              |              | £               | £              |
| <b>FIXED ASSETS</b>                          |              |                 |                |
| Tangible Assets                              | 2            | 670403          | 652088         |
| <b>CURRENT ASSETS</b>                        |              |                 |                |
| Stocks                                       |              | 84360           | 66182          |
| Debtors Due Within One Year                  |              | 64588           | 29046          |
| Cash at Bank and in Hand                     |              | 44337           | 14309          |
|                                              |              | <u>193285</u>   | <u>109537</u>  |
| <b>CREDITORS</b>                             |              |                 |                |
| Amounts Falling Due Within One Year          | 3            | <u>454665</u>   | <u>393543</u>  |
| <b>NET CURRENT LIABILITIES</b>               |              | (261380)        | (284006)       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |              | <u>409023</u>   | <u>368082</u>  |
| <b>CREDITORS</b>                             |              |                 |                |
| Amounts Falling Due After One Year           | 3            | <u>256301</u>   | <u>289837</u>  |
| <b>NET ASSETS</b>                            |              | <u>£ 152722</u> | <u>£ 78245</u> |
| <b>CAPITAL AND RESERVES</b>                  |              |                 |                |
| Share Capital                                | 4            | 1000            | 1000           |
| Profit and Loss Account                      |              | 151722          | 77245          |
|                                              |              | <u>£ 152722</u> | <u>£ 78245</u> |

The Directors have taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the Company is entitled to those exemptions as a small company.

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the Company is entitled to these exemptions as a small company.

ON BEHALF OF THE BOARD

*R. L. Bhardwaj*  
R L Bhardwaj - Director  
13 May 1996

The annexed notes form part of these Financial Statements

**CANEI INTERNATIONAL LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 OCTOBER 1995****1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the Financial Statements are set out below and have remained unchanged from the previous year and have also been consistently applied within the same Financial Statements.

**Basis of Preparation of Financial Statements**

The Financial Statements have been prepared under the historical cost convention.

The effect of events relating to the year ended 31 October 1995 which occurred before the date of approval of the Financial Statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at the Year end and of the results for the year ended on that date.

**Tangible Fixed Assets**

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates;

|                     |                                 |
|---------------------|---------------------------------|
| Motor Vehicles      | 25% per annum of net book value |
| Fixtures & Fittings | 10% per annum of net book value |

Freehold property has not been depreciated this year as in the opinion of the Directors the value is not less than the cost.

**Stocks**

Stocks have been valued at the lower of cost and net realisable value.

**Deferred Taxation**

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

**Leasing**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease as incurred.

## CANEI INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1995

## 2. TANGIBLE FIXED ASSETS

| COST OR VALUATION     | Motor<br>Vehicles<br>£ | Fixtures &<br>Fittings<br>£ | Land &<br>Buildings<br>£ | Total<br>£    |
|-----------------------|------------------------|-----------------------------|--------------------------|---------------|
| At 1 November 1994    | 31680                  | 88902                       | 586927                   | 707509        |
| Additions             | 28288                  | 13664                       | -                        | 41952         |
| Disposals             | (8880)                 | -                           | -                        | (8880)        |
| At 31 October 1995    | <u>51088</u>           | <u>102566</u>               | <u>586927</u>            | <u>740581</u> |
| <b>DEPRECIATION</b>   |                        |                             |                          |               |
| At 1 November 1994    | 16006                  | 15939                       | 23476                    | 55421         |
| On Disposals          | (4606)                 | -                           | -                        | (4606)        |
| Charge for Year       | 9923                   | 9440                        |                          | 19363         |
| At 31 October 1995    | <u>21323</u>           | <u>25379</u>                | <u>23476</u>             | <u>70178</u>  |
| <b>NET BOOK VALUE</b> |                        |                             |                          |               |
| At 31 October 1995    | <u>29765</u>           | <u>77187</u>                | <u>563451</u>            | <u>670403</u> |
| At 31 October 1994    | <u>15674</u>           | <u>72963</u>                | <u>563451</u>            | <u>652088</u> |

Included in the total net book value of tangible fixed assets held at 31 October 1995 was £21217, in respect of assets held under finance leases and hire purchase contracts.

## 3. CREDITORS

The aggregate amount of creditors for which security has been given is as follows:

|                                     | <u>1995</u><br>£ | <u>1994</u><br>£ |
|-------------------------------------|------------------|------------------|
| Amounts Falling Due Within One Year | 129574           | 96035            |
| Amounts Falling Due After One Year  | 256301           | 289837           |
|                                     | <u>385875</u>    | <u>385872</u>    |

## 4. SHARE CAPITAL

|                                          | <u>1995</u><br>£ | <u>1994</u><br>£ |
|------------------------------------------|------------------|------------------|
| <b>Authorised</b>                        |                  |                  |
| 1000 £1 Ordinary Shares                  | <u>1000</u>      | <u>1000</u>      |
| <b>Allotted Called Up and Fully Paid</b> |                  |                  |
| 1000 £1 Ordinary Shares                  | <u>1000</u>      | <u>1000</u>      |

## CANEI INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1995

## 5. TRANSACTIONS WITH DIRECTORS

The Directors are also Directors of Lion Motors Limited, a Company with which Canei International Limited trades on terms no more favourable than with an unconnected person.

## 6. POST BALANCE SHEET EVENTS

As from 1 May 1996, Lion Motors Limited, Central Stores, a partnership and Sawley Garage have been incorporated into Canei International Limited.

The Directors connected with the above are as follows:-

|                |                |
|----------------|----------------|
| Central Stores | - R L Bhardwaj |
|                | B K Bhardwaj   |

|               |                |
|---------------|----------------|
| Sawley Garage | - B K Bhardwaj |
|---------------|----------------|