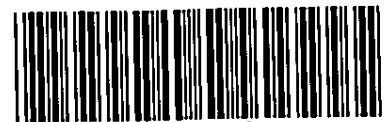


ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2009

FOR

CANEI INTERNATIONAL LTD

THURSDAY



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COMPANIES HOUSE

CANEI INTERNATIONAL LTD

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FOR THE YEAR ENDED 31 OCTOBER 2009

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CANEI INTERNATIONAL LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2009

DIRECTORS

R L Bhardwaj
B K Bhardwaj

SECRETARY:

B K Bhardwaj

REGISTERED OFFICE:

Mohan House
Newark Road
Sutton in Ashfield
Nottinghamshire
NG17 5JP

REGISTERED NUMBER:

02576310

AUDITORS

HSKS Limited
Chartered Accountants
Registered Auditors
18 St Christopher's Way
Pride Park
Derby
Derbyshire
DE24 8JY

CANEI INTERNATIONAL LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2009

The directors present their report with the accounts of the company for the year ended 31 October 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of operating car sales sites

REVIEW OF BUSINESS

The results for the year and financial position of the company are shown in the annexed financial statements

ANALYSIS USING KEY PERFORMANCE INDICATORS

The key performance indicators of the business are gross profit margins

The gross profit percentage has maintained constant in comparison to the previous year, with a slight increase. Purchase costs of used cars from auctions have remained high due to the supply and demand factor of new cars, prestige cars continue to be sold which yield a lower profit margin has also contributed to the down turn in gross profit percentage

PRINCIPLE RISKS AND UNCERTAINTIES

In the view of the directors the company has no material uncertainties as it is a well established local business

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2009

FUTURE DEVELOPMENTS

The company is continuing with growth in sales, with internet sales being a major factor in the growth process

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the accounts

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2008 to the date of this report

R L Bhardwaj
B K Bhardwaj

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

CANEL INTERNATIONAL LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2009

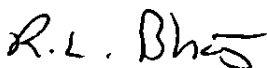
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, HSKS Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD



R L Bhardwaj - Director

17 June 2010

REPORT OF THE INDEPENDENT AUDITORS TO
CANEI INTERNATIONAL LTD
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages five to sixteen, together with the full financial statements of Canei International Ltd for the year ended 31 October 2009 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

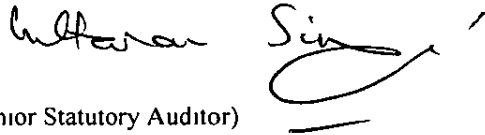
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Kultaran Singh FCA (Senior Statutory Auditor)
for and on behalf of HSKS Limited
Chartered Accountants
Statutory Auditors
18 St Christopher's Way
Pride Park
Derby
Derbyshire
DE24 8JY

17 June 2010

CANEI INTERNATIONAL LTD
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2009

	Notes	2009 £	2008 £
TURNOVER		12,783,754	9,834,119
Cost of sales and other operating income		(11,160,942)	(8,634,028)
		1,622,812	1,200,091
Administrative expenses		891,318	669,238
OPERATING PROFIT	3	731,494	530,853
Interest payable and similar charges	4	63,522	77,251
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		667,972	453,602
Tax on profit on ordinary activities	5	179,553	192,190
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		488,419	261,412

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these abbreviated accounts

CANEI INTERNATIONAL LTD

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 OCTOBER 2009

	2009	2008
	£	£
PROFIT FOR THE FINANCIAL YEAR	488,419	261,412
Property revaluations	<u>154,292</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u><u>642,711</u></u>	<u><u>261,412</u></u>

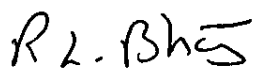
The notes form part of these abbreviated accounts

CANEI INTERNATIONAL LTD
ABBREVIATED BALANCE SHEET
31 OCTOBER 2009

		2009		2008	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		1,021,806		899,666
Investment property	8		917,727		673,509
			<u>1,939,533</u>		<u>1,573,175</u>
CURRENT ASSETS					
Stocks	9	2,852,699		1,793,042	
Debtors	10	447,140		370,290	
Cash at bank and in hand		332,717		386,228	
		<u>3,632,556</u>		<u>2,549,560</u>	
CREDITORS					
Amounts falling due within one year	11	1,853,927		1,748,302	
NET CURRENT ASSETS			<u>1,778,629</u>		<u>801,258</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,718,162</u>		<u>2,374,433</u>
CREDITORS					
Amounts falling due after more than one year	12		(1,181,807)		(478,043)
PROVISIONS FOR LIABILITIES	15		(12,188)		(14,934)
NET ASSETS			<u><u>2,524,167</u></u>		<u><u>1,881,456</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		1,000		1,000
Profit and loss account	17		2,523,167		1,880,456
SHAREHOLDERS' FUNDS	22		<u><u>2,524,167</u></u>		<u><u>1,881,456</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 17 June 2010 and were signed on its behalf by



R L Bhardwaj - Director

The notes form part of these abbreviated accounts

CANEI INTERNATIONAL LTD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2009

	Notes	2009 £	£	2008 £	£
Net cash (outflow)/inflow from operating activities	1		(284,560)		343,069
Returns on investments and servicing of finance	2		(63,522)		(77,251)
Taxation			(175,378)		(170,618)
Capital expenditure and financial investment	2		(248,370)		(552,489)
Equity dividends paid			-		(30,000)
			(771,830)		(487,289)
Financing	2		710,589		702,834
(Decrease)/Increase in cash in the period			(61,241)		215,545
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period			(61,241)		215,545
Cash inflow from increase in debt			(609,558)		(698,248)
Change in net debt resulting from cash flows			(670,799)		(482,703)
Movement in net debt in the period			(670,799)		(482,703)
Net debt at 1 November			(1,453,109)		(970,406)
Net debt at 31 October			(2,123,908)		(1,453,109)

The notes form part of these abbreviated accounts

CANEI INTERNATIONAL LTD

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2009

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£	£
Operating profit	731,494	530,853
Depreciation charges	36,304	28,006
Increase in stocks	(1,059,657)	(278,735)
(Increase)/Decrease in debtors	(76,849)	66,152
Increase/(Decrease) in creditors	84,148	(3,207)
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from operating activities	<u>(284,560)</u>	<u>343,069</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest paid	(63,522)	(77,251)
	<u> </u>	<u> </u>
Net cash outflow for returns on investments and servicing of finance	<u>(63,522)</u>	<u>(77,251)</u>
	<u> </u>	<u> </u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(158,444)	(436,205)
Purchase of investment property	(89,926)	(116,284)
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure and financial investment	<u>(248,370)</u>	<u>(552,489)</u>
	<u> </u>	<u> </u>
Financing		
New loans in year	766,238	697,989
Loan repayments in year	(156,680)	(32,919)
Amount introduced by directors	-	30,000
Amount withdrawn by directors	101,031	7,764
	<u> </u>	<u> </u>
Net cash inflow from financing	<u>710,589</u>	<u>702,834</u>
	<u> </u>	<u> </u>

The notes form part of these abbreviated accounts

CANEL INTERNATIONAL LTD

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2009

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/11/08 £	Cash flow £	At 31/10/09 £
Net cash			
Cash at bank and in hand	386,228	(53,511)	332,717
Bank overdraft	(371,347)	(7,730)	(379,077)
	<u>14,881</u>	<u>(61,241)</u>	<u>(46,360)</u>
Debt			
Debts falling due within one year	(989,947)	94,206	(895,741)
Debts falling due after one year	(478,043)	(703,764)	(1,181,807)
	<u>(1,467,990)</u>	<u>(609,558)</u>	<u>(2,077,548)</u>
Total	<u>(1,453,109)</u>	<u>(670,799)</u>	<u>(2,123,908)</u>

The notes form part of these abbreviated accounts

CANEI INTERNATIONAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2009

1 ACCOUNTING POLICIES

Accounting convention

The financial statements 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

Tangible fixed assets

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

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Computer equipment	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 STAFF COSTS

	2009 £	2008 £
Wages and salaries	<u>470,653</u>	<u>371,457</u>

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

	2009	2008
Operational	<u>25</u>	<u>16</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2009 £	2008 £
Depreciation - owned assets	36,304	28,005
Auditors' remuneration	<u>4,000</u>	<u>4,000</u>
Directors' remuneration	<u>-</u>	<u>-</u>

CANEI INTERNATIONAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2009

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Bank interest	35,657	29,699
Bank loan interest	27,865	33,179
Other interest payable	-	14,373
	<u>63,522</u>	<u>77,251</u>

5 TAXATION

Analysis of the tax charge

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

	2009	2008
	£	£
Current tax		
UK corporation tax	181,962	184,368
Underprovision in prior year	337	68
	<u>182,299</u>	<u>184,436</u>
Total current tax		
Deferred tax	(2,746)	7,754
	<u>179,553</u>	<u>192,190</u>
Tax on profit on ordinary activities		

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2009	2008
	£	£
Profit on ordinary activities before tax	<u>667,972</u>	<u>453,602</u>
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 30% (2008 - 30%)	200,392	136,081
Effects of		
Depreciation in excess of capital allowances	(18,108)	3,089
Under provision of corporation tax in prior year	337	68
Effective reduction of main rate	(322)	(6,108)
Corporation tax due per investigation	-	49,236
Tax investigation	-	2,070
stock reserve		
warranty		
	<u>182,299</u>	<u>184,436</u>
Current tax charge		

6 DIVIDENDS

	2009	2008
	£	£
Ordinary shares of £1 each		
Interim	-	30,000
	<u>-</u>	<u>30,000</u>

CANEL INTERNATIONAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2009

7 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 November 2008	953,688	9,272	156,453	23,920	1,143,333
Additions	109,980	31,099	13,481	3,884	158,444
At 31 October 2009	1,063,668	40,371	169,934	27,804	1,301,777
DEPRECIATION					
At 1 November 2008	118,229	4,236	103,889	17,313	243,667
Charge for year	21,658	5,420	6,604	2,622	36,304
At 31 October 2009	139,887	9,656	110,493	19,935	279,971
NET BOOK VALUE					
At 31 October 2009	923,781	30,715	59,441	7,869	1,021,806
At 31 October 2008	835,459	5,036	52,564	6,607	899,666

8 INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 November 2008	715,782
Additions	89,926
Revaluations	154,292
At 31 October 2009	960,000
DEPRECIATION	
At 1 November 2008 and 31 October 2009	42,273
NET BOOK VALUE	
At 31 October 2009	917,727
At 31 October 2008	673,509

Cost or valuation at 31 October 2009 is represented by

	£
Valuation in 2009	154,292
Cost	805,708
	960,000

9 STOCKS

	2009 £	2008 £
Stocks	2,852,699	1,793,042

CANEI INTERNATIONAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2009

10	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2009	2008
		£	£
	Trade debtors	25,000	(4,661)
	Other debtors	32,126	36,807
	Inter-company loans	390,014	332,376
	VAT	-	5,768
		<u>447,140</u>	<u>370,290</u>

11	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2009	2008
		£	£
	Bank loans and overdrafts (see note 13)	423,086	492,883
	Other loans (see note 13)	851,732	868,411
	Trade creditors	53,104	61,880
	Tax	181,962	175,041
	Social security and other taxes	20,516	8,156
	VAT	101,769	-
	Other creditors	69,612	74,851
	Directors' current accounts	118,799	17,768
	Accrued expenses	33,347	49,312
		<u>1,853,927</u>	<u>1,748,302</u>

12	CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2009	2008
		£	£
	Bank loans (see note 13)	<u>1,181,807</u>	<u>478,043</u>

13 LOANS

An analysis of the maturity of loans is given below

	2009	2008
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	379,077	371,347
Bank loans	44,009	121,536
Stocking loan	851,732	868,411
	<u>1,274,818</u>	<u>1,361,294</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>1,181,807</u>	<u>478,043</u>

CANEI INTERNATIONAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2009

14 SECURED DEBTS

The following secured debts are included within creditors

	2009	2008
	£	£
Bank overdrafts	379,077	371,347
Bank loans	1,225,816	599,579
	<u>1,604,893</u>	<u>970,926</u>

15 PROVISIONS FOR LIABILITIES

	2009	2008
	£	£
Deferred tax	<u>12,188</u>	<u>14,934</u>

	Deferred tax £
Balance at 1 November 2008	14,934
Charged in year	(2,746)
Balance at 31 October 2009	<u>12,188</u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2009	2008
Number	Class	Nominal value	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

17 RESERVES

	Profit and loss account £
At 1 November 2008	1,880,456
Profit for the year	488,419
Property revaluations	154,292
At 31 October 2009	<u>2,523,167</u>

CANEI INTERNATIONAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2009

18 CONTINGENT LIABILITIES

The bank loans and overdraft are secured by

An unscheduled mortgage debenture dated 17 July 1996 incorporating a fixed and floating charge over all current and future assets of the company

A first legal mortgage debenture dated 8 April 1998 over the freehold land and buildings at Sawley Garage, Tamworth Road, Sawley, Nottingham

An inter-company cross guarantee between Canei International Limited, NS Kambr Limited and 4Brothers Properties Limited

19 RELATED PARTY DISCLOSURES

The bank borrowings are secured in part against properties owned by the directors

During the year the company made loan transactions with N,S Kambr Limited, in which Mr R L Bhardwaj and Mr B K Bhardwaj have a participating interest. The balance outstanding at 31 October 2009 amounted to £272,076 (2008 - £208,669)

The company has a loan owing from Kam Servicing Limited, a business carried on by Mr K K Bhardwaj. Mr K K Bhardwaj is the brother of Mr R L Bhardwaj and Mr B K Bhardwaj. The amount owed at the year end amounted to £117,938 (2008 - £118,707)

The company has a loan owing to Mr S D Bhardwaj. Mr S D Bhardwaj is the brother of Mr R L Bhardwaj and Mr B K Bhardwaj. The amount owed at the year end amounted to £21,750 (2008 - £21,750)

The loans are unsecured, interest free and have no fixed repayment terms

20 POST BALANCE SHEET EVENTS

On 1 November 2009 the trade and certain assets were transferred from Kam Servicing (Heanor) Limited to Canei International Limited. Kam Servicing (Heanor) Limited is a business carried on by Mr S D Bhardwaj. Mr S D Bhardwaj is the brother of Mr R L Bhardwaj and Mr B K Bhardwaj, the goodwill was professionally valued at £20,000

21 ULTIMATE CONTROLLING PARTY

The company is controlled by the director's and their respective wives who own 100% of the called up share capital

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	488,419	261,412
Dividends	-	(30,000)
	488,419	231,412
Other recognised gains and losses relating to the year (net)	154,292	-
	642,711	231,412
Net addition to shareholders' funds	642,711	231,412
Opening shareholders' funds	1,881,456	1,650,044
	2,524,167	1,881,456
Closing shareholders' funds	<u>2,524,167</u>	<u>1,881,456</u>