

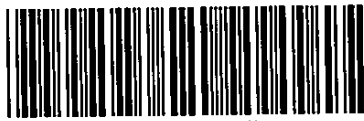
REGISTERED NUMBER: 02576310 (England and Wales)

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2010

FOR

CANEI INTERNATIONAL LTD

SATURDAY



ATMGWSRK

A33

26/03/2011

46

COMPANIES HOUSE

CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2010

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Abbreviated Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Abbreviated Accounts	11

CANEL INTERNATIONAL LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2010

DIRECTORS.

R L Bhardwaj
B K Bhardwaj
K K Bhardwaj

SECRETARY.

B K Bhardwaj

REGISTERED OFFICE.

4Brothers House
90-100 Wilsthorpe Road
Long Eaton
Nottinghamshire
NG10 3LE

REGISTERED NUMBER:

02576310 (England and Wales)

AUDITORS:

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2010

The directors present their report with the accounts of the company for the year ended 31 October 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of operating car sales sites, car servicing and maintenance, petrol filling station and storage unit rentals

REVIEW OF BUSINESS

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

The company's gross profit margin has increased compared with previous years. This has been achieved through expanding trading activities to include car sales, car maintenance and repairs, storage unit rentals and a petrol filling station. The above factors have led to an increase in profitability.

The directors are pleased with the improved trading performance during the year and are satisfied with the position of the company at the year end.

ANALYSIS USING KEY PERFORMANCE INDICATORS

The key performance indicators of the business are gross profit margins

The gross profit percentage has increased in comparison to the previous year. The rise is mainly due to the commencement of further trading activities within the company, with the company diversifying into car repairs and maintenance, storage unit rentals and a petrol filling station, all of which yield a higher profit margin than that of car sales. 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.

PRINCIPLE RISKS AND UNCERTAINTIES

The directors consider that the principal risks to the business are interest rate rises, this has been mitigated by hedging the majority of loans outstanding. In the view of the directors the company has no material uncertainties as it is a well established local business.

ANALYSIS OF DEVELOPMENT AND PERFORMANCE

Sales activity continues to be buoyant and this should continue with the diversity into further trading activities within the company and the prestige car showroom, these aspects continue to attract new customers to the brand. The company continues to offer a quality service across the whole business, helping to retain existing customers and attracting new ones.

DIVIDENDS

Interim dividends per share were paid as follows

21250	- 31 December 2009
23750	- 31 January 2010
45000	

The directors recommend that no final dividend be paid

The total distribution of dividends for the year ended 31 October 2010 will be £45,000

FUTURE DEVELOPMENTS

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2009 to the date of this report

R L Bhardwaj
B K Bhardwaj

Other changes in directors holding office are as follows

K K Bhardwaj - appointed 1 February 2010

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.

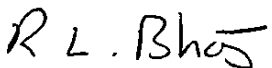
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

25 February 2011

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 nineteen, together with the full financial statements of Canei International Ltd for the year ended 31 October 2010 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

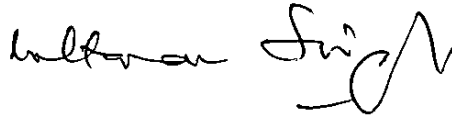
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated 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

25 February 2011

CANEI INTERNATIONAL LTD (REGISTERED NUMBER: 02576310)

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2010

	Notes	2010 £	2009 £
TURNOVER		15,011,858	12,783,754
Cost of sales and other operating income		(12,762,533)	(11,160,942)
		<u>2,249,325</u>	<u>1,622,812</u>
Administrative expenses		<u>(1,483,598)</u>	<u>(891,318)</u>
OPERATING PROFIT	3	765,727	731,494
Interest payable and similar charges	4	<u>(43,126)</u>	<u>(63,522)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		722,601	667,972
Tax on profit on ordinary activities	5	<u>(248,700)</u>	<u>(179,553)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>473,901</u></u>	<u><u>488,419</u></u>

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 (REGISTERED NUMBER: 02576310)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 OCTOBER 2010

	2010 £	2009 £
PROFIT FOR THE FINANCIAL YEAR	473,901	488,419
Property revaluations	-	154,292
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>473,901</u>	<u>642,711</u>

The notes form part of these abbreviated accounts

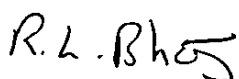
CANEI INTERNATIONAL LTD (REGISTERED NUMBER 02576310)

ABBREVIATED BALANCE SHEET
31 OCTOBER 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Intangible assets	7	69,000	-
Tangible assets	8	1,767,812	1,021,806
Investment property	9	647,727	917,727
		<u>2,484,539</u>	<u>1,939,533</u>
CURRENT ASSETS			
Stocks	10	2,712,144	2,852,699
Debtors	11	522,683	447,140
Cash at bank and in hand		562,937	332,717
		<u>3,797,764</u>	<u>3,632,556</u>
CREDITORS			
Amounts falling due within one year	12	(1,946,922)	(1,853,927)
NET CURRENT ASSETS		<u>1,850,842</u>	<u>1,778,629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,335,381	3,718,162
CREDITORS			
Amounts falling due after more than one year	13	(1,337,538)	(1,181,807)
PROVISIONS FOR LIABILITIES	17	(44,775)	(12,188)
NET ASSETS		<u>2,953,068</u>	<u>2,524,167</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Revaluation reserve	19	154,292	154,292
Profit and loss account	19	2,797,776	2,368,875
SHAREHOLDERS' FUNDS	23	<u>2,953,068</u>	<u>2,524,167</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 25 February 2011 and were signed on its behalf by



R L Bhardwaj - Director

The notes form part of these abbreviated accounts

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2010

	Notes	2010 £	2009 £
Net cash inflow/(outflow) from operating activities	1	1,261,961	(226,922)
Returns on investments and servicing of finance	2	(43,126)	(63,522)
Taxation		(309,728)	(175,378)
Capital expenditure and financial investment	2	(645,738)	(248,370)
Equity dividends paid		(45,000)	-
		<u>218,369</u>	<u>(714,192)</u>
Financing	2	53,806	652,951
Increase/(Decrease) in cash in the period		<u>272,175</u>	<u>(61,241)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		272,175	(61,241)
Cash inflow from increase in debt		<u>(159,764)</u>	<u>(609,558)</u>
Change in net debt resulting from cash flows		<u>112,411</u>	<u>(670,799)</u>
Movement in net debt in the period		112,411	(670,799)
Net debt at 1 November		<u>(2,123,908)</u>	<u>(1,453,109)</u>
Net debt at 31 October		<u>(2,011,497)</u>	<u>(2,123,908)</u>

The notes form part of these abbreviated accounts

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2010

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

	2010 £	2009 £
Operating profit	765,727	731,494
Depreciation charges	100,732	36,304
Decrease/(Increase) in stocks	140,555	(1,059,657)
Decrease/(Increase) in debtors	518	(19,212)
Increase in creditors	254,429	84,149
Net cash inflow/(outflow) from operating activities	1,261,961	(226,922)

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

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest paid	(43,126)	(63,522)
Net cash outflow for returns on investments and servicing of finance	(43,126)	(63,522)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(86,250)	-
Purchase of tangible fixed assets	(559,488)	(158,444)
Purchase of investment property	-	(89,926)
Net cash outflow for capital expenditure and financial investment	(645,738)	(248,370)
Financing		
Bank loans received in year	295,972	766,237
Bank loan repayments in year	(97,502)	(140,000)
Inter-company loan granted in year	(69,468)	(57,638)
Stocking loans repayments in year	(38,706)	(16,679)
Amount withdrawn by directors	(36,490)	101,031
Net cash inflow from financing	53,806	652,951

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2010

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/11/09 £	Cash flow £	At 31/10/10 £
Net cash			
Cash at bank and in hand	332,717	230,220	562,937
Bank overdraft	(379,077)	41,955	(337,122)
	<u>(46,360)</u>	<u>272,175</u>	<u>225,815</u>
Debt			
Debts falling due within one year	(895,741)	(4,033)	(899,774)
Debts falling due after one year	<u>(1,181,807)</u>	<u>(155,731)</u>	<u>(1,337,538)</u>
	<u>(2,077,548)</u>	<u>(159,764)</u>	<u>(2,237,312)</u>
Total	<u><u>(2,123,908)</u></u>	<u><u>112,411</u></u>	<u><u>(2,011,497)</u></u>

The notes form part of these abbreviated accounts

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2010

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 and services, excluding value added tax

Turnover consists of the following goods and services - car sales (excluding commissions received), car repairs and maintenance, petrol filling station and storage unit rentals

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of five years

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
Motor vehicles	- 25% 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

	2010	2009
	£	£
Wages and salaries	746,630	428,376
Social security costs	61,608	42,277
	<u>808,238</u>	<u>470,653</u>

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

	2010	2009
Operational	<u>50</u>	<u>25</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

3 OPERATING PROFIT

The operating profit is stated after charging

	2010	2009
	£	£
Depreciation - owned assets	83,482	36,304
Goodwill amortisation	17,250	-
Auditors' remuneration	4,000	4,000
	<u> </u>	<u> </u>
Directors' remuneration	-	-
	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Bank interest	7,697	35,657
Bank loan interest	35,429	27,865
	<u> </u>	<u> </u>
	43,126	63,522
	<u> </u>	<u> </u>

5 TAXATION

Analysis of the tax charge

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

	2010	2009
	£	£
Current tax		
UK corporation tax	188,347	181,962
Underprovision in prior year	27,766	337
	<u> </u>	<u> </u>
Total current tax	216,113	182,299
Deferred tax	32,587	(2,746)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	248,700	179,553
	<u> </u>	<u> </u>

Factors affecting the tax charge

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

	2010	2009
	£	£
Profit on ordinary activities before tax	722,601	667,972
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	202,328	187,032
Effects of		
Capital allowances in excess of depreciation	(15,213)	(5,070)
Under provision of corporation tax in prior year	27,766	337
Expense add back	1,232	-
	<u> </u>	<u> </u>
Current tax charge	216,113	182,299
	<u> </u>	<u> </u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

5 TAXATION - continued

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value where potentially taxable gains may be rolled over into replacement assets. Such tax would become payable only if replacement assets were not purchased to enable the gains to be rolled over. The total amount unprovided for is approximately £43,000. At present it is not envisaged that any tax will become payable in the foreseeable future.

6 DIVIDENDS

	2010 £	2009 £
Ordinary shares of £1 each		
Interim	<u>45,000</u>	<u>-</u>

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	<u>86,250</u>
At 31 October 2010	<u>86,250</u>
AMORTISATION	
Amortisation for year	<u>17,250</u>
At 31 October 2010	<u>17,250</u>
NET BOOK VALUE	
At 31 October 2010	<u>69,000</u>

8 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 November 2009	1,063,668	40,371	169,934
Additions	271,571	5,917	216,858
Reclassification/transfer	270,000	-	-
At 31 October 2010	<u>1,605,239</u>	<u>46,288</u>	<u>386,792</u>
DEPRECIATION			
At 1 November 2009	139,887	9,656	110,493
Charge for year	32,105	5,495	27,630
At 31 October 2010	<u>171,992</u>	<u>15,151</u>	<u>138,123</u>
NET BOOK VALUE			
At 31 October 2010	<u>1,433,247</u>	<u>31,137</u>	<u>248,669</u>
At 31 October 2009	<u>923,781</u>	<u>30,715</u>	<u>59,441</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

8 TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 November 2009	-	27,804	1,301,777
Additions	22,933	42,209	559,488
Reclassification/transfer	-	-	270,000
At 31 October 2010	22,933	70,013	2,131,265
DEPRECIATION			
At 1 November 2009	-	19,935	279,971
Charge for year	5,733	12,519	83,482
At 31 October 2010	5,733	32,454	363,453
NET BOOK VALUE			
At 31 October 2010	17,200	37,559	1,767,812
At 31 October 2009	-	7,869	1,021,806

9 INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 November 2009	960,000
Reclassification/transfer	(270,000)
At 31 October 2010	690,000
DEPRECIATION	
At 1 November 2009 and 31 October 2010	42,273
NET BOOK VALUE	
At 31 October 2010	647,727
At 31 October 2009	917,727

Cost or valuation at 31 October 2010 is represented by

	£
Valuation in 2009	154,292
Cost	535,708
	690,000

Investment property was valued on an open market basis on 31 October 2010 by Mr R L Bhardwaj (director)

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

10 STOCKS

	2010	2009
	£	£
Car stocks	2,669,326	2,852,699
Petrol filling station stock	42,818	-
	<u>2,712,144</u>	<u>2,852,699</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade debtors	17,897	25,000
Other debtors	38,711	32,126
Inter-company loans	466,075	390,014
	<u>522,683</u>	<u>447,140</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Bank loans and overdrafts (see note 14)	423,870	423,086
Other loans (see note 14)	813,026	851,732
Trade creditors	391,936	53,104
Tax	88,347	181,962
Social security and other taxes	17,439	20,516
VAT	47,564	101,769
Other creditors	37,938	69,612
Inter-company loans	6,593	-
Directors' current accounts	82,309	118,799
Accrued expenses	37,900	33,347
	<u>1,946,922</u>	<u>1,853,927</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010	2009
	£	£
Bank loans (see note 14)	<u>1,337,538</u>	<u>1,181,807</u>

14 LOANS

An analysis of the maturity of loans is given below

	2010	2009
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	337,122	379,077
Bank loans	86,748	44,009
Stocking loan	813,026	851,732
	<u>1,236,896</u>	<u>1,274,818</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

14 LOANS - continued

	2010 £	2009 £
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>15,350</u>	<u>97,502</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>406,049</u>	<u>408,779</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>916,139</u>	<u>675,526</u>

15 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2010 £	2009 £
		Land and buildings
Expiring		
Between one and five years	<u>100,000</u>	<u>-</u>

CANEI INTERNATIONAL LTD (REGISTERED NUMBER: 02576310)

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

16 SECURED DEBTS

The following secured debts are included within creditors

	2010	2009
	£	£
Bank overdrafts	337,122	379,077
Bank loans	1,424,286	1,225,816
	<u>1,761,408</u>	<u>1,604,893</u>

The bank overdrafts and bank loans totalling £1,761,408 are secured and supported by the following assets -

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 17 July 1996 over the freehold land and buildings on the junction of Derby Road and Burnt Hill, Heanor, Derbyshire

A first legal mortgage debenture dated 4 January 2008 over the freehold land and buildings at Queens Road, Beeston, Nottingham

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

A first legal mortgage debenture dated 25 June 2010 over the freehold land and buildings at Pottery Service Station, Nottingham Road, Belper, Derbyshire

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

17 PROVISIONS FOR LIABILITIES

	2010	2009
	£	£
Deferred tax	<u>44,775</u>	<u>12,188</u>
		Deferred tax
		£
Balance at 1 November 2009		12,188
Charged in year		<u>32,587</u>
Balance at 31 October 2010		<u>44,775</u>

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

19 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 November 2009	2,368,875	154,292	2,523,167
Profit for the year	473,901		473,901
Dividends	(45,000)		(45,000)
At 31 October 2010	<u>2,797,776</u>	<u>154,292</u>	<u>2,952,068</u>

20 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 17 July 1996 over the freehold land and buildings on the junction of Derby Road and Burnt Hill, Heanor, Derbyshire

A first legal mortgage debenture dated 4 January 2008 over the freehold land and buildings at Queens Road, Beeston, Nottingham

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

A first legal mortgage debenture dated 25 June 2010 over the freehold land and buildings at Pottery Service Station, Nottingham Road, Belper, Derbyshire

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

Related companies have given guarantees as a normal part of their business and operating activities. Canei International Limited has provided guarantees in respect of the liabilities of related companies in support of their business activities.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

21 RELATED PARTY DISCLOSURES

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

The company has loans owing from N,S Kambr Limited and 4Brothers Properties Limited, in which Mr R L Bhardwaj and Mr B K Bhardwaj have controlling interest The outstanding balances respectively at 31 October 2010 amounted to £6,593 and £175,050 (2009 - owing from N S Kambr Limited - £272,076 and £NIL)

The company has a loan owing from Kam Servicing Limited, in which Mr K K Bhardwaj has a controlling interest The amount owed at the year end amounted to £255,325 (2009 - £117,938)

The company has a loan owing from Kam Servicing (Sawley) Limited, a business carried on by Mr S D Bhardwaj Mr S D Bhardwaj is the brother of Mr R L Bhardwaj, Mr B K Bhardwaj and Mr K K Bhardwaj The amount owed at the year end amounted to £35,700 (2009 - £NIL) Also, the company has a loan owing to Mr S D Bhardwaj The amount owed at the year end amounted to £21,750 (2009 - £21,750)

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

The company leases a premises from 4Brothers Properties Limited, in which Mr R L Bhardwaj and Mr B K Bhardwaj have controlling interest Rent at the rate of £100,000 per annum is charged and the property has permitted use as a car showroom, the term of the lease is 5 years (commencing on 1st October 2010 and ceasing on 2nd October 2015)

22 ULTIMATE CONTROLLING PARTY

The company is controlled by Mr R L Bhardwaj, Mr B K Bhardwaj and their respective wives who own 100% of the called up share capital

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	473,901	488,419
Dividends	(45,000)	-
	428,901	488,419
Other recognised gains and losses relating to the year (net)	-	154,292
	428,901	642,711
Net addition to shareholders' funds	2,524,167	1,881,456
Opening shareholders' funds	2,953,068	2,524,167
Closing shareholders' funds	2,953,068	2,524,167