

REGISTERED NUMBER 02576310 (England and Wales)

Companies House

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2011
FOR
CANEI INTERNATIONAL LTD

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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 OCTOBER 2011

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CANEI INTERNATIONAL LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2011

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 Greenhalgh
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 2011

The directors present their report with the accounts of the company for the year ended 31 October 2011

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 by focusing on margin sales rather than volume, and the focus of the company activities remains on maintaining improved margins whilst aiming to increase turnover

The directors are satisfied 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 focus on higher margin products, including diversification into other car related products

PRINCIPLE RISKS AND UNCERTAINTIES

The directors consider that the principal risk to the business is interest rate rises, and this has been mitigated by hedging the majority of loans outstanding, resulting in an effective fixed interest rate on these loans. 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, the prestige car showroom and the Phantom Automotive Styling product for Range Rover vehicles, 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

22500	- 31 December 2010
<u>22500</u>	

The directors recommend that no final dividend be paid

The total distribution of dividends for the year ended 31 October 2011 will be £22,500

FUTURE DEVELOPMENTS

The company is aiming to increase sales whilst maintaining higher margins achieved, with internet sales and diversification into specialist areas being a major factor in the growth process

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2010 to the date of this report

R L Bhardwaj
B K Bhardwaj
K K Bhardwaj

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2011

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.

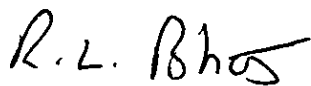
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

On 21 November 2011, HSKS Limited merged its business with Greenhalgh Business Services Limited and therefore resigned as auditors. On 22 November 2011, HSKS Greenhalgh Limited, trading as 'HSKS Greenhalgh', commenced trading and were appointed in their place.

ON BEHALF OF THE BOARD:



R L Bhardwaj - Director

11 June 2012

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 twenty, together with the full financial statements of Canei International Ltd for the year ended 31 October 2011 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

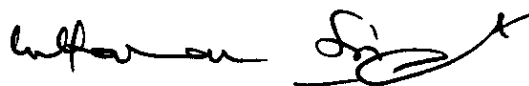
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Other information

On 13 June 2012 we reported as auditors to the shareholders of the company on the full financial statements for the year ended 31 October 2011 prepared under Section 396 of the Companies Act 2006, and our report included the following extract:

Other Matter

The financial statements of Canei International Limited for the year ended 31 October 2010, were audited by another auditor who expressed an unmodified opinion on those statements on 25 February 2011.



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

Date

13.06.12

CANEI INTERNATIONAL LTD (REGISTERED NUMBER: 02576310)

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2011

	Notes	2011 £	2010 £
TURNOVER		12,048,485	15,011,858
Cost of sales and other operating income		(10,007,920)	(12,762,533)
		2,040,565	2,249,325
Administrative expenses		1,637,528	1,483,597
OPERATING PROFIT	3	403,037	765,728
Interest payable and similar charges	4	48,783	43,126
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		354,254	722,602
Tax on profit on ordinary activities	5	28,914	248,700
PROFIT FOR THE FINANCIAL YEAR		325,340	473,902

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 2011

	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR	325,340	473,902
Property revaluations	(35,973)	-
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>289,367</u>	<u>473,902</u>

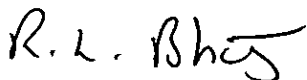
The notes form part of these abbreviated accounts

ABBREVIATED BALANCE SHEET
31 OCTOBER 2011

	Notes	2011 £	£	2010 £	£
FIXED ASSETS					
Intangible assets	7		20,430		69,000
Tangible assets	8		1,874,331		1,767,812
Investment property	9		698,167		647,727
			<u>2,592,928</u>		<u>2,484,539</u>
CURRENT ASSETS					
Stocks	10	2,371,012		2,712,144	
Debtors	11	774,731		522,683	
Cash at bank and in hand		628,831		562,937	
		<u>3,774,574</u>		<u>3,797,764</u>	
CREDITORS					
Amounts falling due within one year	12	1,846,003		1,946,921	
NET CURRENT ASSETS			<u>1,928,571</u>		<u>1,850,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,521,499</u>		<u>4,335,382</u>
CREDITORS					
Amounts falling due after more than one year	13		(1,226,450)		(1,337,538)
PROVISIONS FOR LIABILITIES	17		<u>(32,840)</u>		<u>(44,775)</u>
NET ASSETS			<u><u>3,262,209</u></u>		<u><u>2,953,069</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		1,000		1,000
Revaluation reserve	19		118,319		154,292
Profit and loss account	19		3,142,890		2,797,777
SHAREHOLDERS' FUNDS	23		<u><u>3,262,209</u></u>		<u><u>2,953,069</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 11 June 2012 and were signed on its behalf by


R L Bhardwaj - Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	1	471,622	1,261,961
Returns on investments and servicing of finance	2	(48,783)	(43,126)
Taxation		(180,000)	(309,728)
Capital expenditure and financial investment	2	(199,288)	(645,738)
Equity dividends paid		(22,500)	(45,000)
		21,051	218,369
Financing	2	55,531	53,806
Increase in cash in the period		76,582	272,175
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		76,582	272,175
Cash inflow from increase in debt and lease financing		(120,533)	(159,764)
Change in net debt resulting from cash flows		(43,951)	112,411
Movement in net debt in the period		(43,951)	112,411
Net debt at 1 November		(2,011,497)	(2,123,908)
Net debt at 31 October		(2,055,448)	(2,011,497)

The notes form part of these abbreviated accounts

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	403,037	765,728
Depreciation charges	105,436	100,732
Profit on disposal of fixed assets	(8,240)	-
Decrease in stocks	341,132	140,555
(Increase)/decrease in debtors	(201,244)	518
(Decrease)/increase in creditors	(168,499)	254,428
Net cash inflow from operating activities	471,622	1,261,961

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest paid	(48,783)	(43,126)
Net cash outflow for returns on investments and servicing of finance	(48,783)	(43,126)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(86,250)
Purchase of tangible fixed assets	(205,148)	(559,488)
Purchase of investment property	(44,140)	-
Sale of intangible fixed assets	50,000	-
Net cash outflow for capital expenditure and financial investment	(199,288)	(645,738)
Financing		
Bank loans received in year	-	295,972
Bank loan repayments in year	(120,605)	(97,502)
Inter-company loan granted in year	-	(69,468)
Stocking loans change in year	184,974	(38,706)
Hire purchase capital repayments in year	(1,937)	-
Amount withdrawn by directors	(65,002)	(36,490)
New hire purchase finance in year	58,101	-
Net cash inflow from financing	55,531	53,806

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2011

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/11/10 £	Cash flow £	At 31/10/11 £
Net cash			
Cash at bank and in hand	562,937	65,894	628,831
Bank overdraft	(337,122)	10,688	(326,434)
	<u>225,815</u>	<u>76,582</u>	<u>302,397</u>
Debt			
Hire purchase	-	(56,164)	(56,164)
Debts falling due within one year	(899,774)	(220,001)	(1,119,775)
Debts falling due after one year	(1,337,538)	155,632	(1,181,906)
	<u>(2,237,312)</u>	<u>(120,533)</u>	<u>(2,357,845)</u>
Total	<u>(2,011,497)</u>	<u>(43,951)</u>	<u>(2,055,448)</u>

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2011

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 or, if held under a finance lease, over the lease term, whichever is the shorter

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	793,495	746,630
Social security costs	76,491	61,608
	<u>869,986</u>	<u>808,238</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

2 STAFF COSTS - continued

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

	2011	2010
Operational	<u>50</u>	<u>50</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation - owned assets	89,914	83,482
Depreciation - assets on hire purchase contracts	8,715	-
Profit on disposal of fixed assets	(8,240)	-
Goodwill amortisation	6,810	17,250
Auditors' remuneration	<u>4,000</u>	<u>4,000</u>
Directors' remuneration	<u>-</u>	<u>-</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest	11,698	7,697
Bank loan interest	<u>37,085</u>	<u>35,429</u>
	<u>48,783</u>	<u>43,126</u>

5 TAXATION

Analysis of the tax charge

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

	2011 £	2010 £
Current tax		
UK corporation tax	73,946	188,347
(Over)/under provision in prior years	<u>(33,097)</u>	<u>27,766</u>
Total current tax	40,849	216,113
Deferred tax	<u>(11,935)</u>	<u>32,587</u>
Tax on profit on ordinary activities	<u>28,914</u>	<u>248,700</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

5 TAXATION - continued

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>354,254</u>	<u>722,602</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	92,106	202,329
Effects of Capital allowances in excess of depreciation	(17,410)	(15,213)
(Over)/under provision of corporation tax in prior year	(33,097)	27,765
Expense add back	260	1,232
Effective reduction of main rate	2,385	-
Marginal relief	<u>(3,395)</u>	<u>-</u>
Current tax charge	<u>40,849</u>	<u>216,113</u>

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 £31,000. At present it is not envisaged that any tax will become payable in the foreseeable future.

6 DIVIDENDS

	2011 £	2010 £
Ordinary shares of £1 each Interim	<u>22,500</u>	<u>45,000</u>

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 November 2010	86,250
Disposals	<u>(52,200)</u>
At 31 October 2011	<u>34,050</u>
AMORTISATION	
At 1 November 2010	17,250
Amortisation for year	6,810
Eliminated on disposal	<u>(10,440)</u>
At 31 October 2011	<u>13,620</u>
NET BOOK VALUE	
At 31 October 2011	<u>20,430</u>
At 31 October 2010	<u>69,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

8 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 November 2010	1,605,239	46,288	386,792
Additions	45,890	84,160	60,121
At 31 October 2011	1,651,129	130,448	446,913
DEPRECIATION			
At 1 November 2010	171,992	15,151	138,123
Charge for year	33,023	17,295	30,879
At 31 October 2011	205,015	32,446	169,002
NET BOOK VALUE			
At 31 October 2011	1,446,114	98,002	277,911
At 31 October 2010	1,433,247	31,137	248,669
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 November 2010	22,933	70,013	2,131,265
Additions	9,650	5,327	205,148
At 31 October 2011	32,583	75,340	2,336,413
DEPRECIATION			
At 1 November 2010	5,733	32,454	363,453
Charge for year	6,713	10,719	98,629
At 31 October 2011	12,446	43,173	462,082
NET BOOK VALUE			
At 31 October 2011	20,137	32,167	1,874,331
At 31 October 2010	17,200	37,559	1,767,812

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

8 TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
COST	
Additions	58,101
At 31 October 2011	58,101
DEPRECIATION	
Charge for year	8,715
At 31 October 2011	8,715
NET BOOK VALUE	
At 31 October 2011	49,386

9 INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 November 2010	690,000
Additions	44,140
Revaluations	(35,973)
At 31 October 2011	698,167
DEPRECIATION	
At 1 November 2010	42,273
Charge written back	(42,273)
At 31 October 2011	-
NET BOOK VALUE	
At 31 October 2011	698,167
At 31 October 2010	647,727

Cost or valuation at 31 October 2011 is represented by

	£
Valuation in 2011	(35,973)
Valuation in 2009	154,292
Cost	579,848
	698,167

Investment property was valued on an open market basis on 31 October 2011 by Mr R L Bhardwaj (director)

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

10 STOCKS

	2011	2010
	£	£
Car stocks	2,371,012	2,669,326
Petrol filling station stock	-	42,818
	<u>2,371,012</u>	<u>2,712,144</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	-	17,897
Other debtors	68,126	38,711
Inter-company loans	655,801	466,075
Tax	50,804	-
	<u>774,731</u>	<u>522,683</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 14)	448,210	423,870
Other loans (see note 14)	997,999	813,026
Hire purchase contracts (see note 15)	11,620	-
Trade creditors	252,975	391,935
Tax	-	88,347
Social security and other taxes	25,449	17,439
VAT	10,859	47,564
Other creditors	58,994	37,938
Inter-company loans	-	6,593
Directors' current accounts	17,307	82,309
Accrued expenses	22,590	37,900
	<u>1,846,003</u>	<u>1,946,921</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Bank loans (see note 14)	1,181,906	1,337,538
Hire purchase contracts (see note 15)	44,544	-
	<u>1,226,450</u>	<u>1,337,538</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

14 LOANS

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due within one year or on demand		
Bank overdrafts	326,434	337,122
Bank loans	121,776	86,748
Stocking loan	997,999	813,026
	<u>1,446,209</u>	<u>1,236,896</u>
 Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>465,848</u>	<u>15,350</u>
 Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>265,547</u>	<u>406,049</u>
 Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>450,511</u>	<u>916,139</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2011 £	2010 £
Net obligations repayable		
Within one year	11,620	-
Between one and five years	<u>44,544</u>	<u>-</u>
	<u>56,164</u>	<u>-</u>

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

	2011 £	2010 £
Expiring		
Between one and five years	<u>100,000</u>	<u>100,000</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

16 SECURED DEBTS

The following secured debts are included within creditors

	2011	2010
	£	£
Bank overdrafts	326,434	337,122
Bank loans	1,303,682	1,424,286
Hire purchase contracts	56,164	-
Stocking loan	997,999	813,026
	<u>2,684,279</u>	<u>2,574,434</u>

The bank overdrafts, bank loans, stocking loans and hire purchase contract totalling £2,684,279 are secured and supported by the following assets -

Unscheduled mortgage debentures dated 17 July 1996 and 14 July 2011 incorporating fixed and floating charges over all current and future assets of the company Regarding bank overdrafts, bank loans and stocking loans respectively

A first legal mortgage debenture dated 17 July 1996 over the freehold land and buildings on the junction of Derby Road and Burnt House Road, 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

Hire purchase liabilities are secured on the asset financed

17 PROVISIONS FOR LIABILITIES

	2011	2010
	£	£
Deferred tax	<u>32,840</u>	<u>44,775</u>
		Deferred tax
		£
Balance at 1 November 2010		44,775
Charged in year		<u>(11,935)</u>
Balance at 31 October 2011		<u>32,840</u>

CANEI INTERNATIONAL LTD (REGISTERED NUMBER: 02576310)

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2011 £ <u>1,000</u>	2010 £ <u>1,000</u>
1,000	Ordinary			

19 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 November 2010	2,797,777	154,292	2,952,069
Profit for the year	325,340		325,340
Dividends	(22,500)		(22,500)
Investment property revaluations	-	(35,973)	(35,973)
Investment property depreciation written back	42,273	-	42,273
At 31 October 2011	<u>3,142,890</u>	<u>118,319</u>	<u>3,261,209</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 House Road, 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.

CANEI INTERNATIONAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2011

21 RELATED PARTY DISCLOSURES

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 2011 amounted to £24,407 and £254,637 (2010 - owing from N S Kambr Limited - £6,593 and £175,050)

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 £311,058 (2010 - £255,325)

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 £65,700 (2010 - £35,700). Also, the company has a loan owing to Mr S D Bhardwaj. The amount owed at the year end amounted to £21,750 (2010 - £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)

A division of the company known as Kam Bulwell and trading under the style of 'ATS Bulwell' also leased premises from 4Brothers Properties Limited, in which Mr R L Bhardwaj and Mr B K Bhardwaj have a controlling interest. Total rent paid in the year amounted to £6,157 (2010 - Nil)

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

	2011 £	2010 £
Profit for the financial year	325,340	473,902
Dividends	(22,500)	(45,000)
	302,840	428,902
Other recognised gains and losses relating to the year (net)	(35,973)	-
Depreciation charge written back	42,273	-
	309,140	428,902
Net addition to shareholders' funds	309,140	428,902
Opening shareholders' funds	2,953,069	2,524,167
	3,262,209	2,953,069
Closing shareholders' funds	3,262,209	2,953,069