

REGISTERED NUMBER: 02576310 (England and Wales)

Companies House

Abbreviated Accounts
for the Year Ended 31 October 2013
for
Canei International Limited



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for the Year Ended 31 October 2013**

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Canei International Limited
Company Information
for the Year Ended 31 October 2013

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 Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

**Strategic Report
for the Year Ended 31 October 2013**

The directors present their strategic report for the year ended 31 October 2013.

REVIEW OF BUSINESS

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

The company has continued to deliver both revenue and profit growth whilst maintaining a strong balance sheet, with both cash and borrowing facilities being available for investment in opportunities.

The directors are satisfied with the trading performance during the year, which delivered strong revenues and profits in a challenging economic environment. The strategy that was put in place some years ago and the dedication of employees are now delivering results.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risks are considered low because of strong profitability, cash generative base, and because the company are able to insure against material financial risks.

Liquidity risk is mitigated due to the company's strong cash flows and good earnings visibility ensures that its margins are sufficient to exceed operating costs. Current borrowing levels and financial covenants can be supported comfortably. Facilities are in place until 2017.

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 strengthen and this should continue with the diversity into further trading activities within the company, with expansion of the ESP Cars trade centre, the prestige cars showroom and the Fantom Automotive Styling range launching the new Gen-2 Fantom product which is proving popular, these aspects continue to attract new customers to the brand.

The company continues to offer a quality, customer driven service across the whole business, helping to retain existing customers and attracting new ones.

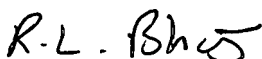
ANALYSIS USING FINANCIAL KEY PERFORMANCE INDICATORS

The financial key performance indicators are revenue from products and services, earnings before interest, tax, depreciation and amortisation, operating profit, profit before tax and operating cash flow.

Revenues from products and services increased by 18.21% to £15.79m and operating profits increased by 50.37% to £1.01m. Profit before tax increased by 53.70% to £973k.

The rise of 1.28% gross profit percentage is by and large due to the sales mix, with the focus being on higher margin products.

ON BEHALF OF THE BOARD:



R L Bhardwaj - Director

22 July 2014

**Report of the Directors
for the Year Ended 31 October 2013**

The directors present their report with the accounts of the company for the year ended 31 October 2013.

DIVIDENDS

An interim dividend of £67.50 per share was paid on 31 January 2013. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 October 2013 will be £67,500.

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 2012 to the date of this report.

R L Bhardwaj
B K Bhardwaj
K K Bhardwaj

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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:

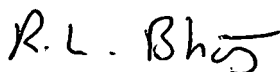
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

ON BEHALF OF THE BOARD:



R L Bhardwaj - Director

22 July 2014

**Report of the Independent Auditors to
Canei International Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages five to twenty one, together with the full financial statements of Canei International Limited for the year ended 31 October 2013 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 Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

Date: 22.07.14

Canei International Limited (Registered number: 02576310)

**Abbreviated Profit and Loss Account
for the Year Ended 31 October 2013**

	Notes	2013 £	2012 £
TURNOVER		15,798,287	13,364,856
Cost of sales and other operating income		(12,690,297)	(10,889,935)
		3,107,990	2,474,921
Administrative expenses		2,095,030	1,801,266
OPERATING PROFIT	3	1,012,960	673,655
Interest payable and similar charges	4	39,757	40,474
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		973,203	633,181
Tax on profit on ordinary activities	5	239,429	155,294
PROFIT FOR THE FINANCIAL YEAR		733,774	477,887

CONTINUING OPERATIONS

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

Canei International Limited (Registered number: 02576310)

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 October 2013**

	2013	2012
	£	£
PROFIT FOR THE FINANCIAL YEAR	733,774	477,887
Property revaluations	-	326,028
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	733,774	803,915

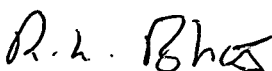
The notes form part of these abbreviated accounts

Abbreviated Balance Sheet
31 October 2013

	Notes	2013		2012	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		45,143		61,953
Tangible assets	8		1,442,955		1,501,599
Investment property	9		1,420,000		1,420,000
			<u>2,908,098</u>		<u>2,983,552</u>
CURRENT ASSETS					
Stocks	10	3,240,297		2,528,845	
Debtors: amounts falling due within one year	11	220,640		502,202	
Debtors: amounts falling due after more than one year	11	1,024,104		297,867	
Cash at bank and in hand		642,689		866,835	
		<u>5,127,730</u>		<u>4,195,749</u>	
CREDITORS					
Amounts falling due within one year	12	2,337,439		2,593,518	
NET CURRENT ASSETS			<u>2,790,291</u>		<u>1,602,231</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,698,389</u>		<u>4,585,783</u>
CREDITORS					
Amounts falling due after more than one year	13		(989,169)		(553,222)
PROVISIONS FOR LIABILITIES	17		(49,822)		(39,437)
NET ASSETS			<u><u>4,659,398</u></u>		<u><u>3,993,124</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		1,000		1,000
Revaluation reserve	19		444,347		444,347
Profit and loss account	19		4,214,051		3,547,777
SHAREHOLDERS' FUNDS	24		<u><u>4,659,398</u></u>		<u><u>3,993,124</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 22 July 2014 and were signed on its behalf by:


R L Bhardwaj - Director

**Cash Flow Statement
for the Year Ended 31 October 2013**

		2013		2012	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		22,771		709,116
Returns on investments and servicing of finance	2		(39,757)		(40,474)
Taxation			(228,697)		50,804
Capital expenditure	2		(50,776)		(139,542)
Equity dividends paid			(67,500)		(73,000)
			(363,959)		506,904
Financing	2		513,990		(316,643)
Increase in cash in the period			150,031		190,261
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		150,031		190,261	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(310,022)		338,753	
Change in net debt resulting from cash flows			(159,991)		529,014
Movement in net debt in the period			(159,991)		529,014
Net debt at 1 November			(1,526,434)		(2,055,448)
Net debt at 31 October			(1,686,425)		(1,526,434)

Notes to the Cash Flow Statement
for the Year Ended 31 October 2013

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

	2013 £	2012 £
Operating profit	1,012,960	673,655
Depreciation charges	126,230	100,296
Profit on disposal of fixed assets	-	(25,350)
Increase in stocks	(711,452)	(157,833)
Increase in debtors	(444,675)	(76,142)
Increase in creditors	39,708	194,490
Net cash inflow from operating activities	22,771	709,116

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest paid	(35,886)	(38,743)
Interest element of hire purchase payments	(3,871)	(1,731)
Net cash outflow for returns on investments and servicing of finance	(39,757)	(40,474)
Capital expenditure		
Purchase of intangible fixed assets	-	(50,000)
Purchase of tangible fixed assets	(50,776)	(292,133)
Sale of tangible fixed assets	-	202,591
Net cash outflow for capital expenditure	(50,776)	(139,542)
Financing		
Bank loans received in year	1,044,000	-
Bank loan repayments in year	(1,018,807)	(317,375)
Stocking loans change in year	257,823	(9,758)
Hire purchase capital repayments in year	(24,776)	(11,620)
Amount introduced by directors	203,968	22,110
New hire purchase finance in year	51,782	-
Net cash inflow/(outflow) from financing	513,990	(316,643)

Notes to the Cash Flow Statement
for the Year Ended 31 October 2013

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/11/12 £	Cash flow £	At 31/10/13 £
Net cash:			
Cash at bank and in hand	866,835	(224,146)	642,689
Bank overdraft	(374,177)	374,177	-
	<u>492,658</u>	<u>150,031</u>	<u>642,689</u>
Debt:			
Hire purchase	(44,544)	(27,006)	(71,550)
Debts falling due within one year	(1,454,250)	143,186	(1,311,064)
Debts falling due after one year	(520,298)	(426,202)	(946,500)
	<u>(2,019,092)</u>	<u>(310,022)</u>	<u>(2,329,114)</u>
Total	<u>(1,526,434)</u>	<u>(159,991)</u>	<u>(1,686,425)</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 October 2013**

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 and storage unit rentals.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses in 2010 and 2012, 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
Short leasehold	- at varying rates 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.

No provision is made for depreciation of investment properties. This departure from the requirements of the Companies Act 2006 which require all properties to be depreciated is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards.

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 material 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.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013

2. **STAFF COSTS**

	2013 £	2012 £
Wages and salaries	978,605	895,817
Social security costs	84,313	89,285
	<u>1,062,918</u>	<u>985,102</u>

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

	2013	2012
Operational	<u>47</u>	<u>42</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation - owned assets	94,054	91,412
Depreciation - assets on hire purchase contracts	15,366	7,407
Profit on disposal of fixed assets	-	(25,350)
Goodwill amortisation	16,810	8,477
Auditors' remuneration	4,000	4,000
Operating lease rentals	<u>116,200</u>	<u>102,700</u>
Directors' remuneration	<u>-</u>	<u>-</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2013 £	2012 £
Bank interest	8,143	6,058
Bank loan interest	27,743	32,685
Hire purchase	<u>3,871</u>	<u>1,731</u>
	<u>39,757</u>	<u>40,474</u>

5. **TAXATION**

Analysis of the tax charge

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

	2013 £	2012 £
Current tax:		
UK corporation tax	229,044	148,697
Deferred tax	<u>10,385</u>	<u>6,597</u>
Tax on profit on ordinary activities	<u>239,429</u>	<u>155,294</u>

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013**

5. TAXATION - continued**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:

	2013	2012
	£	£
Profit on ordinary activities before tax	973,203	633,181
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.410% (2012 - 24.830%)	227,827	157,219
Effects of:		
Expenses not deductible for tax purposes	575	2,030
Depreciation in excess of capital allowances rate	642	(9,958)
Profit on disposal	-	(6,294)
Chargeable gain	-	5,700
Current tax charge	229,044	148,697

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. Such tax would become payable only if the assets were disposed of. The total amount unprovided for is approximately £85,000. At present it is not envisaged that any tax will become payable in the foreseeable future.

6. DIVIDENDS

	2013	2012
	£	£
Ordinary shares of £1 each		
Interim	67,500	73,000

7. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 November 2012 and 31 October 2013	84,050
AMORTISATION	
At 1 November 2012	22,097
Amortisation for year	16,810
At 31 October 2013	38,907
NET BOOK VALUE	
At 31 October 2013	45,143
At 31 October 2012	61,953

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013

8. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 November 2012	1,014,638	25,571	247,330
Additions	-	8,379	27,833
At 31 October 2013	1,014,638	33,950	275,163
DEPRECIATION			
At 1 November 2012	78,820	4,262	53,045
Charge for year	20,293	7,907	33,319
At 31 October 2013	99,113	12,169	86,364
NET BOOK VALUE			
At 31 October 2013	915,525	21,781	188,799
At 31 October 2012	935,818	21,309	194,285

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 November 2012	481,590	63,701	79,066	1,911,896
Additions	5,235	8,365	964	50,776
At 31 October 2013	486,825	72,066	80,030	1,962,672
DEPRECIATION				
At 1 November 2012	197,709	24,568	51,893	410,297
Charge for year	29,441	11,426	7,034	109,420
At 31 October 2013	227,150	35,994	58,927	519,717
NET BOOK VALUE				
At 31 October 2013	259,675	36,072	21,103	1,442,955
At 31 October 2012	283,881	39,133	27,173	1,501,599

In April 2013 the company freehold property was professionally valued by Musson Liggins, Chartered Surveyors. The market value of the freehold property owned by the company at the year end amounted to £1,150,000, however it is the policy of the company not to revalue freehold property, only investment property.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013

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	
At 1 November 2012	58,101
Additions	15,000
Reclassification/transfer	46,626
At 31 October 2013	119,727
DEPRECIATION	
At 1 November 2012	16,122
Charge for year	15,366
Reclassification/transfer	1,161
At 31 October 2013	32,649
NET BOOK VALUE	
At 31 October 2013	87,078
At 31 October 2012	41,979

9. **INVESTMENT PROPERTY**

	Total £
COST OR VALUATION	
At 1 November 2012 and 31 October 2013	1,420,000
NET BOOK VALUE	
At 31 October 2013	1,420,000
At 31 October 2012	1,420,000

Cost or valuation at 31 October 2013 is represented by:

	£
Valuation in 2012	183,833
Valuation in 2011	(35,973)
Valuation in 2009	154,292
Cost	1,117,848
	1,420,000

Investment and Freehold property was valued on an market value basis, between January and April 2013, by Musson Liggins. This revaluation was reflected in the financial statements for the year ended 31 October 2012. R L Bhardwaj still considers this valuation to be applicable at 31 October 2013.

10. **STOCKS**

	2013 £	2012 £
Car stocks	3,240,297	2,528,845

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013

11. DEBTORS

	2013 £	2012 £
Amounts falling due within one year:		
Trade debtors	17,897	11,465
Other debtors	40,000	64,992
Inter-company loans	126,757	376,758
Prepayments	35,986	48,987
	<u>220,640</u>	<u>502,202</u>
Amounts falling due after more than one year:		
Inter-company loans	<u>1,024,104</u>	<u>297,867</u>
Aggregate amounts	<u>1,244,744</u>	<u>800,069</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank loans and overdrafts (see note 14)	65,000	840,186
Other loans (see note 14)	1,246,064	988,241
Hire purchase contracts (see note 15)	28,881	11,620
Trade creditors	311,956	389,382
Tax	149,044	148,697
Social security and other taxes	23,747	30,323
Wages	-	1,168
VAT	121,664	63,981
Other creditors	117,979	42,542
Directors' current accounts	243,385	39,417
Accrued expenses	29,719	37,961
	<u>2,337,439</u>	<u>2,593,518</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Bank loans (see note 14)	946,500	520,298
Hire purchase contracts (see note 15)	42,669	32,924
	<u>989,169</u>	<u>553,222</u>

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013**

14. LOANS

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	374,177
Bank loans	65,000	466,009
Stocking loan	1,246,064	988,241
	<u>1,311,064</u>	<u>1,828,427</u>
 Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>65,000</u>	<u>92,055</u>
 Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>881,500</u>	<u>247,028</u>
 Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>181,215</u>

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2013	2012
	£	£
Net obligations repayable:		
Within one year	28,881	11,620
Between one and five years	42,669	32,924
	<u>71,550</u>	<u>44,544</u>

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

	Land and buildings	
	2013	2012
	£	£
Expiring:		
Between one and five years	<u>116,200</u>	<u>116,200</u>

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013**

16. SECURED DEBTS

The following secured debts are included within creditors:

	2013	2012
	£	£
Bank overdraft	-	374,177
Bank loans	1,011,500	986,307
Stocking loan	1,246,064	988,241
Hire purchase contracts	71,550	44,544
	<u>2,329,114</u>	<u>2,393,269</u>

The bank overdrafts, bank loans, stocking loans and hire purchase contracts are secured and supported by the following assets:-

Unscheduled mortgage debenture dated 30 April 2013 incorporating fixed and floating charges over all current and future assets of the company regarding bank overdrafts, bank loans and stocking loans respectively.

A legal charge dated 30 April 2013 over the freehold land and buildings as follows:

122 Queens Road East, Beeston, Nottingham,
Pottery Filling Station, Nottingham Road, Belper, Derbyshire,
Land between Nottingham Road and Kilbourne Road, Belper, Derbyshire,
Kam Auto's, Tamworth Road, Long Eaton, Nottingham,
Kam Service Centre, 129 Derby Road, Heanor, Derbyshire,

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

Supported guarantee dated 3 May 2013 for £200,000 from R L Bhardwaj, S D Bhardwaj, K K Bhardwaj and B K Bhardwaj.

Hire purchase liabilities are secured on the assets financed.

17. PROVISIONS FOR LIABILITIES

	2013	2012
	£	£
Deferred tax	<u>49,822</u>	<u>39,437</u>
		Deferred tax
		£
Balance at 1 November 2012		39,437
Accelerated capital allowances		<u>10,385</u>
Balance at 31 October 2013		<u><u>49,822</u></u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013	2012
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013

19. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 November 2012	3,547,777	444,347	3,992,124
Profit for the year	733,774		733,774
Dividends	(67,500)		(67,500)
At 31 October 2013	<u>4,214,051</u>	<u>444,347</u>	<u>4,658,398</u>

20. CONTINGENT LIABILITIES

The bank loans and overdraft are secured in part by 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.

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the year end there was a loan owing to R L Bhardwaj, B K Bhardwaj and K K Bhardwaj, who are all directors of the company, amounting to £243,385 (2012 - £39,417). The loan is interest free, unsecured and has no fixed repayment date.

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013**

22. 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 a controlling interest. The outstanding balances respectively at the year end amounted to £271,455 and £310,271 (2012 - £41,370 and £256,497 respectively).

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 £111,058 (2012 - £311,058). During the year the company made sales to and purchased goods from Kam Servicing Limited. At the year end £Nil (2012 - £240) was owed by and £7,232 (2012 - £9,684) was owed to Kam Servicing Limited.

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 £15,700 (2012 - £65,700). During the year the company made sales to and purchased goods from Kam Servicing (Sawley) Limited. At the year end £465 (2012 - £7,273) was owed by and £10,162 (2012 - £2,340) was owed to Kam Servicing (Sawley) Limited.

The company has a loan owing from 4 x 4 Properties Limited, in which Mr R L Bhardwaj, Mr B K Bhardwaj and Mr K K Bhardwaj have a controlling interest. The amount owed at the year end amounted to £442,378 (2012 - £Nil).

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

The company leases 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 1 October 2010.

A division of the company known as Kam Bulwell 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 £40,766 (2012 - £39,997).

During the year Mr R L Bhardwaj, a director and shareholder, became entitled to a dividend of £27,000 on 31 January 2013.

During the year Mr B K Bhardwaj, a director and shareholder, became entitled to a dividend of £27,000 on 31 January 2013.

23. 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.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2013

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	733,774	477,887
Dividends	(67,500)	(73,000)
	666,274	404,887
Other recognised gains and losses relating to the year (net)	-	326,028
Depreciation charge written back		
Net addition to shareholders' funds	666,274	730,915
Opening shareholders' funds	3,993,124	3,262,209
Closing shareholders' funds	4,659,398	3,993,124