

Registered number: 02576310

CANEI INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014

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CANEI INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	R L Bhardwaj B K Bhardwaj K K Bhardwaj
Company secretary	B K Bhardwaj
Registered number	02576310
Registered office	4Brothers House 90-100 Wilsthorpe Road Long Eaton Nottinghamshire NG10 3LE
Independent auditors	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

CANEI INTERNATIONAL LIMITED

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CANEI INTERNATIONAL LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2014

Introduction

The principal activities of the company are that of car sales and servicing and storage rental

Business review

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 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 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 flow, 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 be buoyant and this should continue, with expansion of car sales at an additional geographical location and the recently launched Fantom Automotive Styling range 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.

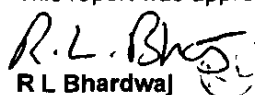
Analysis using financial key performance indicators

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 decreased by 2.4% to £15.4m and operating profits increased by 6.4% to £1.1m. Profit before tax decreased by 0.2% to £971k.

The rise of 0.7% in gross profit percentage is by and large due to the sales mix, with the focus being on higher margin products.

This report was approved by the board and signed on its behalf


R L Bhardwaj
Director

Date 27/07/15

CANEI INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2014

The directors present their report and the financial statements for the year ended 31 October 2014

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report 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 judgments 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.

Results

The profit for the year, after taxation, amounted to £760,144 (2013 £733,774)

Directors

The directors who served during the year were

R L Bhardwaj
B K Bhardwaj
K K Bhardwaj

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.

CANEI INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2014**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report was approved by the board and signed on its behalf

R. L. Bhardwaj
R L Bhardwaj
Director

Date 27/07/15

CANEI INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CANEI INTERNATIONAL LIMITED

We have audited the financial statements of Canei International Limited for the year ended 31 October 2014, set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2014 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CANEI INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CANEI INTERNATIONAL LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

PKF Cooper Parry Group Limited

Andrew Timms (Senior Statutory Auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date

29 July 2015

CANEI INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2014**

	Note	2014 £	2013 £
Turnover	1,2	15,421,734	15,798,287
Cost of sales		<u>(12,272,357)</u>	<u>(12,690,297)</u>
Gross profit		3,149,377	3,107,990
Administrative expenses		<u>(2,071,181)</u>	<u>(2,095,030)</u>
Operating profit	3	1,078,196	1,012,960
Interest payable and similar charges	5	<u>(106,879)</u>	<u>(39,757)</u>
Profit on ordinary activities before taxation		971,317	973,203
Tax on profit on ordinary activities	6	<u>(211,173)</u>	<u>(239,429)</u>
Profit for the financial year	16	<u><u>760,144</u></u>	<u><u>733,774</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account

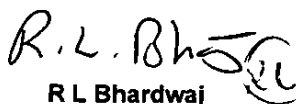
The notes on pages 9 to 19 form part of these financial statements

CANEI INTERNATIONAL LIMITED
REGISTERED NUMBER: 02576310

BALANCE SHEET
AS AT 31 OCTOBER 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	7	28,333	45,143
Tangible assets	8	1,382,318	1,442,955
Investment property	9	1,420,000	1,420,000
		<u>2,830,651</u>	<u>2,908,098</u>
Current assets			
Stocks	10	3,196,073	3,240,297
Debtors	11	2,161,247	1,244,744
Cash at bank and in hand		981,197	642,689
		<u>6,338,517</u>	<u>5,127,730</u>
Creditors amounts falling due within one year	12	<u>(2,880,273)</u>	<u>(2,337,439)</u>
Net current assets		<u>3,458,244</u>	<u>2,790,291</u>
Total assets less current liabilities		<u>6,288,895</u>	<u>5,698,389</u>
Creditors amounts falling due after more than one year	13	(901,204)	(989,169)
Provisions for liabilities			
Deferred tax	14	<u>(45,649)</u>	<u>(49,822)</u>
Net assets		<u><u>5,342,042</u></u>	<u><u>4,659,398</u></u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Revaluation reserve	16	444,347	444,347
Profit and loss account	16	4,896,695	4,214,051
Shareholders' funds	17	<u><u>5,342,042</u></u>	<u><u>4,659,398</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


R L Bhardwaj
 Director

Date 27/07/15

The notes on pages 9 to 19 form part of these financial statements

CANEI INTERNATIONAL LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	19	256,214	22,771
Returns on investments and servicing of finance	20	(106,879)	(39,757)
Taxation		(269,044)	(228,697)
Capital expenditure and financial investment	20	(43,650)	(50,776)
Equity dividends paid		(77,500)	(67,500)
Cash outflow before financing		<u>(240,859)</u>	<u>(363,959)</u>
Financing	20	271,070	513,990
Increase in cash in the year		<u><u>30,211</u></u>	<u><u>150,031</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 OCTOBER 2014**

	2014 £	2013 £
Increase in cash in the year	30,211	150,031
Cash inflow from increase in debt and lease financing	(271,070)	(513,990)
Movement in net debt in the year	<u>(240,859)</u>	<u>(363,959)</u>
Net debt at 1 November 2013	(1,929,810)	(1,565,851)
Net debt at 31 October 2014	<u><u>(2,170,669)</u></u>	<u><u>(1,929,810)</u></u>

The notes on pages 9 to 19 form part of these financial statements

CANEI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life of 5 years

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% on cost
Short-term leasehold property	-	20% to 33.3% on cost
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	10% reducing balance
Computer equipment	-	25% reducing balance

1.5 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

1. Accounting Policies (continued)

1.8 Stocks

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

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

2 Turnover

The whole of the turnover is attributable to the principal activity of the company

All turnover arose within the United Kingdom

3. Operating profit

The operating profit is stated after charging

	2014	2013
	£	£
Amortisation - intangible fixed assets	16,810	16,810
Depreciation of tangible fixed assets		
- owned by the company	89,683	94,054
- held under finance leases	14,604	15,366
Auditors' remuneration	13,000	4,000
Operating lease rentals		
- other operating leases	179,466	116,200
	<u>179,466</u>	<u>116,200</u>

During the year, no director received any emoluments (2013 - £NIL)

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

4. Staff costs

Staff costs were as follows

	2014 £	2013 £
Wages and salaries	1,082,608	978,605
Social security costs	90,108	84,313
	<u>1,172,716</u>	<u>1,062,918</u>

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

	2014 No.	2013 No
Operational	<u>50</u>	<u>47</u>

5. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	31,554	27,743
On other loans	71,370	8,143
On finance leases and hire purchase contracts	3,955	3,871
	<u>106,879</u>	<u>39,757</u>

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

6. Taxation

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	215,346	229,044
Deferred tax		
Origination and reversal of timing differences	3,084	10,385
Effect of tax rate change on opening balance	(7,257)	-
Total deferred tax (see note 14)	<u>(4,173)</u>	<u>10,385</u>
Tax on profit on ordinary activities	<u>211,173</u>	<u>239,429</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 higher than) the standard rate of corporation tax in the UK of 21.83% (2013 23.41%). The differences are explained below

	2014 £	2013 £
Profit on ordinary activities before tax	<u>971,317</u>	<u>973,203</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.83% (2013 23.41%)	212,039	227,827
Effects of:		
Fixed asset differences	6,155	-
Expenses not deductible for tax purposes	517	575
Depreciation in excess of capital allowances	-	642
Capital allowances in excess of depreciation	(3,365)	-
Current tax charge for the year (see note above)	<u>215,346</u>	<u>229,044</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. 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.

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

7. Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2013 and 31 October 2014	84,050
Amortisation	
At 1 November 2013	38,907
Charge for the year	16,810
At 31 October 2014	55,717
Net book value	
At 31 October 2014	28,333
At 31 October 2013	45,143

8. Tangible fixed assets

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation							
At 1 November 2013	1,014,638	33,950	275,163	72,066	486,825	80,030	1,962,672
Additions	-	-	33,518	7,855	1,200	1,077	43,650
At 31 October 2014	1,014,638	33,950	308,681	79,921	488,025	81,107	2,006,322
Depreciation							
At 1 November 2013	99,113	12,169	86,364	35,994	227,150	58,927	519,717
Charge for the year	20,292	7,907	33,348	10,598	26,596	5,546	104,287
At 31 October 2014	119,405	20,076	119,712	46,592	253,746	64,473	624,004
Net book value							
At 31 October 2014	895,233	13,874	188,969	33,329	234,279	16,634	1,382,318
At 31 October 2013	915,525	21,781	188,799	36,072	259,675	21,103	1,442,955

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2014 £	2013 £
Plant and machinery	73,871	87,078
Motor vehicles	4,705	-
	78,576	87,078

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

9. Investment property

	Investment property £
Valuation	
At 1 November 2013 and 31 October 2014	1,420,000
Comprising	
Cost	1,117,848
Annual revaluation surplus/(deficit)	
2012	183,833
2011	(35,973)
2009	154,292
At 31 October 2014	1,420,000

Investment property was valued on an open market value for existing use basis in February 2013, by Musson Liggins. The revaluation was reflected in the financial statements for the year ended 31st October 2012. The directors still consider this valuation to be applicable at 31 October 2014.

10. Stocks

	2014 £	2013 £
Goods for resale	3,196,073	3,240,297

11. Debtors

	2014 £	2013 £
Due after more than one year		
Other debtors	1,886,137	1,024,104
Due within one year		
Trade debtors	73,661	17,897
Other debtors	163,928	166,757
Prepayments	37,521	35,986
	2,161,247	1,244,744

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

**12. Creditors:
Amounts falling due within one year**

	2014	2013
	£	£
Bank loans	373,297	65,000
Other loans	1,846,566	1,489,449
Net obligations under finance leases and hire purchase contracts	30,799	28,881
Trade creditors	232,139	311,956
Corporation tax	95,346	149,044
Other taxation and social security	157,118	145,411
Other creditors	113,929	117,979
Accruals	31,079	29,719
	<u>2,880,273</u>	<u>2,337,439</u>

Amounts owed under hire purchase agreements are secured on the assets to which they relate

Other loans include a stocking loan of £1,700,000 (2013 £1,246,064) which is secured against a debenture over the assets of the company and first unlimited priority over the stockholding of the company. This is supported by joint and several personal guarantees from B K Bhardwaj, R L Bhardwaj and K K Bhardwaj.

The bank loans are secured and supported by the following assets -

- A legal charge dated 30 April 2013 over the freehold and investment property
- An inter-company cross guarantee between Canei International Limited, NS Kambr Limited and 4Brothers Properties Limited, supported by a first legal charge over the respective company's property
- Personal guarantee dated 3 May 2013 for £200,000 from R L Bhardwaj, S D Bhardwaj, K K Bhardwaj and B K Bhardwaj, supported by a first legal charge over the individual guarantors property

**13. Creditors:
Amounts falling due after more than one year**

	2014	2013
	£	£
Bank loans	881,500	946,500
Net obligations under finance leases and hire purchase contracts	19,704	42,669
	<u>901,204</u>	<u>989,169</u>

Included within the above are amounts falling due as follows

	2014	2013
	£	£
Between two and five years		
Bank loans	<u>881,500</u>	<u>946,500</u>

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

13. Creditors:
Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2014 £	2013 £
Between one and five years	19,704	42,669

14. Deferred taxation

	2014 £	2013 £
At beginning of year	49,822	39,437
(Released during)/charge for year	(4,173)	10,385
At end of year	45,649	49,822

The provision for deferred taxation is made up as follows

	2014 £	2013 £
Accelerated capital allowances	45,649	49,822

15. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

16 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 November 2013	444,347	4,214,051
Profit for the financial year	-	760,144
Dividends Equity capital	-	(77,500)
At 31 October 2014	444,347	4,896,695

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

17. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	4,659,398	3,993,124
Profit for the financial year	760,144	733,774
Dividends (Note 18)	(77,500)	(67,500)
	<u>5,342,042</u>	<u>4,659,398</u>
Closing shareholders' funds	<u>5,342,042</u>	<u>4,659,398</u>

18. Dividends

	2014 £	2013 £
Dividends paid on equity capital	<u>77,500</u>	<u>67,500</u>

19. Net cash flow from operating activities

	2014 £	2013 £
Operating profit	1,078,196	1,012,960
Amortisation of intangible fixed assets	16,810	16,810
Depreciation of tangible fixed assets	104,287	109,420
Decrease/(increase) in stocks	44,224	(711,452)
Increase in debtors	(916,503)	(444,675)
(Decrease)/increase in creditors	(70,800)	39,708
	<u>256,214</u>	<u>22,771</u>
Net cash inflow from operating activities	<u>256,214</u>	<u>22,771</u>

20. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(102,924)	(35,886)
Hire purchase interest	(3,955)	(3,871)
	<u>(106,879)</u>	<u>(39,757)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(106,879)</u>	<u>(39,757)</u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(43,650)</u>	<u>(50,776)</u>

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

20. Analysis of cash flows for headings netted in cash flow statement (continued)

	2014 £	2013 £
Financing		
New secured loans	-	1,044,000
Repayment of loans	(65,000)	(557,016)
Other new loans	357,117	-
(Repayment of)/new finance leases	(21,047)	27,006
Net cash inflow from financing	<u>271,070</u>	<u>513,990</u>

21. Analysis of changes in net debt

	1 November 2013 £	Cash flow £	Other non-cash changes £	31 October 2014 £
Cash at bank and in hand	642,689	338,508	-	981,197
Bank overdraft	-	(308,297)	-	(308,297)
	<u>642,689</u>	<u>30,211</u>	<u>-</u>	<u>672,900</u>
Debt:				
Finance leases	(71,550)	21,047	-	(50,503)
Debts due within one year	(1,554,449)	(292,117)	(65,000)	(1,911,566)
Debts falling due after more than one year	(946,500)	-	65,000	(881,500)
Net debt	<u>(1,929,810)</u>	<u>(240,859)</u>	<u>-</u>	<u>(2,170,669)</u>

22. Contingent liabilities

Canei International Limited has provided guarantees in respect of the liabilities of N,S kambr Limited and 4Brothers Properties Limited in support of their business activities

23. Operating lease commitments

At 31 October 2014 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2014 £	2013 £
Expiry date		
Within 1 year	116,200	116,200
Between 2 and 5 years	63,266	-

CANEI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

24. Related party transactions

During the year the following dividends were paid to directors

	2014 £	2013 £
R L Bhardwaj	31,000	27,000
B K Bhardwaj	31,000	27,000
	<u>62,000</u>	<u>54,000</u>

During the year dividends of £7,750 (2013 £6,750) each were paid to P Bhardwaj and S R Bhardwaj, shareholders of the company and spouses of B K Bhardwaj and R L Bhardwaj

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 £146,566 (2013 £243,385) The maximum amount outstanding during the year was £243,385 The loan is interest free, unsecured and has no fixed repayment date

Included within other debtors/(other creditors) are amounts due from/(due to) the following related parties

	2014 £	2013 £
N,S Kambr Limited	(49,545)	271,455
Kam Servicing (Sawley) Limited	(24,300)	15,700
Kam Servicing Limited	79,793	111,058
4Brothers Properties Limited	405,944	310,271
4 x 4 Properties Limited	863,500	442,378
8B (UK) Limited	616,692	-
Total	<u>1,892,084</u>	<u>1,150,862</u>

N,S Kambr Limited, 4 x 4 Properties Limited, 8B (UK) Limited and 4Brothers Properties Limited are companies in which R L Bhardwaj, B K Bhardwaj are shareholders and directors

Kam Servicing (Sawley) Limited is a company in which S D Bhardwaj, brother of R L Bhardwaj and B K Bhardwaj is a shareholder and director

Kam Servicing Limited is a company in which K K Bhardwaj, brother of R L Bhardwaj and B K Bhardwaj is a shareholder and director

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

The company leases premises from 4Brothers Properties Limited Rent for the year totalled £179,466 (2013 £140,766)

The company leases premises to KAM Sevicng Limited and KAM Servicing (Sawley) Limited Rental income for the year totalled £89,941 (2013 £88,904)

25. Controlling party

The company is controlled by R L Bhardwaj and B K Bhardwaj by virtue of their majority shareholding