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Registered number: 02576310

CANEI INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015



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

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 20

CANEI INTERNATIONAL LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2015

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.

Throughout the 2015 financial year, we have again demonstrated business resilience and an ability to manage external pressures. The result is, that in spite of the external headwinds of challenging trading conditions, we have been able to make further progress, with both cash and borrowing facilities continuing to be available for investment opportunities.

At the same time, we have maintained a high standard of customer service excellence, which acts as a strong driver for customer base growth and plays an important part in reinforcing our reputation and maintaining our competitive advantage.

The Board are satisfied with the trading performance during the year, achieving strong revenues and profits.

Also, the Board are confident that the Company remains well placed delivering a consistently reliable performance which will enable it to build on its investment for long term growth. The strategy put in place some years ago enhancing internal training procedures and the dedication of employees is 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 2018.

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 in 2014 of car sales at an additional geographical location which is gaining further brand awareness, and the launch of 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 6% to £14.5m and operating profits increased by 6.8% to £1.2m. Profit before tax increased by 7% to £1m.

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

CANEI INTERNATIONAL LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2015**

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

R. L. Bhardwaj

R L Bhardwaj
Director

Date: *8th June 2016*

CANEI INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2015

The directors present their report and the audited financial statements for the year ended 31 October 2015.

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.

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.

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
Director

Date: 8th June 2016

CANEI INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANEI INTERNATIONAL LIMITED

We have audited the financial statements of Canei International Limited for the year ended 31 October 2015, set out on pages 6 to 20. 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 2015 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 MEMBERS 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:

8 June 2016

CANEI INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2015**

	Note	2015 £	2014 £
Turnover	1,2	14,490,718	15,421,734
Cost of sales		(11,190,056)	(12,272,357)
Gross profit		3,300,662	3,149,377
Administrative expenses		(2,148,970)	(2,071,181)
Operating profit	3	1,151,692	1,078,196
Interest payable and similar charges	5	(112,678)	(106,879)
Profit on ordinary activities before taxation		1,039,014	971,317
Tax on profit on ordinary activities	6	(218,027)	(211,173)
Profit for the financial year	16	820,987	760,144

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

CANEI INTERNATIONAL LIMITED
REGISTERED NUMBER: 02576310

BALANCE SHEET
AS AT 31 OCTOBER 2015

		2015		2014	
	Note	£	£	£	£
Fixed assets					
Intangible assets	7		18,333		28,333
Tangible assets	8		1,293,504		1,382,318
Investment property	9		1,420,000		1,420,000
			<u>2,731,837</u>		<u>2,830,651</u>
Current assets					
Stocks	10	4,042,296		3,196,073	
Debtors	11	3,235,233		2,161,247	
Cash at bank		1,023,292		981,197	
		<u>8,300,821</u>		<u>6,338,517</u>	
Creditors: amounts falling due within one year	12	<u>(4,028,392)</u>		<u>(2,880,273)</u>	
Net current assets			<u>4,272,429</u>		<u>3,458,244</u>
Total assets less current liabilities			<u>7,004,266</u>		<u>6,288,895</u>
Creditors: amounts falling due after more than one year	13		(820,497)		(901,204)
Provisions for liabilities					
Deferred tax	14		(41,990)		(45,649)
Net assets			<u><u>6,141,779</u></u>		<u><u>5,342,042</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		5,696,432		4,896,695
Shareholders' funds	17		<u><u>6,141,779</u></u>		<u><u>5,342,042</u></u>

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

R. L. Bhardwaj

R L Bhardwaj
Director

Date: 8th June 2016

The notes on pages 9 to 20 form part of these financial statements.

CANEI INTERNATIONAL LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	19	(623,418)	256,214
Returns on investments and servicing of finance	20	(112,678)	(106,879)
Taxation		(95,346)	(269,044)
Capital expenditure and financial investment	20	(4,490)	(43,650)
Equity dividends paid		(21,250)	(77,500)
Cash outflow before financing		<u>(857,182)</u>	<u>(240,859)</u>
Financing	20	433,583	271,070
(Decrease)/Increase in cash in the year		<u><u>(423,599)</u></u>	<u><u>30,211</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 OCTOBER 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(423,599)	30,211
Cash inflow from increase in debt and lease financing	<u>(433,583)</u>	<u>(271,070)</u>
Movement in net debt in the year	<u>(857,182)</u>	<u>(240,859)</u>
Net debt at 1 November 2014	(2,170,669)	(1,929,810)
Net debt at 31 October 2015	<u><u>(3,027,851)</u></u>	<u><u>(2,170,669)</u></u>

The notes on pages 9 to 20 form part of these financial statements.

CANEI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2015

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 investment property 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.

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 2015

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 not 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:

	2015 £	2014 £
Amortisation - intangible fixed assets	10,000	16,810
Depreciation of tangible fixed assets:		
- owned by the company	81,047	89,683
- held under finance leases	12,257	14,604
Auditors' remuneration	12,500	13,000
Operating lease rentals:		
- other operating leases	180,217	179,466

During the year, no director received any emoluments (2014 : £NIL).

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

4. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	1,162,445	1,082,608
Social security costs	97,395	90,108
	<u>1,259,840</u>	<u>1,172,716</u>

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

	2015	2014
	No.	No.
Operational	<u>55</u>	<u>50</u>

5. Interest payable

	2015	2014
	£	£
On bank loans and overdrafts	29,662	31,554
On other loans	79,039	71,370
On finance leases and hire purchase contracts	3,977	3,955
	<u>112,678</u>	<u>106,879</u>

CANEI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2015

6. Taxation

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	221,686	215,346
Deferred tax		
Origination and reversal of timing differences	(3,659)	3,084
Effect of tax rate change on opening balance	-	(7,257)
Total deferred tax (see note 14)	(3,659)	(4,173)
Tax on profit on ordinary activities	218,027	211,173

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 : higher than) the standard rate of corporation tax in the UK of 20.41% (2014 : 21.83%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,039,014	971,317
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.41% (2014 : 21.83%)	212,101	212,039
Effects of:		
Fixed asset differences	5,757	6,155
Expenses not deductible for tax purposes	94	517
Capital allowances in excess of depreciation	3,734	(3,365)
Current tax charge for the year (see note above)	221,686	215,346

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 £60,430 (2014: £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 2015**

7. Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2014 and 31 October 2015	84,050
Amortisation	
At 1 November 2014	55,717
Charge for the year	10,000
At 31 October 2015	65,717
Net book value	
At 31 October 2015	18,333
At 31 October 2014	28,333

8. Tangible fixed assets

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost or valuation						
At 1 November 2014	1,014,638	33,950	308,681	79,921	488,025	81,107
Additions	-	-	-	1,900	2,590	-
At 31 October 2015	1,014,638	33,950	308,681	81,821	490,615	81,107
Depreciation						
At 1 November 2014	119,405	20,076	119,712	46,592	253,746	64,473
Charge for the year	20,293	7,907	28,347	8,480	24,119	4,158
At 31 October 2015	139,698	27,983	148,059	55,072	277,865	68,631
Net book value						
At 31 October 2015	874,940	5,967	160,622	26,749	212,750	12,476
At 31 October 2014	895,233	13,874	188,969	33,329	234,279	16,634

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

8. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 November 2014	2,006,322
Additions	4,490
At 31 October 2015	2,010,812
Depreciation	
At 1 November 2014	624,004
Charge for the year	93,304
At 31 October 2015	717,308
Net book value	
At 31 October 2015	1,293,504
At 31 October 2014	1,382,318

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

	2015 £	2014 £
Plant and machinery	62,790	73,871
Motor vehicles	3,529	4,705
	66,319	78,576

9. Investment property

	Investment property £
Valuation	
At 1 November 2014 and 31 October 2015	1,420,000
Comprising	
Cost	1,117,848
Annual revaluation surplus/(deficit):	
2012	183,833
2011	(35,973)
2009	154,292
At 31 October 2015	1,420,000

The 2015 valuations were made by , on an open market value for existing use basis.

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

10. Stocks

	2015	2014
	£	£
Goods for resale	4,042,296	3,196,073

11. Debtors

	2015	2014
	£	£
Due after more than one year		
Other debtors	3,059,494	1,886,137
Due within one year		
Trade debtors	93,840	73,661
Other debtors	44,655	163,928
Prepayments	37,244	37,521
	<u>3,235,233</u>	<u>2,161,247</u>

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

	2015	2014
	£	£
Bank loans	838,991	373,297
Other loans	2,375,948	1,846,566
Net obligations under finance leases and hire purchase contracts	15,707	30,799
Trade creditors	302,170	232,139
Corporation tax	111,686	95,346
Other taxation and social security	129,413	157,118
Other creditors	226,803	113,929
Accruals	27,674	31,079
	<u>4,028,392</u>	<u>2,880,273</u>

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

Other loans include a stocking loan of £2,342,239 (2014: £1,700,000) 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.

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

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

	2015	2014
	£	£
Bank loans	816,500	881,500
Net obligations under finance leases and hire purchase contracts	3,997	19,704
	<u>820,497</u>	<u>901,204</u>

Included within the above are amounts falling due as follows:

	2015	2014
	£	£
Between two and five years		
Bank loans	<u>816,500</u>	<u>881,500</u>

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

	2015	2014
	£	£
Between one and five years	<u>3,997</u>	<u>19,704</u>

14. Deferred taxation

	2015	2014
	£	£
At beginning of year	45,649	49,822
(Released during)/charge for year	(3,659)	(4,173)
	<u>41,990</u>	<u>45,649</u>

The provision for deferred taxation is made up as follows:

	2015	2014
	£	£
Accelerated capital allowances	<u>41,990</u>	<u>45,649</u>

15. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

16. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 November 2014	444,347	4,896,695
Profit for the financial year	-	820,987
Dividends: Equity capital	-	(21,250)
	<u>444,347</u>	<u>5,696,432</u>
At 31 October 2015	<u>444,347</u>	<u>5,696,432</u>

17. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	5,342,042	4,659,398
Profit for the financial year	820,987	760,144
Dividends (Note 18)	(21,250)	(77,500)
	<u>6,141,779</u>	<u>5,342,042</u>
Closing shareholders' funds	<u>6,141,779</u>	<u>5,342,042</u>

18. Dividends

	2015 £	2014 £
Dividends paid on equity capital	<u>21,250</u>	<u>77,500</u>

19. Net cash flow from operating activities

	2015 £	2014 £
Operating profit	1,151,692	1,078,196
Amortisation of intangible fixed assets	10,000	16,810
Depreciation of tangible fixed assets	93,304	104,287
(Increase)/decrease in stocks	(846,223)	44,224
Increase in debtors	(1,183,986)	(916,503)
Increase/(decrease) in creditors	151,795	(70,800)
	<u>(623,418)</u>	<u>256,214</u>
Net cash (outflow)/inflow from operating activities	<u>(623,418)</u>	<u>256,214</u>

CANEI INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015**

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest paid	(108,701)	(102,924)
Hire purchase interest	(3,977)	(3,955)
Net cash outflow from returns on investments and servicing of finance	(112,678)	(106,879)
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,490)	(43,650)
	2015 £	2014 £
Financing		
Repayment of loans	(65,000)	(65,000)
Other new loans	529,382	357,117
Repayment of finance leases	(30,799)	(21,047)
Net cash inflow from financing	433,583	271,070

21. Analysis of changes in net debt

	1 November 2014 £	Cash flow £	Other non-cash changes £	31 October 2015 £
Cash at bank and in hand	981,197	42,095	-	1,023,292
Bank overdraft	(308,297)	(465,694)	-	(773,991)
	672,900	(423,599)	-	249,301
Debt:				
Finance leases	(50,503)	30,799	-	(19,704)
Debts due within one year	(1,911,566)	(464,382)	(65,000)	(2,440,948)
Debts falling due after more than one year	(881,500)	-	65,000	(816,500)
Net debt	(2,170,669)	(857,182)	-	(3,027,851)

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.

CANEI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2015

23. Operating lease commitments

At 31 October 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within 1 year	56,197	116,200
Between 2 and 5 years	124,021	63,266
	<u>180,218</u>	<u>179,466</u>

CANEI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2015

24. Related party transactions

During the year the following dividends were paid to directors:

	2015 £	2014 £
R L Bhardwaj	8,500	31,000
B K Bhardwaj	8,500	31,000
	<u>17,000</u>	<u>62,000</u>

During the year dividends of £2,125 (2014: £7,750) 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 £33,619 (2014: £146,566). The maximum amount outstanding during the year was £33,619. 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:

	2015 £	2014 £
N,S Kambr Limited	(144,545)	(49,545)
Kam Servicing (Sawley) Limited	(57,046)	(24,300)
Kam Servicing Limited	89,692	79,793
4Brothers Properties Limited	237,936	405,944
4 x 4 Properties Limited	1,213,400	863,500
8B (UK) Limited	1,518,466	616,692
Total	<u>2,857,903</u>	<u>1,892,084</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 £139,997 (2014: £179,466).

The company leases premises to KAM Sevicng Limited and KAM Servicing (Sawley) Limited. Rental income for the year totalled £88,244 (2014: £89,941).

25. Controlling party

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