

Registered Number: 4870056



CANNON MOTORCYCLES LIMITED

DIRECTORS' REPORT
AND
UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED
31 DECEMBER 2007

TUESDAY



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12/08/2008

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CANNON MOTORCYCLES LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

DIRECTORS : W G Cannon
V M C Cannon

SECRETARY : S H Cannon

REGISTERED NUMBER : 4870056

REGISTERED OFFICE : 2nd Floor,
Raeburn House,
Baron Road,
South Woodham Ferrers,
Chelmsford,
Essex,
CM3 5XQ

BANKERS : Lloyds TSB plc
77/81 High Street,
Chelmsford,
Essex,
CM1 1DX

ACCOUNTANTS : Martin C Cook & Co ,
Chartered Accountants,
2nd Floor,
Raeburn House,
Baron Road,
South Woodham Ferrers,
Chelmsford,
Essex,
CM3 5XQ

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CANNON MOTORCYCLES LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors submit their report and the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year continued to be the sale of motorcycles and accessories

DIRECTORS

The Directors who served during the year were as follows -

W G Cannon

V M C Cannon (resigned 6 July 2007)

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the board on. 19/07/08. ...and signed on its behalf by



S H Cannon
Secretary

CANNON MOTORCYCLES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2007

		<u>2007</u>		<u>2006</u>	
	<u>Note</u>	£	£	£	£
TURNOVER			3432420		2921221
Cost of Sales			2973364		2439346
GROSS PROFIT			<u>459056</u>		<u>481875</u>
Selling and Distribution Costs		129932		127995	
Administrative Expenses		<u>202767</u>		<u>247399</u>	
			332699		375394
OPERATING PROFIT	2		<u>126357</u>		<u>106481</u>
Other Interest Receivable			1897		4149
Other Operating Income	3		150		500
Other Interest Payable			<u>(13057)</u>		<u>(9288)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			115347		101842
Taxation	4		<u>29818</u>		<u>16614</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			<u>£85529</u>		<u>£85228</u>

The notes on pages 4 to 7 form part of these financial statements

CANNON MOTORCYCLES LIMITED

BALANCE SHEET

31 DECEMBER 2007

	Note	£	2007	£	2006	£
FIXED ASSETS						
Intangible Assets	7		24412		25962	
Tangible Assets	8		131791		146072	
CURRENT ASSETS						
Stock		350319		420519		
Debtors	9	43981		72495		
Cash at Bank and in Hand		75933		90226		
			470233		583240	
CREDITORS - Amounts falling due within one year	10	279707		436404		
NET CURRENT ASSETS			190526		146836	
TOTAL ASSETS LESS CURRENT LIABILITIES			346729		318870	
CREDITORS - amounts falling due after more than one year	11		4339		8009	
			£342390		£310861	
CAPITAL AND RESERVES						
Called up Share Capital	12		100		100	
Profit and Loss Account	13		342290		310761	
SHAREHOLDERS FUNDS			£342390		£310861	

For the financial period ended 31 December 2007 the company was entitled to exemption from audit under section 249A(1) Companies Act 1985 and members have not required the company to obtain an audit if its accounts in accordance with section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its profit or loss for the financial period in accordance with the requirements of the Companies Act 1985, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on .. 19/1/08 .. and signed on its behalf by

W G Cannon
W G Cannon
Director

The notes on pages 4 to 7 form part of these financial statements

CANNON MOTORCYCLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

a Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

b Turnover

Turnover represents net invoiced sales, and uninvoiced sales at full value, of goods and services, excluding VAT

c Intangible Fixed Assets

Depreciation is provided on goodwill on a straight line basis over a period of 20 years in order to write the asset off over its estimated useful life

d Tangible Fixed Assets

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life:-

Leasehold Premises - Straight line over the period of the lease
Equipment - 25% per annum on reducing balance

e Stock

Stock is valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items

f Deferred Taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on material timing differences which result in an obligation to pay more, or less, tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

g Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

h Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred. Assets held under finance leases and hire purchase contracts are capitalized and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element or rental obligations is charged to profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

CANNON MOTORCYCLES LIMITED		
NOTES TO THE FINANCIAL STATEMENTS		YEAR ENDED 31 DECEMBER 2007
		(Continued)
2. OPERATING PROFIT	2007	2006
	£	£
Operating Profit is stated after Charging -		
Depreciation - Owned assets	22319	16016
- Asset held under a finance lease	3507	3692
Loss on disposal of fixed asset	-	2280
Operating lease rentals	52846	52966
	<u>£75672</u>	<u>£74954</u>
3. OTHER OPERATING INCOME		
Online tax filing incentive	£150	£500
	<u>£150</u>	<u>£500</u>
4. TAXATION		
UK Corporation Tax on the profit for the year	25359	16614
Deferred Taxation	4459	-
	<u>£29818</u>	<u>£16614</u>
5. DIRECTORS' REMUNERATION		
Emoluments	£7860	£52291
	<u>£7860</u>	<u>£52291</u>
The number of directors to whom retirement benefits are accruing under a money purchase scheme	1	2
	<u>1</u>	<u>2</u>
6. DIVIDENDS		
Interim dividend paid in the year	£54000	£61414
	<u>£54000</u>	<u>£61414</u>
7. INTANGIBLE FIXED ASSETS		
		<u>Goodwill</u>
COST		
At 1 January and 31 December 2007		£31000
DEPRECIATION		
At 1 January 2007		5038
Charge for year		1550
		<u>£6588</u>
NET BOOK VALUE		
At 31 December 2007		£24412
		<u>£24412</u>
At 31 December 2006		£25962
		<u>£25962</u>

CANNON MOTORCYCLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

(Continued)

8. TANGIBLE FIXED ASSETS

	<u>Leasehold Premises</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
	£	£	£
COST			
At 1 January 2007	75685	98294	173979
Additions	230	9765	9995
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2007	£75915	£108059	£183974
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION			
At 1 January 2007	3789	24118	27907
Charge	5050	19226	24276
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2007	£8839	£43344	£52183
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE			
At 31 December 2007	£67076	£64715	£131791
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2006	£71896	£74176	£146072
	<u> </u>	<u> </u>	<u> </u>

The net book value includes £14457 in respect of assets held under finance leases (2006 - £14028)

9. DEBTORS

	<u>2007</u>	<u>2006</u>
	£	£
Trade Debtors	27961	52927
Other Debtors	16020	19568
	<u> </u>	<u> </u>
	£43981	£72495
	<u> </u>	<u> </u>

10. CREDITORS - amounts falling due within one year

Trade Creditors	138119	289325
Social Security and Other Taxes	53416	21028
Directors Loan Account	61839	109090
Finance Lease	7690	5894
Other Creditors	18643	11067
	<u> </u>	<u> </u>
	£279707	£436404
	<u> </u>	<u> </u>

11. CREDITORS - amounts due after more than one year

Finance Lease	£4339	£8009
	<u> </u>	<u> </u>

CANNON MOTORCYCLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007
(Continued)

12. SHARE CAPITAL	<u>2007</u>	<u>2006</u>
	£	£
Authorised Ordinary Shares of £1 each	£100	£100
	<u> </u>	<u> </u>
Allotted and Fully Paid Ordinary Shares of £1 each	£100	£100
	<u> </u>	<u> </u>
13. PROFIT AND LOSS ACCOUNT		
Profit on Ordinary Activities after Taxation	85529	85228
Dividends - See note 6	54000	61414
	<u> </u>	<u> </u>
Retained Profit for the Year	31529	23814
Retained Profit Brought Forward	310761	286947
	<u> </u>	<u> </u>
Retained Profit Carried Forward	£342290	£310761
	<u> </u>	<u> </u>
14. PROVISION FOR LIABILITIES		
Deferred Tax		
Balance brought forward	-	-
Provision For year	4459	-
	<u> </u>	<u> </u>
Balance carried forward	£4459	-
	<u> </u>	<u> </u>
15. COMMITMENTS		
Pension Commitments		
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to nil (2007 - £41970).		
Operating Lease Commitments		
At 31 December 2007 the company was committed to making the following payments under non-cancelable operating leases in the year to 31 December 2008:-		
	<u>2007</u>	<u>2006</u>
Operating leases which expire -		
Within two to five years	£739	£2040
	<u> </u>	<u> </u>
Over five years	£51000	£51000
	<u> </u>	<u> </u>

CANNON MOTORCYCLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

(Continued)

16. RELATED PARTY TRANSACTIONS

The company is controlled by W G. Cannon who owns 70 of the 100 issued shares. There were no related party transactions during the year.

17. POST BALANCE SHEET EVENT

The financial statements were authorised for issue by the board of directors on the date it signed the balance sheet.