

CANNON GUARANTEE LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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CANNON GUARANTEE LIMITED

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CANNON GUARANTEE LIMITED

**INDEPENDENT AUDITORS' REPORT TO CANNON GUARANTEE LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of Cannon Guarantee Limited for the year ended 31 December 2007 set out on pages 2 to 3, together with the financial statements of the company for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. 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 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 'The special auditors' report on abbreviated accounts in the United Kingdom' 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 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 3 have been properly prepared in accordance with those provisions.

Adler Shine LLP

ADLER SHINE LLP

Chartered Accountants
Registered Auditor

Aston House
Cornwall Avenue
London
N3 1LF

Date *13/5/08*

CANNON GUARANTEE LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
CURRENT ASSETS					
Cash at bank		8,000,005		9,000,000	
CREDITORS: amounts falling due within one year		(1,521,338)		(1,522,548)	
NET CURRENT ASSETS			6,478,667		7,477,452
TOTAL ASSETS LESS CURRENT LIABILITIES			6,478,667		7,477,452
CREDITORS amounts falling due after more than one year			(5,681,943)		(7,019,443)
NET ASSETS			796,724		458,009
CAPITAL AND RESERVES					
Called up share capital	2		1		1
Profit and loss account			796,723		458,008
SHAREHOLDERS' FUNDS			796,724		458,009

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf

E Atkin
Director

Date 13/05/08

The notes on pages 3 form part of these financial statements

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with the applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

2 SHARE CAPITAL

	2007 £	2006 £
AUTHORISED		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary share of £1	1	1
	<u> </u>	<u> </u>

3. CONTINGENT LIABILITIES

The company was set up to provide an initial guarantee of £10,000,000, which reduces by £1,000,000 on an annual basis at the anniversary date of 30 June. The guarantee is in respect of environmental claims which may be made against Cannon Automotive Limited, a company which was previously owned and controlled by E Atkin. At the balance sheet date there was no claims outstanding against the guarantee and the bank deposit balance reduced to £8,000,005 (2006 - £9,000,000)

4. CONTROLLING PARTY

The controlling party continues to be E Atkin by virtue of his shareholding