

Company Registration No. 05406972 (England and Wales)

CANNON AUTOMOTIVE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014

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28/11/2014

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COMPANIES HOUSE

CANNON AUTOMOTIVE LIMITED

COMPANY INFORMATION

Directors

E Atkin
C J Atkin

Secretaries

B Gold
R Harris

Company number

05406972

Registered office

ARCC Pampisford Road
Great Abington
Cambridge
CB21 6AH

Auditors

Haines Watts
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

CANNON AUTOMOTIVE LIMITED

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CANNON AUTOMOTIVE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2014

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

Principal activities and review of the business

The principal activity of the company during the year was the sales and distribution of rubber car mats.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 June 2013:

E Atkin
C J Atkin

Auditors

Haines Watts were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing 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 judgements 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.

CANNON AUTOMOTIVE LIMITED

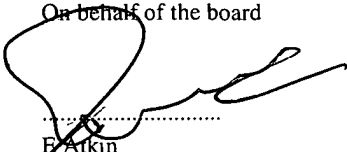
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


.....
E. Atkin
Director
19/11/14

CANNON AUTOMOTIVE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CANNON AUTOMOTIVE LIMITED

We have audited the financial statements of Cannon Automotive Limited for the year ended 31 May 2014 set out on pages 5 to 14. 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 set out on pages 1 - 2, 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 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 May 2014 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CANNON AUTOMOTIVE LIMITED

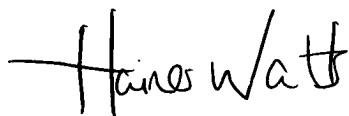
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CANNON AUTOMOTIVE 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; or



Esther Wood (Senior Statutory Auditor)
for and on behalf of Haines Watts

26/11/201x

Chartered Accountants
Statutory Auditor

New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

CANNON AUTOMOTIVE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2014

	Notes	2014 £	2013 £
Turnover	2	1,082	7,182
Cost of sales		(522)	(3,002)
Gross profit		560	4,180
Administrative expenses		(667,899)	(1,487,228)
Operating loss	3	(667,339)	(1,483,048)
Other interest receivable and similar income	4	-	9
Interest payable and similar charges	5	-	(2,402)
Loss on ordinary activities before taxation		(667,339)	(1,485,441)
Tax on loss on ordinary activities	6	-	-
Loss for the year	14	(667,339)	(1,485,441)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

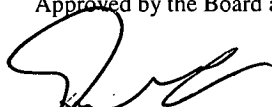
CANNON AUTOMOTIVE LIMITED

BALANCE SHEET

AS AT 31 MAY 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	7		442		707
Current assets					
Stocks	9	4,065		4,588	
Debtors	10	3,520,157		3,543,972	
Cash at bank and in hand		41,774		54,422	
		<u>3,565,996</u>		<u>3,602,982</u>	
Creditors: amounts falling due within one year	11	<u>(20,577,380)</u>		<u>(19,947,292)</u>	
Net current liabilities			<u>(17,011,384)</u>		<u>(16,344,310)</u>
Total assets less current liabilities			<u>(17,010,942)</u>		<u>(16,343,603)</u>
Capital and reserves					
Called up share capital	13		3,558		3,558
Share premium account	14		793,000		793,000
Profit and loss account	14		<u>(17,807,500)</u>		<u>(17,140,161)</u>
Shareholders' funds	15		<u>(17,010,942)</u>		<u>(16,343,603)</u>

Approved by the Board and authorised for issue on 19/11/14



E. Atkin
Director

Company Registration No. 05406972

CANNON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Going concern

During the year ended 31 May 2014 the company was able to continue as a going concern as a result of the ongoing financial support provided by E Atkin and C J Atkin, the principal shareholders of the parent company.

An undertaking has been received from E Atkin and C J Atkin that they will continue to provide the necessary financial support to enable the company to continue in operational existence and meet its liabilities as they fall due for the foreseeable future being a period of at least 12 months from the date of approval of these financial statements.

In addition, further undertakings have been provided by E Atkin, C J Atkin, and C A Holdings Plc, the company's parent undertaking, that they will not seek repayment of any amounts owed by the company for a period of at least 12 months from the date of approval of these financial statements.

On the basis of these undertakings the directors have concluded that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.4 Turnover

Turnover, which is stated net of value added tax, is attributable to the sale of car mats and is recognised when the goods have been dispatched to the customer.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% straight line
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1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

CANNON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

1 Accounting policies (Continued)

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of C.A. Holdings Plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Turnover

Geographical market

Turnover, which is stated net of value added tax, is attributable to the sale of car mats. An analysis of turnover by geographical market is given below:

	Turnover	
	2014	2013
	£	£
UK	1,082	7,182
	<u>1,082</u>	<u>7,182</u>

3 Operating loss

	2014	2013
	£	£

Operating loss is stated after charging:

Depreciation of tangible assets	265	265
Loss on foreign exchange transactions	-	15,929
Auditors' remuneration (including expenses and benefits in kind)	2,500	5,000

and after crediting:

Profit on foreign exchange transactions	(950)	-
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4 Investment income

	2014	2013
	£	£

Bank interest	-	9
	<u>-</u>	<u>9</u>

CANNON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

5	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	-	2,402
		<u>-</u>	<u>2,402</u>
6	Taxation	2014	2013
	Total current tax	-	-
		<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(667,339)	(1,485,441)
		<u>(667,339)</u>	<u>(1,485,441)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	(153,488)	(356,506)
		<u>(153,488)</u>	<u>(356,506)</u>
	Effects of:		
	Non deductible expenses	-	174
	Depreciation add back	61	64
	Capital allowances	(42)	(7,731)
	Unrelieved tax losses	153,469	363,999
		<u>153,469</u>	<u>363,999</u>
		153,488	356,506
		<u>153,488</u>	<u>356,506</u>
	Current tax charge for the year	-	-
		<u>-</u>	<u>-</u>

The company has estimated losses of £ 8,365,494 (2013 - £ 7,813,376) available for carry forward against future trading profits.

There is a deferred tax asset of £1,756,753 (2013: £1,637,415) which has arisen in relation to tax losses, however this asset has not been provided for as there is insufficient evidence that the asset will be recoverable in the immediate future.

CANNON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 June 2013 & at 31 May 2014	1,060
Depreciation	
At 1 June 2013	353
Charge for the year	265
At 31 May 2014	618
Net book value	
At 31 May 2014	442
At 31 May 2013	707

CANNON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 June 2013 & at 31 May 2014	2
Provisions for diminution in value	
At 1 June 2013 & at 31 May 2014	2
Net book value	
At 31 May 2014	-
At 31 May 2013	-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
The Cannon Rubber Limited	England and Wales	Ordinary	100.00	
The Cannon Rubber Manufacturers Limited	England and Wales	Ordinary	100.00	

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
	Principal activity		
The Cannon Rubber Limited	Dormant	-	-
The Cannon Rubber Manufacturers Limited	Dormant	-	-

9 Stocks

	2014 £	2013 £
Finished goods and goods for resale	4,065	4,588

CANNON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

10 Debtors	2014 £	2013 £
Amounts owed by group undertakings	3,507,909	3,507,909
Other debtors	12,005	19,214
Prepayments and accrued income	243	16,849
	<u>3,520,157</u>	<u>3,543,972</u>

11 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	79,623	-
Trade creditors	104,039	153,770
Amounts owed to parent and group undertakings	10,739,696	10,599,433
Taxes and social security costs	3,566	3,570
Directors' current accounts	9,588,941	9,089,891
Other creditors	730	730
Accruals and deferred income	60,785	99,898
	<u>20,577,380</u>	<u>19,947,292</u>

12 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions paid by the company to the fund were £7,081 (2013: £16,179). The amount outstanding at the year end was £725 (2013: £725).

	2014 £	2013 £
Contributions payable by the company for the year	<u>7,081</u>	<u>16,179</u>

13 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
355,800 Ordinary shares of 1p each	<u>3,558</u>	<u>3,558</u>

CANNON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 June 2013	793,000	(17,140,161)
Loss for the year	-	(667,339)
Balance at 31 May 2014	793,000	(17,807,500)

15 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Loss for the financial year	(667,339)	(1,485,441)
Opening shareholders' funds	(16,343,603)	(14,858,162)
Closing shareholders' funds	(17,010,942)	(16,343,603)

16 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Selling and distribution	1	1
Administration	2	4
	3	5

Employment costs

	2014 £	2013 £
Wages and salaries	106,150	169,386
Social security costs	11,823	22,263
Other pension costs	7,081	16,179
	125,054	207,828

CANNON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

17 Control

The company's immediate parent undertaking is C.A. Holdings Plc, a company registered in England and Wales. Copies of the group financial statements are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

E Atkin and C J Atkin are the ultimate controlling parties of the parent undertaking by virtue of their shareholding of 45% and 29% respectively.

18 Related party relationships and transactions

At the year end, an interest free loan of £9,588,941 (2013: £9,089,891) was outstanding to E. Atkin and C.J. Atkin, the directors of the company.

The company has taken advantage of the exemption from disclosures of transactions with group companies available to subsidiary undertakings under Financial Reporting Standard No.8.