

CANNON AUTOMOTIVE LIMITED

Directors' Report and

Financial Statements

for the Year Ended 31 May 2015

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CANNON AUTOMOTIVE LIMITED

**Contents of the Financial Statements
for the year ended 31 May 2015**

	Page
Company Information	1
Directors' Report	2
Independent Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Trading and Profit and Loss Account	12

CANNON AUTOMOTIVE LIMITED

**Company Information
for the year ended 31 May 2015**

Directors:

E Atkin
C J Atkin

Secretaries:

B Gold
R I Harris

Registered office:

ARCC Pampisford Road
Great Abington
Cambridge
CB21 6AH

Registered number:

05406972 (England and Wales)

Auditors:

Haines Watts
Chartered Accountants and Statutory Auditors
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

CANNON AUTOMOTIVE LIMITED

**Directors' Report
for the year ended 31 May 2015**

The directors present their report with the financial statements of the company for the year ended 31 May 2015.

Principal activity

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

Directors

The directors shown below have held office during the whole of the period from 1 June 2014 to the date of this report.

E Atkin
C J Atkin

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.

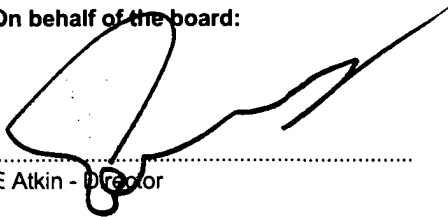
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:



E Atkin - Director

Date:

19/11/15

**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 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 Statement of Directors' Responsibilities, 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 2015 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.

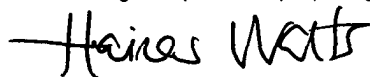
Opinion on other matter prescribed by the Companies Act 2006

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.

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
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Esther Wood (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditors
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: 20/11/15

CANNON AUTOMOTIVE LIMITED

**Profit and Loss Account
for the year ended 31 May 2015**

	Notes	2015 £	2014 £
Turnover	2	123	1,082
Cost of sales		-	(522)
Gross profit		123	560
Administrative expenses		(831,815)	(667,340)
Operating loss		(831,692)	(666,780)
Interest payable and similar charges	4	-	(559)
Loss on ordinary activities before taxation	5	(831,692)	(667,339)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		(831,692)	(667,339)

Continuing operations

None of the company's activities were acquired or discontinued during the current year or previous year.

Total recognised gains and losses

The company has no recognised gains or losses other than the losses for the current year or previous year.

The notes form part of these financial statements

CANNON AUTOMOTIVE LIMITED (REGISTERED NUMBER: 05406972)

**Balance Sheet
31 May 2015**

	Notes	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	7		-		442
Investments	8		-		-
			<u>-</u>		<u>442</u>
Current assets					
Stocks	9		-	4,065	
Debtors	10	3,508,323		3,520,157	
Cash at bank		573		41,774	
		<u>3,508,896</u>		<u>3,565,996</u>	
Creditors					
Amounts falling due within one year	11	21,351,530		20,577,380	
Net current liabilities			<u>(17,842,634)</u>		<u>(17,011,384)</u>
Total assets less current liabilities			<u>(17,842,634)</u>		<u>(17,010,942)</u>
Capital and reserves					
Called up share capital	13		3,558		3,558
Share premium	14		793,000		793,000
Profit and loss account	14		(18,639,192)		(17,807,500)
Shareholders' funds	18		<u>(17,842,634)</u>		<u>(17,010,942)</u>

The financial statements were approved by the Board of Directors on

19/11/15

and were signed on its behalf by:

E Atkin - Director

The notes form part of these financial statements

CANNON AUTOMOTIVE LIMITED

Notes to the Financial Statements for the year ended 31 May 2015

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

During the year ended 31 May 2015 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.

Financial reporting standard number 1

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.

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.

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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Stock

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

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.

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.

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.

CANNON AUTOMOTIVE LIMITED

Notes to the Financial Statements - continued for the year ended 31 May 2015

2. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2015 £	2014 £
UK	123	1,082
	<u>123</u>	<u>1,082</u>

3. Staff costs

	2015 £	2014 £
Wages and salaries	93,845	106,150
Social security costs	6,340	11,823
Other pension costs	6,099	7,081
	<u>106,284</u>	<u>125,054</u>

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

	2015	2014
Selling and distribution	1	1
Administration	2	2
	<u>3</u>	<u>3</u>

4. Interest payable and similar charges

	2015 £	2014 £
On bank loans and overdrafts	-	559

5. Loss on ordinary activities before taxation

The loss on ordinary activities is stated after charging/(crediting):

	2015 £	2014 £
Depreciation - owned assets	-	265
Loss on disposal of fixed assets	442	-
Auditors' remuneration (including expenses and benefits in kind)	2,500	2,500
Foreign exchange differences	(1,968)	(950)
	<u>-</u>	<u>-</u>
Directors' remuneration	-	-

6. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 May 2015 nor for the year ended 31 May 2014.

CANNON AUTOMOTIVE LIMITED

Notes to the Financial Statements - continued for the year ended 31 May 2015

6. Taxation - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	<u>(831,692)</u>	<u>(667,339)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 23%)	(166,338)	(153,488)
Effects of:		
Expenses not deductible for tax purposes	110	-
Capital allowances in excess of depreciation	(4,253)	-
Depreciation in excess of capital allowances	-	19
Unrelieved tax losses	<u>170,481</u>	<u>153,469</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has estimated losses of £8,365,683 (2014 - £ 8,365,494) available for carry forward against future trading profits.

There is a deferred tax asset of £1,673,137 (2014: £1,756,753) 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.

7. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 June 2014	1,060
Disposals	<u>(1,060)</u>
At 31 May 2015	-
Depreciation	
At 1 June 2014	618
Eliminated on disposal	<u>(618)</u>
At 31 May 2015	-
Net book value	
At 31 May 2015	-
At 31 May 2014	<u>442</u>

CANNON AUTOMOTIVE LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 May 2015**

8. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 June 2014 and 31 May 2015	<u>2</u>
Provisions	
At 1 June 2014 and 31 May 2015	<u>2</u>
Net book value	
At 31 May 2015	<u><u>-</u></u>
At 31 May 2014	<u><u>-</u></u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

The Cannon Rubber Limited

Nature of business: Dormant

Class of shares:
Ordinary

%
holding
100.00

The Cannon Rubber Manufacturers Limited

Nature of business: Dormant

Class of shares:
Ordinary

%
holding
100.00

9. Stocks

	2015 £	2014 £
Finished goods	<u>-</u>	<u>4,065</u>

10. Debtors: amounts falling due within one year

	2015 £	2014 £
Amounts owed by group undertakings	3,507,909	3,507,909
Other debtors	169	12,005
Prepayments and accrued income	245	243
	<u><u>3,508,323</u></u>	<u><u>3,520,157</u></u>

CANNON AUTOMOTIVE LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 May 2015**

11. Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts (see note 12)	215,977	79,623
Trade creditors	107,888	104,039
Amounts owed to group undertakings	10,894,500	10,739,696
Social security and other taxes	-	3,566
Other creditors	-	730
Directors' current accounts	10,130,665	9,588,941
Accruals and deferred income	2,500	60,785
	<u>21,351,530</u>	<u>20,577,380</u>

12. Loans

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>215,977</u>	<u>79,623</u>

13. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
355,800	Ordinary	1p	<u>3,558</u>	<u>3,558</u>

14. Reserves

	Profit and loss account £	Share premium £	Totals £
At 1 June 2014	(17,807,500)	793,000	(17,014,500)
Deficit for the year	(831,692)		(831,692)
At 31 May 2015	<u>(18,639,192)</u>	<u>793,000</u>	<u>(17,846,192)</u>

15. Pension commitments

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 £6,099 (2014: £7,081). The amount outstanding at the year end was £nil (2014: £725).

	2015 £	2014 £
Contributions payable by the company for the year	<u>6,099</u>	<u>7,081</u>

CANNON AUTOMOTIVE LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 May 2015**

16. Related party disclosures

At the year end, an interest free loan of £10,130,665 (2014: £9,588,941) 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.

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. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Loss for the financial year	<u>(831,692)</u>	<u>(667,339)</u>
Net reduction of shareholders' funds	(831,692)	(667,339)
Opening shareholders' funds	<u>(17,010,942)</u>	<u>(16,343,603)</u>
Closing shareholders' funds	<u>(17,842,634)</u>	<u>(17,010,942)</u>