

**C.A. HOLDINGS PLC**  
**Group Strategic Report,**  
**Directors' Report and**  
**Consolidated Financial Statements**  
**for the Year Ended 31 May 2016**

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**C.A. HOLDINGS PLC**

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for the year ended 31 May 2016**

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**C.A. HOLDINGS PLC**  
**Company Information**  
**for the year ended 31 May 2016**

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**Directors:**

E Atkin  
C J Atkin  
R J Atkin  
L E Atkin

**Secretaries:**

B Gold  
R I Harris

**Registered office:**

16 Rosemont Road  
London  
NW3 6NE

**Registered number:**

05546528

**Auditors:**

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

**Bankers:**

Handlesbanken AB  
5th Floor  
13 Charles II Street  
London  
SW1Y 4QU

**C.A. HOLDINGS PLC**  
**Group Strategic Report**  
**for the year ended 31 May 2016**

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The directors present their strategic report of the company and the group for the year ended 31 May 2016.

C.A. Holdings Plc was incorporated on 25 August 2005. The company is a holding company and also performs certain head office functions for its active subsidiaries, which consist of Cannon Automotive Limited, 2 property companies and ARCC Innovations Limited, whose principal business activity is engineering research and development.

**Review of business**

The Group's loss after tax for the year is £1,182,155 (2015: profit £1,551,057).

The directors are monitoring potential acquisitions for the group on a regular basis.

**Principal risks and uncertainties**

**Competitive risk**

Owing to the long term tenancy agreements, the property investment companies are not subject to competitive threats.

**Economic risk**

In as far as they need successful tenants to generate rental income, the property investment companies are subject to fluctuations in the local economy.

**Credit risk**

The group's credit risk with regard to its trade debtors is not significant because it conducts business with well established companies with whom it has enjoyed long trading relationships and who have historically paid on time.

**Key performance indicators**

	2016	2015
	£	£
Turnover	17,848	11,453
Profit / (Loss) on ordinary activities before taxation	(1,242,391)	1,828,057
Current assets as a % of current liabilities	10.8%	31.5%

**Future developments**

ARCC Innovations Limited will continue to research and monitor potential projects and opportunities in the engineering environment to support and invest in.

One of the property investment companies has a long-term tenancy agreement and should continue to be profitable.

All loans from related parties and the loan guarantee have also been confirmed as being available for the next twelve months.

**Employee involvement**

All employees are kept informed of the groups financial results, the quality levels achieved, the progress in the pursuit of new products and services, and other relevant matters.

**Going concern**

The financial statements have been prepared on a going concern basis. The statements headed "Going concern" on page 16 sets out certain factors relevant to the directors' consideration in reaching this assessment.

**Disabled persons**

The group gives full consideration to applications for employment for disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled during the year it is the group's policy, wherever practicable, to provide training and career development and promotion to disabled employees wherever appropriate.

**C.A. HOLDINGS PLC**  
**Group Strategic Report**  
**for the year ended 31 May 2016**

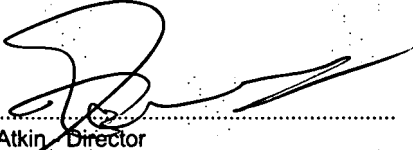
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**Creditor payment policy**

It is group policy to settle all debts with its creditors on a timely basis, taking account of the credit period given by each supplier.

At 31 May 2016, the group has an average of 30 days (2015: 30 days) purchases outstanding in trade creditors.

On behalf of the board:



.....  
E Atkin, Director

Date: 28/11/2016

**C.A. HOLDINGS PLC**  
**Directors' Report**  
**for the year ended 31 May 2016**

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The directors present their report with the financial statements of the company and the group for the year ended 31 May 2016.

**Dividends**

No dividends will be distributed for the year ended 31 May 2016.

**Directors**

The directors shown below have held office during the whole of the period from 1 June 2015 to the date of this report.

E Atkin  
C J Atkin  
R J Atkin  
L E Atkin

**Market value of land and buildings**

The directors are of the opinion that the open market value of the investment property at 31 May 2016 would exceed the carrying value included in the financial statements but they are unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the group's intention to retain ownership of the property for the foreseeable future.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Group 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

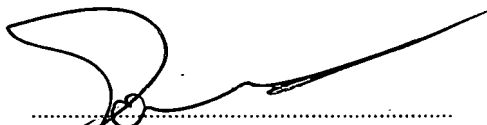
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

**On behalf of the board:**

  
.....  
E Atkin, Director

Date: 28/11/2016

**Independent Auditors' Report to the Members of  
C.A. Holdings PLC**

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We have audited the financial statements of C.A. Holdings PLC for the year ended 31 May 2016 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 group's and the parent 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 Group 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.

**Qualified opinion arising from disagreement over accounting treatment**

Company law requires the directors to prepare financial statements for each financial year and the directors have elected to prepare the financial statements in accordance with accounting principles which are generally accepted in the United Kingdom ("UK GAAP").

Investment properties totalling £1,680,930 based on an external valuation that was carried out as at 1 July 2005 were sold in the year ended 31 May 2015. This is not in accordance with Statement of Standard Accounting Practice No.19 which requires investment properties to be revalued annually and included in the balance sheet at their open market value at the balance sheet date..

As a result of not previously revaluing the property as stated above, an overstated gain on disposal of £3,965,011 is included in the comparative profit and loss results.

Except for the issue referred to in the preceding paragraph, in our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 May 2016 and of the group's 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

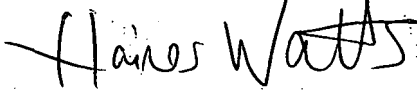
**Independent Auditors' Report to the Members of  
C.A. Holdings PLC**

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**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



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

Date: .....

28/11/2016



**C.A. HOLDINGS PLC**

**Consolidated Statement of Comprehensive Income  
for the year ended 31 May 2016**

	Notes	2016 £	2015 £
Turnover	2	17,848	11,453
Cost of sales		(35,004)	(22,158)
<b>Gross loss</b>		<b>(17,156)</b>	<b>(10,705)</b>
Administrative expenses		(1,244,970)	(2,268,578)
		(1,262,126)	(2,279,283)
Other operating income		12,700	172,329
<b>Operating loss</b>		<b>(1,249,426)</b>	<b>(2,106,954)</b>
Profit on sale of investment property		-	3,965,011
		(1,249,426)	1,858,057
Interest receivable and similar income		10,186	-
		(1,239,240)	1,858,057
Interest payable and similar charges	5	(3,151)	(30,000)
<b>(Loss)/profit on ordinary activities before taxation</b>	6	<b>(1,242,391)</b>	<b>1,828,057</b>
Tax on (loss)/profit on ordinary activities	7	60,236	(277,000)
<b>(Loss)/profit for the financial year</b>		<b>(1,182,155)</b>	<b>1,551,057</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(1,182,155)</b>	<b>1,551,057</b>
(Loss)/profit attributable to: Owners of the parent		(1,182,155)	1,551,057
Total comprehensive income attributable to: Owners of the parent		(1,182,155)	1,551,057

The notes form part of these financial statements

**Consolidated Balance Sheet**  
**31 May 2016**

	Notes	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	9		2,464,530		2,547,222
Investments	10		-		-
			<u>2,464,530</u>		<u>2,547,222</u>
<b>Current assets</b>					
Stocks	11	134,000		24,000	
Debtors	12	264,914		399,221	
Cash at bank and in hand		2,125,963		8,711,652	
		<u>2,524,877</u>		<u>9,134,873</u>	
<b>Creditors</b>					
Amounts falling due within one year	13	23,458,503		28,969,036	
		<u>23,458,503</u>		<u>28,969,036</u>	
<b>Net current liabilities</b>			<u>(20,933,626)</u>		<u>(19,834,163)</u>
<b>Total assets less current liabilities</b>			<u>(18,469,096)</u>		<u>(17,286,941)</u>
<b>Capital and reserves</b>					
Called up share capital	15		355,750		355,750
Retained earnings	16		(18,824,846)		(17,642,691)
			<u>(18,469,096)</u>		<u>(17,286,941)</u>
<b>Shareholders' funds</b>			<u>(18,469,096)</u>		<u>(17,286,941)</u>

The financial statements were approved by the Board of Directors on  
signed on its behalf by:

..... 28/11/2016 ..... and were

.....  
E Alkin - Director

**Company Balance Sheet**  
**31 May 2016**

	Notes	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	9		32,119		7,478
Investments	10		107		107
			<u>32,226</u>		<u>7,585</u>
<b>Current assets</b>					
Debtors	12	1,559,547		1,671,506	
Cash at bank		1,722,986		1,001,979	
		<u>3,282,533</u>		<u>2,673,485</u>	
<b>Creditors</b>					
Amounts falling due within one year	13	17,360,832		16,213,047	
			<u>(14,078,299)</u>		<u>(13,539,562)</u>
<b>Net current liabilities</b>					
			<u>(14,078,299)</u>		<u>(13,539,562)</u>
<b>Total assets less current liabilities</b>			<u>(14,046,073)</u>		<u>(13,531,977)</u>
<b>Capital and reserves</b>					
Called up share capital	15		355,750		355,750
Retained earnings	16		(14,401,823)		(13,887,727)
			<u>(14,046,073)</u>		<u>(13,531,977)</u>
<b>Shareholders' funds</b>			<u>(14,046,073)</u>		<u>(13,531,977)</u>

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

28/11/2016

and were

E Atkin - Director

**C.A. HOLDINGS PLC**

**Consolidated Statement of Changes in Equity  
for the year ended 31 May 2016**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 June 2014</b>	355,750	(19,193,748)	(18,837,998)
<b>Changes in equity</b>			
Total comprehensive income	-	1,551,057	1,551,057
<b>Balance at 31 May 2015</b>	<u>355,750</u>	<u>(17,642,691)</u>	<u>(17,286,941)</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(1,182,155)	(1,182,155)
<b>Balance at 31 May 2016</b>	<u><u>355,750</u></u>	<u><u>(18,824,846)</u></u>	<u><u>(18,469,096)</u></u>

The notes form part of these financial statements

**C.A. HOLDINGS PLC****Company Statement of Changes in Equity  
for the year ended 31 May 2016**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 June 2014</b>	355,750	(12,929,058)	(12,573,308)
<b>Changes in equity</b>			
Total comprehensive income	-	(958,669)	(958,669)
<b>Balance at 31 May 2015</b>	<u>355,750</u>	<u>(13,887,727)</u>	<u>(13,531,977)</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(514,096)	(514,096)
<b>Balance at 31 May 2016</b>	<u>355,750</u>	<u>(14,401,823)</u>	<u>(14,046,073)</u>

The notes form part of these financial statements

**C.A. HOLDINGS PLC**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 May 2016**

		2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(1,262,772)	2,216,454
Interest paid		(3,151)	(30,000)
Tax paid		(216,764)	-
<b>Net cash from operating activities</b>		<u>(1,482,687)</u>	<u>2,186,454</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(79,253)	(106,143)
Sale of tangible fixed assets		7,250	-
Sale of investment property		-	1,680,930
Interest received		10,186	-
<b>Net cash from investing activities</b>		<u>(61,817)</u>	<u>1,574,787</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(10,000,000)	-
Amount introduced by directors		4,214,758	3,683,918
<b>Net cash from financing activities</b>		<u>(5,785,242)</u>	<u>3,683,918</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(7,329,746)</u>	<u>7,445,159</u>
<b>Cash and cash equivalents at beginning of year</b>	2	7,597,298	152,139
<b>Cash and cash equivalents at end of year</b>	2	<u><u>267,552</u></u>	<u><u>7,597,298</u></u>

The notes form part of these financial statements

**C.A. HOLDINGS PLC**

**Notes to the Consolidated Cash Flow Statement  
for the year ended 31 May 2016**

**1. Reconciliation of (loss)/profit before taxation to cash generated from operations**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
(Loss)/profit before taxation	<b>(1,242,391)</b>	1,828,057
Depreciation charges	<b>161,945</b>	161,768
Profit on disposal of fixed assets	<b>(7,250)</b>	-
Finance costs	<b>3,151</b>	30,000
Finance income	<b>(10,186)</b>	-
	<b>(1,094,731)</b>	2,019,825
Increase in stocks	<b>(110,000)</b>	(19,935)
Decrease in trade and other debtors	<b>133,989</b>	200,971
(Decrease)/increase in trade and other creditors	<b>(192,030)</b>	15,593
<b>Cash generated from operations</b>	<b>(1,262,772)</b>	<b>2,216,454</b>

**2. Cash and cash equivalents**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 May 2016**

	<b>31/5/16</b>	<b>1/6/15</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b>2,125,963</b>	<b>8,711,652</b>
Bank overdrafts	<b>(1,858,411)</b>	<b>(1,114,354)</b>
	<b>267,552</b>	<b>7,597,298</b>

**Year ended 31 May 2015**

	<b>31/5/15</b>	<b>1/6/14</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b>8,711,652</b>	<b>312,182</b>
Bank overdrafts	<b>(1,114,354)</b>	<b>(160,043)</b>
	<b>7,597,298</b>	<b>152,139</b>

## C.A. HOLDINGS PLC

### Notes to the Consolidated Financial Statements for the year ended 31 May 2016

#### 1. Accounting policies

##### Basis of preparing the financial statements

These financial statements are the first annual financial statements of the company prepared in accordance with FRS 102 "the Financial Reporting Standard applicable in the UK and republic of Ireland". The first date at which FRS 102 was applied was 1 June 2014. In accordance with FRS 102 the company has;

- Provided comparative information;
- Applied the same accounting policies throughout all periods presented; and
- Retrospectively applied the FRS 102 as required.

##### General information

C. A. Holdings Plc is a public company incorporated in England and Wales. The address of the registered office is 16 Rosemont Road, London, NW3 6NE.

##### Basis of consolidation

The consolidated financial statements for the year ended 31 May 2016 incorporate C.A. Holdings Plc and all of its subsidiary undertakings for the year. All intra group transactions are eliminated on consolidation.

No profit and loss is presented for C.A. Holdings Plc as permitted by section 408 of the Companies Act 2006.

##### Turnover

Turnover, which is stated net of value added tax, is attributable to the principal activity of the individual companies.

##### Tangible fixed assets

Tangible fixed assets other than freehold land 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:

Land and buildings leasehold	Over the term of the lease
Plant and machinery	15-20% straight line or reducing balance
Computer equipment	20-25% straight line or reducing balance
Fixtures, fittings & equipment	20-25% straight line or reducing balance
Motor vehicles	25% straight line or reducing balance

##### Investment property

United Kingdom Generally Accepted Accounting Principles ("UK GAAP") requires investment properties to be included in the balance sheet at open market value. The property was sold in the year ended 31 May 2015, however the directors did not believe that it was appropriate to instruct an external valuer to value these properties as at 31 May 2015 as the cost would have outweighed any benefit.

This internal; directors' valuation was based on the last external professional valuation which was carried out as at 1 July 2005 and which does not therefore comply with UK GAAP.

Acquisitions and disposals of investment properties are recognised in the financial statements upon completion of the Purchase or sale of contract.

##### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.



## **C.A. HOLDINGS PLC**

### **Notes to the Consolidated Financial Statements - continued for the year ended 31 May 2016**

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#### **1. Accounting policies - continued**

##### **Taxation**

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and intends to settle on a net basis.

##### **Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

##### **Employee benefits**

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2016**

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**1. Accounting policies - continued**

**Financial instruments policy**

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

**Key sources of estimation uncertainty and judgements**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provision do not match the level of debts which ultimately prove to be uncollectable.

There is also estimation uncertainty in calculating stock provisions. Slow moving and obsolete stocks are monitored during the year. Individual sales margins are reviewed monthly to identify any stock sold at less than cost. A line by line review of stock provisions is carried out at the year-end and slow-moving stock without forward sales order cover is identified and put forward for provision.

Whilst every attempt is made to ensure that the stock provisions are as accurate as possible, there remain a risk that the provisions do not match the ultimate unrealised value of stock held.

**Going concern**

During the year ended 31 May 2016 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 53 weeks 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 53 weeks 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.

**2. Turnover**

The turnover and loss (2015 - profit) before taxation are attributable to the one principal activity of the group.

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**C.A. HOLDINGS PLC**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2016**

**3. Staff costs**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>522,331</b>	598,009
Social security costs	<b>54,825</b>	53,896
Other pension costs	<b>18,005</b>	25,984
	<u><b>595,161</b></u>	<u><b>677,889</b></u>

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

	<b>2016</b>	<b>2015</b>
Selling and distribution	<b>1</b>	1
Administration	<b>13</b>	13
	<u><b>14</b></u>	<u><b>14</b></u>

**4. Directors' emoluments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	<u><b>10,000</b></u>	<u><b>10,000</b></u>

**5. Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest	<u><b>3,151</b></u>	<u><b>30,000</b></u>

**6. (Loss)/profit on ordinary activities before taxation**

The loss on ordinary activities (2015 - profit on ordinary activities) is stated after charging/(crediting):

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other operating leases	<b>14,486</b>	73,934
Depreciation - owned assets	<b>161,945</b>	161,769
(Profit)/loss on disposal of fixed assets	<b>(7,250)</b>	442
Auditor's remuneration	<b>21,000</b>	20,075
Foreign exchange differences	<b>-</b>	(2,538)
Research and development	<u><b>2,211</b></u>	<u><b>81,172</b></u>

**7. Taxation**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	<b>-</b>	277,000
Adjustment for prior years	<u><b>(60,236)</b></u>	<u><b>-</b></u>
Tax on (loss)/profit on ordinary activities	<u><b>(60,236)</b></u>	<u><b>277,000</b></u>

# C.A. HOLDINGS PLC

## Notes to the Consolidated Financial Statements - continued for the year ended 31 May 2016

### 7. Taxation - continued

#### Reconciliation of total tax (credit)/charge included in profit and loss

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

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	<u>(1,242,391)</u>	<u>1,828,057</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	(248,478)	365,611
Effects of:		
Expenses not deductible for tax purposes	1,315	345
Capital allowances in excess of depreciation	-	(7,204)
Depreciation in excess of capital allowances	8,026	-
Utilisation of tax losses	(1,945)	(266,233)
Adjustments to tax charge in respect of previous periods	(60,236)	-
Unrelieved tax losses	241,082	-
Other tax adjustments	-	184,481
Total tax (credit)/charge	<u>(60,236)</u>	<u>277,000</u>

### 8. Loss of parent company

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(514,096) (2015 - £(958,669)).

### 9. Tangible fixed assets

#### Group

	Freehold property £	Short leasehold £	Plant and machinery £
<b>Cost</b>			
At 1 June 2015	2,040,020	61,956	689,254
Additions	22,959	-	6,884
Disposals	-	(61,956)	-
At 31 May 2016	<u>2,062,979</u>	<u>-</u>	<u>696,138</u>
<b>Depreciation</b>			
At 1 June 2015	-	61,956	280,115
Charge for year	-	-	103,973
Eliminated on disposal	-	(61,956)	-
At 31 May 2016	<u>-</u>	<u>-</u>	<u>384,088</u>
<b>Net book value</b>			
At 31 May 2016	<u>2,062,979</u>	<u>-</u>	<u>312,050</u>
At 31 May 2015	<u>2,040,020</u>	<u>-</u>	<u>409,139</u>

**C.A. HOLDINGS PLC**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2016**

**9. Tangible fixed assets - continued**

**Group**

	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>Cost</b>				
At 1 June 2015	208,178	43,123	115,161	3,157,692
Additions	30,324	10,163	8,923	79,253
Disposals	-	(9,703)	-	(71,659)
At 31 May 2016	<u>238,502</u>	<u>43,583</u>	<u>124,084</u>	<u>3,165,286</u>
<b>Depreciation</b>				
At 1 June 2015	170,956	15,632	81,811	610,470
Charge for year	18,698	13,322	25,952	161,945
Eliminated on disposal	-	(9,703)	-	(71,659)
At 31 May 2016	<u>189,654</u>	<u>19,251</u>	<u>107,763</u>	<u>700,756</u>
<b>Net book value</b>				
At 31 May 2016	<u>48,848</u>	<u>24,332</u>	<u>16,321</u>	<u>2,464,530</u>
At 31 May 2015	<u>37,222</u>	<u>27,491</u>	<u>33,350</u>	<u>2,547,222</u>

**Company**

	<b>Short leasehold £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>Cost</b>				
At 1 June 2015	61,956	139,275	9,703	210,934
Additions	-	26,534	10,163	36,697
Disposals	(61,956)	-	(9,703)	(71,659)
At 31 May 2016	<u>-</u>	<u>165,809</u>	<u>10,163</u>	<u>175,972</u>
<b>Depreciation</b>				
At 1 June 2015	61,956	134,223	7,277	203,456
Charge for year	-	7,089	4,967	12,056
Eliminated on disposal	(61,956)	-	(9,703)	(71,659)
At 31 May 2016	<u>-</u>	<u>141,312</u>	<u>2,541</u>	<u>143,853</u>
<b>Net book value</b>				
At 31 May 2016	<u>-</u>	<u>24,497</u>	<u>7,622</u>	<u>32,119</u>
At 31 May 2015	<u>-</u>	<u>5,052</u>	<u>2,426</u>	<u>7,478</u>

# C.A. HOLDINGS PLC

## Notes to the Consolidated Financial Statements - continued for the year ended 31 May 2016

### 10. Fixed asset investments

#### Company

Shares in  
group  
undertakings  
£

#### Cost

At 1 June 2015  
and 31 May 2016

107

#### Net book value

At 31 May 2016

107

At 31 May 2015

107

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

#### Subsidiaries

##### Cannon Automotive Limited

Country of incorporation: England and Wales

Nature of business: Distribution of rubber car mats

Class of shares:

Ordinary Shares

%  
holding  
100.00

##### CAH Estates (1) Limited

Country of incorporation: England and Wales

Nature of business: Investment properties

Class of shares:

Ordinary Shares

%  
holding  
100.00

##### CAH Estates (2) Limited

Country of incorporation: England and Wales

Nature of business: Property company

Class of shares:

Ordinary Shares

%  
holding  
100.00

##### CAH Estates (3) Limited

Country of incorporation: England and Wales

Nature of business: Investment properties

Class of shares:

Ordinary Shares

%  
holding  
100.00

**C.A. HOLDINGS PLC**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2016**

**10. Fixed asset investments - continued**

**ARCC Innovations Limited**

Country of incorporation: England and Wales

Nature of business: Engineering and research and development centre

Class of shares:

Ordinary Shares

%  
holding  
100.00

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company owns 100% of the ordinary share capital of C.A. Investments Limited. This company is registered in England and Wales and is dormant. In addition, Cannon Automotive Limited owns 100% of Cannon Rubber Limited and The Cannon Rubber Manufacturers Limited, both registered in England and Wales and which are dormant.

**11. Stocks**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Finished goods</b>	<b>134,000</b>	<b>24,000</b>

**12. Debtors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	5,681	10,478	-	-
Amounts owed by group undertakings	-	-	1,477,484	1,496,675
Other debtors	80,598	173,681	2,450	137,579
Related party debtors	-	-	73,430	-
VAT	13,714	-	2,515	-
Prepayments and accrued income	164,921	215,062	3,668	37,252
	<u>264,914</u>	<u>399,221</u>	<u>1,559,547</u>	<u>1,671,506</u>

**13. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 14)	1,858,411	11,114,354	-	10,000,000
Other loans (see note 14)	21,442,652	17,227,894	10,580,672	4,872,229
Trade creditors	95,115	282,043	-	74,463
Amounts owed to group undertakings	-	-	6,747,051	1,228,865
Tax	-	277,000	-	-
Social security and other taxes	16,162	18,099	6,409	6,788
Other creditors	1,900	5,966	1,076	5,265
Accruals and deferred income	44,263	43,680	25,624	25,437
	<u>23,458,503</u>	<u>28,969,036</u>	<u>17,360,832</u>	<u>16,213,047</u>

**C.A. HOLDINGS PLC**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2016**

**14. Loans**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:				
Bank overdrafts	1,858,411	1,114,354	-	-
Bank loans	-	10,000,000	-	10,000,000
Amount owed to related parties	21,442,652	17,227,894	10,580,672	4,872,229
	<u>23,301,063</u>	<u>28,342,248</u>	<u>10,580,672</u>	<u>14,872,229</u>

**15. Called up share capital**

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2016	2015
			£	£
355,750	Ordinary	£1	<u>355,750</u>	<u>355,750</u>

**16. Reserves**

**Group**

**Retained  
earnings  
£**

At 1 June 2015	(17,642,691)
Deficit for the year	(1,182,155)
At 31 May 2016	<u>(18,824,846)</u>

**Company**

**Retained  
earnings  
£**

At 1 June 2015	(13,887,727)
Deficit for the year	(514,096)
At 31 May 2016	<u>(14,401,823)</u>

**17. Pension commitments**

The group operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions paid by the group to the fund were £18,005 (2015: £25,984). The amount outstanding at the year end was £1,605 (2015: £2,173).



## C.A. HOLDINGS PLC

### Notes to the Consolidated Financial Statements - continued for the year ended 31 May 2016

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#### 18. Related party disclosures

The company has taken advantage of the exemption as per paragraph 33IA of FRS 102 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

As at the year end, a loan of £893,000 (2015: £767,000) was outstanding to the K.C. Atkin Settlement. E Atkin and B Gold are director and joint company secretary, respectively, of C.A. Holdings plc and its subsidiaries and trustees of the K.C. Atkin Settlement.

As at the year end, interest free loans of £18,444,511, £1,776,141, £167,000, and £162,000 (2015: £16,180,091, £nil, £143,000, and £140,000) respectively were outstanding to E Atkin, C Atkin, R J Atkin and L Atkin, directors of the company.

As at the year end, debtors included £71,972 (2015: £58,280) outstanding from Motor Sport Magazine Limited, a company controlled by E Atkin in respect of expenses paid on behalf of that company.

As at the year end, debtors included £8,626 (2015: £nil) outstanding from Kinvale Property Investments Limited, a company controlled by E Atkin in respect of expenses paid on behalf of that company.

#### 19. Ultimate controlling party

The directors regard E Atkin and C J Atkin as the ultimate controlling parties. According to the register kept by the company, E Atkin and C J Atkin have 45% and 29% respective interests in the equity capital of the company at the year end.

#### 20. First year adoption

The company has adopted FRS 102 for the period ended 31 May 2016, with the date of transition therefore being 1 June 2014.

On transition management have considered the effect of any changes in accounting treatment from UK GAAP to FRS 102 for this company but do not consider there to be any material changes that would warrant restatement of the comparative financials.