

REGISTERED NUMBER: 02615421 (England and Wales)

**Report of the Directors and
Financial Statements
for the year ended 30th June 2011
for
CANNON DATACOM LIMITED**

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CANNON DATACOM LIMITED (REGISTERED NUMBER: 02615421)

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for the year ended 30th June 2011**

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CANNON DATACOM LIMITED

**Company Information
for the year ended 30th June 2011**

DIRECTORS:

M Goulding
R Radford

SECRETARY:

R G Shivas

REGISTERED OFFICE:

Queensway
Stem Lane Industrial Estate
New Milton
Hampshire
BH25 5NN

REGISTERED NUMBER

02615421 (England and Wales)

AUDITORS

Simpson Wreford & Partners
Chartered Accountants
Registered Auditors
Suffolk House
George Street
Croydon CR0 0YN

CANNON DATACOM LIMITED (REGISTERED NUMBER: 02615421)

**Report of the Directors
for the year ended 30th June 2011**

The directors present their report with the financial statements of the company for the year ended 30th June 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design and manufacture of specialist electronic data enclosure systems

The company's subsidiary, Cannon Telecomms Limited, is dormant

REVIEW OF BUSINESS

In the period Cannon Datacom Limited was utilised as a vehicle for the servicing of major new contracts secured in the 2008/09 period

Cannon Datacom has incurred considerable expenditure during this period in the development of new product lines, thus enabling the company to exploit new business opportunities

The company has increased its operational capabilities and range of services, and will be actively pursuing additional market sectors as an avenue for further growth in the forthcoming financial periods

Results

The results for the year are set out in the profit and loss account. The company's profit before tax amounted to £67,499 (2010 - £46,366)

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2010 to the date of this report

M Goulding
R Radford

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

CANNON DATACOM LIMITED (REGISTERED NUMBER: 02615421)

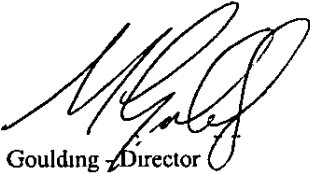
**Report of the Directors
for the year ended 30th June 2011**

AUDITORS

The auditors, Simpson Wreford & Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting

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:



M Goulding Director

Date 1/3/2012

**Report of the Independent Auditors to the Members of
Cannon Datacom Limited**

We have audited the financial statements of Cannon Datacom Limited for the year ended 30th June 2011 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 set out on page two, 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 financial statements to identify material inconsistencies with the audited financial statements. 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 30th June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Cannon Datacom 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



Christopher Atkinson (Senior Statutory Auditor)
for and on behalf of Simpson Wreford & Partners
Chartered Accountants
Registered Auditors
Suffolk House
George Street
Croydon CR0 0YN

Date

1 / 3 / 2012

CANNON DATACOM LIMITED (REGISTERED NUMBER. 02615421)

**Profit and Loss Account
for the year ended 30th June 2011**

	Notes	2011 £	2010 £
TURNOVER	2	3,059,543	3,446,550
Cost of sales		<u>2,705,361</u>	<u>3,149,164</u>
GROSS PROFIT		354,182	297,386
Administrative expenses		<u>286,683</u>	<u>251,020</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	67,499	46,366
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>67,499</u></u>	<u><u>46,366</u></u>

The notes form part of these financial statements

CANNON DATACOM LIMITED (REGISTERED NUMBER: 02615421)

**Balance Sheet
30th June 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	5	27,656	2,982
Investments	6	100	100
		<u>27,756</u>	<u>3,082</u>
CURRENT ASSETS			
Stocks		391,211	43,853
Debtors	7	1,139,071	686,449
Cash at bank		861	79,517
		<u>1,531,143</u>	<u>809,819</u>
CREDITORS			
Amounts falling due within one year	8	1,266,313	587,814
		<u>1,266,313</u>	<u>587,814</u>
NET CURRENT ASSETS		<u>264,830</u>	<u>222,005</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>292,586</u>	<u>225,087</u>
CAPITAL AND RESERVES			
Called up share capital	9	379,052	379,052
Profit and loss account	10	(86,466)	(153,965)
		<u>292,586</u>	<u>225,087</u>
SHAREHOLDERS' FUNDS		<u>292,586</u>	<u>225,087</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on
by

1/3/2012

and were signed on its behalf


M Goulding - Director

The notes form part of these financial statements

CANNON DATACOM LIMITED (REGISTERED NUMBER. 02615421)

**Cash Flow Statement
for the year ended 30th June 2011**

	2011		2010
	£	£	£
Cash generated from operations			
Operating profit	67,499		46,366
Reconciliation to cash generated from operations			
Depreciation	3,992		1,918
(Increase)/Decrease in stocks	(347,358)		155,790
(Increase)/Decrease in debtors	(452,622)		139,009
Increase/(Decrease) in creditors	<u>597,404</u>		<u>(272,746)</u>
		(131,085)	70,337
Application of cash			
Purchase of tangible fixed assets	<u>(28,666)</u>		<u>-</u>
		(28,666)	-
Net (decrease)/increase in cash		(159,751)	70,337
Cash at bank at beginning of year		<u>79,517</u>	<u>9,180</u>
Cash at bank less overdrafts at end of year		<u><u>(80,234)</u></u>	<u><u>79,517</u></u>
 Consisting of			
Cash at bank		861	79,517
Overdrafts included in "bank loans and overdrafts falling due within one year"		<u>(81,095)</u>	-
		<u><u>(80,234)</u></u>	<u><u>79,517</u></u>

The notes form part of these financial statements

CANNON DATACOM LIMITED (REGISTERED NUMBER 02615421)

**Notes to the Financial Statements
for the year ended 30th June 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Preparation of consolidated financial statements

The financial statements contain information about Cannon Datacom Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

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

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Stocks

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

Deferred tax

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 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

Deferred tax assets are only recognised to the extent that their recovery is probable

Deferred tax assets and liabilities are not discounted

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value

2 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

CANNON DATACOM LIMITED (REGISTERED NUMBER: 02615421)

**Notes to the Financial Statements - continued
for the year ended 30th June 2011**

3 OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Depreciation - owned assets	3,992	1,918
Auditors' remuneration	3,300	4,450
Pension costs	<u>1,860</u>	<u>985</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30th June 2011 nor for the year ended 30th June 2010

Factors affecting the tax charge

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

	2011	2010
	£	£
Profit on ordinary activities before tax	<u>67,499</u>	<u>46,366</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	18,900	12,982
Effects of		
(Accelerated capital allowances)/Depreciation in excess of capital allowances	(673)	304
Research & development enhanced deduction	(63,620)	(29,600)
Tax losses (utilised)/arising	<u>45,393</u>	<u>16,314</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

A deferred tax asset of £248,779 at a rate of 28% (2010 - £204,058 at a rate of 28%) in respect of trading losses and depreciation in excess of capital allowances has not been included in the financial statements. In accordance with Financial Reporting Standard 19 (Deferred Taxation), this asset has not been recognised as its reversal is uncertain.

CANNON DATACOM LIMITED (REGISTERED NUMBER 02615421)

**Notes to the Financial Statements - continued
for the year ended 30th June 2011**

5 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st July 2010	260	5,600	5,860
Additions	28,666	-	28,666
At 30th June 2011	28,926	5,600	34,526
DEPRECIATION			
At 1st July 2010	95	2,783	2,878
Charge for year	2,126	1,866	3,992
At 30th June 2011	2,221	4,649	6,870
NET BOOK VALUE			
At 30th June 2011	26,705	951	27,656
At 30th June 2010	165	2,817	2,982

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st July 2010 and 30th June 2011	100
NET BOOK VALUE	
At 30th June 2011	100
At 30th June 2010	100

The company's investments at the balance sheet date in the share capital of companies include the following

Cannon Telecomms Limited

Nature of business Dormant

	% holding	2011 £	2010 £
Class of shares	100.00		
Ordinary			
Aggregate capital and reserves		19	19

CANNON DATACOM LIMITED (REGISTERED NUMBER: 02615421)

**Notes to the Financial Statements - continued
for the year ended 30th June 2011**

7 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	433,586	294,226
Amounts owed by group undertakings	704,092	390,830
Other debtors	1,393	1,393
	<u>1,139,071</u>	<u>686,449</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts	81,095	-
Trade creditors	606,245	398,121
Amounts owed to group undertakings	41,869	100
VAT	20,418	80,989
Other creditors	2,534	3,604
Accrued expenses	514,152	105,000
	<u>1,266,313</u>	<u>587,814</u>

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2011	2010
Number	Class	Nominal value	£	£
379,052	Ordinary	£1	<u>379,052</u>	<u>379,052</u>

10 RESERVES

	Profit and loss account £
At 1st July 2010	(153,965)
Profit for the year	<u>67,499</u>
At 30th June 2011	<u>(86,466)</u>

11 PENSION COMMITMENTS

The company operates a defined contribution pension scheme on behalf of certain employees. There is no annual commitment under this scheme.

12 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Cannon Technologies Group Limited, a company incorporated in England & Wales. Copies of that company's accounts can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

CANNON DATACOM LIMITED (REGISTERED NUMBER. 02615421)

**Notes to the Financial Statements - continued
for the year ended 30th June 2011**

13 CONTINGENT LIABILITIES

The company is party to a composite guarantee between itself, Cannon Technologies Limited, Cannontech Limited, and Cannon Technologies Group Limited. There are no other contingent liabilities at 2011 (2010 - none)

14 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under Financial Reporting Standard 8 (Related Party Disclosures) from disclosing transactions with entities that are part of the group. The consolidated financial statements of the ultimate parent company are publicly available as shown above.

15 ULTIMATE CONTROLLING PARTY

The ultimate parent company, Cannon Technologies Group Limited, is beneficially owned and controlled by E A Reddcliffe, a director of this company.

CANNON DATACOM LIMITED (REGISTERED NUMBER: 02615421)

**Trading and Profit and Loss Account
for the year ended 30th June 2011**

	2011		2010
	£	£	£
Sales		3,059,543	3,446,550
Cost of sales			
Opening stock	43,853		199,643
Purchases	3,048,936		2,991,014
Carriage on sales	2,217		494
Depreciation of tangible fixed assets			
Plant and machinery	1,866		1,866
	<u>3,096,872</u>		<u>3,193,017</u>
Closing stock	(391,511)		(43,853)
		<u>2,705,361</u>	<u>3,149,164</u>
GROSS PROFIT		354,182	297,386
Expenditure			
Rent and rates	20,349		16,137
Light and heat	1,968		900
Repairs and maintenance	1,028		-
Wages	131,855		139,546
Social security	8,654		13,814
Pensions	1,860		985
Telephone	3,738		1,000
Printing, postage & stationery	4,647		1,874
Motor and travel expenses	7,247		4,659
Research and development	2,437		199
Sundry expenses	3,111		440
Legal and professional fees	92,626		63,215
Auditors' remuneration	3,300		4,450
		<u>282,820</u>	<u>247,219</u>
		71,362	50,167
Finance costs			
Bank charges		1,737	3,749
		<u>69,625</u>	<u>46,418</u>
Depreciation			
Fixtures and fittings		2,126	52
NET PROFIT		<u><u>67,499</u></u>	<u><u>46,366</u></u>

This page does not form part of the statutory financial statements