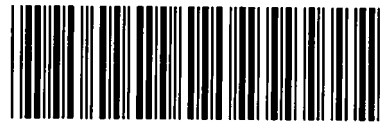


Company Registration No. SC274301 (Scotland)

CARBON BLACK SYSTEM LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014

THURSDAY



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SCT 05/02/2015 #104
COMPANIES HOUSE

CARBON BLACK SYSTEM LIMITED

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CARBON BLACK SYSTEM LIMITED

INDEPENDENT AUDITORS' REPORT TO CARBON BLACK SYSTEM LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Carbon Black System Limited for the year ended 31 October 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 2 February 2015 we reported, as auditors of Carbon Black System Limited, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 31 October 2014, and our report included the following paragraph:

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a further net loss during the year ended 31 October 2014. This condition, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



Jamie Waugh (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

2 February 2015

Chartered Accountants
Statutory Auditor

Clava House
Cradlehall Business Park
Inverness
IV2 5GH

CARBON BLACK SYSTEM LIMITED


ABBREVIATED BALANCE SHEET

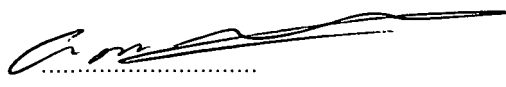
AS AT 31 OCTOBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	2		116,623		98,375
Current assets					
Stocks		43,262		25,382	
Debtors		16,140		18,569	
Cash at bank and in hand		-		33,075	
		59,402		77,026	
Creditors: amounts falling due within one year		(118,941)		(48,124)	
Net current (liabilities)/assets			(59,539)		28,902
Total assets less current liabilities			57,084		127,277
Creditors: amounts falling due after more than one year			(10,269)		(16,137)
			46,815		111,140
Capital and reserves					
Called up share capital	3		18,214		10,620
Share premium account			577,767		395,500
Profit and loss account			(549,166)		(294,980)
Shareholders' funds			46,815		111,140

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board for issue on 2/2/2015


L Scott
Director


A Slorance
Director

Company Registration No. SC274301

CARBON BLACK SYSTEM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2014

1 Accounting policies

1.1 Accounting convention

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

Whilst the company has continued to incur net losses, the directors strongly believe that the measures taken to grow the business through product development, marketing activity, expansion into foreign markets and creating relationships with key distributors to generate increased order levels to add to their customer base will result in a significant reduction in losses for the year ended 31 October 2015 with the company beginning to generate profits in the following financial year.

The directors acknowledge that the company has continued to rely on the support of its syndicate of investors and its bank overdraft to provide ongoing working capital. Subsequent to the year end, the directors have secured further funding from its investors via convertible loan financing and have also agreed in principle a loan from a local government enterprise agency. Whilst the company's overdraft facility is not due to be renewed until May 2015, the directors are confident that an appropriate facility will be provided by their bankers to allow the day to day operations of the company to continue satisfactorily.

Whilst the financial forecasts produced for the period to October 2017 are inherently uncertain, the directors are confident that these combined with their business plan continue to demonstrate financial viability and that the company will have sufficient funds to enable it to meet its obligations as they fall due. Accordingly, the directors have considered a period of 12 months from the approval date of these financial statements and deem it appropriate to prepare the financial statements on a going concern basis.

1.2 Turnover

Turnover represents the total value, excluding VAT, of sales made during the year and is recognised when wheelchairs have been fully manufactured in accordance with the user's tailored requirements.

1.3 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4 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:

Plant and machinery	10% - 33% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

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

CARBON BLACK SYSTEM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

1 Accounting policies

(Continued)

1.7 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.8 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Fixed assets

Tangible assets

	£
Cost	
At 1 November 2013	133,054
Additions	56,223
	<hr/>
At 31 October 2014	189,277
	<hr/>
Depreciation	
At 1 November 2013	34,679
Charge for the year	37,975
	<hr/>
At 31 October 2014	72,654
	<hr/>
Net book value	
At 31 October 2014	116,623
	<hr/>
At 31 October 2013	98,375
	<hr/>

CARBON BLACK SYSTEM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

3	Share capital	2014	2013
		£	£
	Allotted, called up and fully paid		
	1,821,400 Ordinary shares of 1p each	18,214	10,620
		<u> </u>	<u> </u>

During the year, 759,444 ordinary shares were issued at £0.25 per share, resulting in a share premium of £182,267.

1,209,544 ordinary shares are fully paid up. The unpaid balance, relating to ordinary shares which were issued at par, is included in Other debtors, as agreed between the investors.

CARBON BLACK SYSTEM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

4 Related party relationships and transactions

Loans to directors

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
A Slorance -	-	599	339	-	442	496
		<u>599</u>	<u>339</u>	<u>-</u>	<u>442</u>	<u>496</u>
		<u><u>599</u></u>	<u><u>339</u></u>	<u><u>-</u></u>	<u><u>442</u></u>	<u><u>496</u></u>

This amount has no fixed terms of repayment.