TUESDAY

S11OARPL
SCT 31/01/2012 #578
COMPANIES HOUSE

CARMELITE (GLASGOW) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

Company Registration Number SC179074

CARMELITE (GLASGOW) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2011

CONTENTS **PAGES**

Independent auditor's report to the company	**1 to 2**
Abbreviated balance sheet	**3**
Notes to the abbreviated accounts	**4 to 7**

CARMELITE (GLASGOW) LIMITED

INDEPENDENT AUDITOR'S REPORT TO CARMELITE (GLASGOW) LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 3 to 7, together with the financial statements of Carmelite (Glasgow) Limited for the year ended 31 March 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 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 auditor's 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 auditor

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 31 January 2012 we reported as auditor to the members of the company on the financial statements prepared under Section 396 of the Companies Act 2006 and our report included the following paragraph:

INDEPENDENT AUDITOR'S REPORT TO CARMELITE (GLASGOW) LIMITED *(continued)*

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Emphasis of matter - going concern

In forming our opinion on the financial statements, 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. At the balance sheet date the company's current liabilities exceeded its current assets by £691,360. 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.

Mark McRae, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
48 St Vincent Street
Glasgow
G2 5TS

Date:- 31/1/12

CARMELITE (GLASGOW) LIMITED

Registered Number SC179074

ABBREVIATED BALANCE SHEET

31 MARCH 2011

	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets	2				
Tangible assets			890,000		*890,000*
Current assets					
Debtors		630,000		*630,000*	
Creditors: Amounts falling due within one year	3	(1,321,360)		*(1,284,572)*	
Net current liabilities			(691,360)		*(654,572)*
Total assets less current liabilities			198,640		*235,428*
Capital and reserves					
Called-up share capital	4		2		*2*
Revaluation reserve			458,325		*458,325*
Profit and loss account			(259,687)		*(222,899)*
Shareholders' funds			198,640		*235,428*

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 30.1.12, and are signed on their behalf by:

.....

G Atkinson

The notes on pages 4 to 7 form part of these abbreviated accounts.

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Basis of preparation - going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the continued support of the company's bankers and group shareholders. At the balance sheet date the company has net current liabilities of £691,360.

In July 2010, the group acquired a new equity investor who has subscribed for 45% of the ordinary shares of Next Level Group, the company's ultimate parent company. Part of the terms of this transaction was for this investor to also loan the group £1m of which £529,000 has been received 31 March 2011. In addition to this the group's banking arrangements were restructured in July 2010. The group's bank have confirmed they will continue to provide short-term facilities subject to on-going reviews. The unaudited management accounts of the group to 31 December 2011 show the group making a profit and the directors have prepared financial projections to 31 March 2012 which project the group will be profitable in the current financial year. Based on this information, the directors believe that the group will continue to operate within its agreed banking facilities and will be able to meet its financial liabilities as they fall due within a period of at least 12 months from the date of signing of these financial statements.

For the above reasons the directors consider it appropriate to prepare the financial statements on a going concern basis. Should the going concern basis not be appropriate the company may not be able to recover the amounts recorded in the financial statements in respect of its assets. There may also be changes in the amounts and dates of maturity of liabilities. In these circumstances the amounts and classification of assets and liabilities in the financial statements would need to be adjusted if the amounts were material.

Cash flow statement

The company has adopted the Financial Reporting Standard for Smaller Entities (effective April 2008) and is consequently exempt from the requirement to include a cash flow statement in the financial statements.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Heritable Property - not provided

Depreciation is not provided on heritable property as the asset is not yet in use.

1. Accounting policies *(continued)*

Assets that have been revalued are subject to subsequent revaluations in the third and fifth year following the previous revaluation, or when there are indications of a significant change in the value of the revalued assets. The valuations were performed by a qualified external valuer.

The basis of the valuation is existing use value.

Revaluation surpluses are taken to the revaluation reserve. Deficits on subsequent revaluations are charged to the profit and loss account if they are considered to arise as a result of the consumption of the economic benefits provided by the asset. Other deficits on revaluation are charged to the revaluation reserve up to the amount of the associated revaluation surplus. Any excess deficits are charged to the profit and loss account.

Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer is made from the revaluation reserve to the profit and loss reserve.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1. **Accounting policies** *(continued)*

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

If a financial instrument contains both an equity and a liability element, then the liability element is first established with any residual value being disclosed within equity shareholders' funds. The liability element is the present value of the future payments guaranteed to be made to the holders of the financial instrument.

Non-discretionary dividends payable are disclosed within interest in the company's profit and loss account.

2. **Fixed assets**

	Tangible Assets £
Cost or valuation	
At 1 April 2010 and 31 March 2011	890,000
Depreciation	–
Net book value	
At 31 March 2011	890,000
At 31 March 2010	*890,000*

3. **Creditors: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2011 £	*2010 £*
Bank loans and overdrafts	630,000	*630,000*

4. Share capital

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
2 Ordinary shares of £1 each	2	2	2	2

5. Ultimate parent company

The ultimate parent company is Next Level Group Limited.