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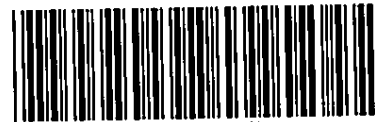
**Registration number 4201151**

**Grainger Games Ltd**

**Abbreviated accounts**

**for the year ended 30th June 2007**

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## **Grainger Games Ltd**

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## **Grainger Games Ltd**

### **Directors' report for the year ended 30th June 2007**

continued

#### **Directors' responsibilities**

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

In so far as the directors are aware

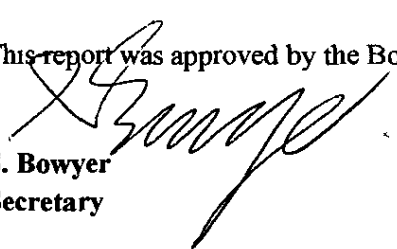
- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Harrison Hutchinson Ltd be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 24th January 2008 and signed on its behalf by

  
**S. Bowyer**  
Secretary

**Independent auditors' report to Grainger Games Ltd  
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 15 together with the financial statements of Grainger Games Ltd for the year ended 30th June 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and the auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

**Harrison Hutchinson Ltd  
Chartered Accountants and  
Registered Auditors  
246 Park View  
Whitley Bay  
Tyne & Wear  
NE26 3QX**

*Harrison Hutchinson Ltd.*

**- 1 FEB 2008**

**Grainger Games Ltd**

**Abbreviated profit and loss account  
for the year ended 30th June 2007**

		<b>Continuing operations</b>	
		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Gross profit</b>		1,986,722	1,654,364
Administrative expenses		(1,764,189)	(1,448,389)
<b>Operating profit</b>	<b>2</b>	<u>222,533</u>	<u>205,975</u>
Other interest receivable and similar income	<b>3</b>	8,596	3,011
Interest payable and similar charges	<b>4</b>	(1,331)	(1,488)
<b>Profit on ordinary activities before taxation</b>		<u>229,798</u>	<u>207,498</u>
Tax on profit on ordinary activities	<b>6</b>	(52,282)	(57,204)
<b>Profit on ordinary activities after taxation</b>		<u><u>177,516</u></u>	<u><u>150,294</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years

**The notes on pages 7 to 15 form an integral part of these financial statements.**

**Grainger Games Ltd**

**Abbreviated balance sheet  
as at 30th June 2007**

		2007		2006	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		503,097		532,222
<b>Current assets</b>					
Stocks	8	213,079		150,105	
Debtors	9	44,120		39,305	
Cash at bank and in hand		310,684		146,830	
		<u>567,883</u>		<u>336,240</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(573,773)</u>		<u>(418,745)</u>	
<b>Net current liabilities</b>			<u>(5,890)</u>		<u>(82,505)</u>
<b>Total assets less current liabilities</b>			497,207		449,717
<b>Creditors: amounts falling due after more than one year</b>	11		-		(8,849)
<b>Provisions for liabilities</b>	12		(11,563)		(19,551)
<b>Accruals and deferred income</b>	13		(3,568)		(4,756)
<b>Net assets</b>			<u>482,076</u>		<u>416,561</u>
<b>Capital and reserves</b>					
Called up share capital	15		40		40
Profit and loss account			<u>482,036</u>		<u>416,521</u>
<b>Shareholders' funds</b>	16		<u>482,076</u>		<u>416,561</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The abbreviated accounts were approved by the Board on 24th January 2008 and signed on its behalf by

  
**S. Bowyer**  
**Director**

**The notes on pages 7 to 15 form an integral part of these financial statements.**

# Grainger Games Ltd

## Cash flow statement for the year ended 30th June 2007

	Notes	2007 £	2006 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		222,533	205,975
Depreciation		163,524	102,877
(Increase) in stocks		(62,974)	29,271
(Increase) in debtors		(4,815)	9,809
Increase in creditors		142,995	38,859
<b>Net cash inflow from operating activities</b>		<u>461,263</u>	<u>386,791</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		461,263	386,791
Returns on investments and servicing of finance	18	7,265	1,523
Taxation	18	(41,991)	(38,352)
Capital expenditure	18	(135,588)	(242,405)
		290,949	107,557
Equity dividends paid		(112,000)	(118,000)
		178,949	(10,443)
Financing	18	(15,096)	(11,895)
<b>Increase in cash in the year</b>		<u>163,853</u>	<u>(22,338)</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 19)</b>			
<b>Increase in cash in the year</b>		163,853	(22,338)
Cash inflow from increase in debts and lease financing		15,096	11,895
Change in net funds resulting from cash flows		178,949	(10,443)
New finance leases and hire purchase contracts		-	(18,740)
<b>Movement in net funds in the year</b>		178,949	(29,183)
<b>Net funds at 1st July 2006</b>		131,734	160,917
<b>Net funds at 30th June 2007</b>		<u>310,683</u>	<u>131,734</u>

## **Grainger Games Ltd**

### **Notes to the abbreviated financial statements for the year ended 30th June 2007**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	25% Reducing Balance
Motor vehicles	-	25% Reducing Balance
Property Improvements	-	Not depreciated

##### **1.4. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

##### **1.5. Stock**

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

##### **1.6. 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, or a right to pay less or to receive more, tax, with the following exceptions

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the 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

# Grainger Games Ltd

## Notes to the abbreviated financial statements for the year ended 30th June 2007

continued

### 1.7. 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.

<b>2. Operating profit</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	150,577	103,304
Loss/(profit) on disposal of tangible fixed assets	12,947	(427)
Operating lease rentals		
- Motor vehicles	-	4,625
Auditors' remuneration	5,091	6,124
	<u>5,091</u>	<u>6,124</u>
 <b>3. Interest receivable and similar income</b>	 <b>2007</b>	 <b>2006</b>
	<b>£</b>	<b>£</b>
Bank interest	8,596	3,011
	<u>8,596</u>	<u>3,011</u>
 <b>4. Interest payable and similar charges</b>	 <b>2007</b>	 <b>2006</b>
	<b>£</b>	<b>£</b>
Interest payable on loans < 1 yr	-	649
Hire purchase interest	317	700
On overdue tax	1,014	139
	<u>1,331</u>	<u>1,488</u>

# Grainger Games Ltd

## Notes to the abbreviated financial statements for the year ended 30th June 2007

continued

### 5. Employees

<b>Number of employees</b>	<b>2007</b>	<b>2006</b>
The average monthly numbers of employees (including the directors) during the year were		
Office and management	7	5
Warehouse and distribution	6	5
Retail sales	47	42
	<u>60</u>	<u>52</u>

<b>Employment costs</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	915,948	805,267
Social security costs	7,288	2,828
	<u>923,236</u>	<u>808,095</u>

<b>5.1. Directors' emoluments</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>80,281</u>	<u>54,912</u>

# Grainger Games Ltd

## Notes to the abbreviated financial statements for the year ended 30th June 2007

continued

### 6. Tax on profit on ordinary activities

Analysis of charge in period	2007 £	2006 £
<b>Current tax</b>		
UK corporation tax at 19.25% (2006 - 19.00%)	55,932	37,653
Adjustments in respect of previous periods	4,338	-
Total current tax charge	<u>60,270</u>	<u>37,653</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(7,988)	19,551
Total deferred tax	<u>(7,988)</u>	<u>19,551</u>
Tax on profit on ordinary activities	<u>52,282</u>	<u>57,204</u>

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>229,798</u>	<u>207,498</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2006 - 19.00%)	44,236	39,425
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,364	496
Capital allowances for period in excess of depreciation	10,332	(2,267)
Adjustments to tax charge in respect of previous periods	4,338	-
Current tax charge for period	<u>60,270</u>	<u>37,653</u>

**Grainger Games Ltd**

**Notes to the abbreviated financial statements  
for the year ended 30th June 2007**

... continued

<b>7. Tangible fixed assets</b>	<b>Short leasehold property £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Property Improvements £</b>	<b>Total £</b>
<b>Cost</b>					
At 1st July 2006	6,620	560,538	263,921	16,865	847,944
Additions	-	42,610	71,697	32,857	147,164
Disposals	-	-	(33,140)	-	(33,140)
At 30th June 2007	<u>6,620</u>	<u>603,148</u>	<u>302,478</u>	<u>49,722</u>	<u>961,968</u>
<b>Depreciation</b>					
At 1st July 2006	3,248	289,184	23,290	-	315,722
On disposals	-	-	(8,617)	-	(8,617)
Charge for the year	1,324	78,491	71,951	-	151,766
At 30th June 2007	<u>4,572</u>	<u>367,675</u>	<u>86,624</u>	<u>-</u>	<u>458,871</u>
<b>Net book values</b>					
At 30th June 2007	<u>2,048</u>	<u>235,473</u>	<u>215,854</u>	<u>49,722</u>	<u>503,097</u>
At 30th June 2006	<u>3,372</u>	<u>271,354</u>	<u>240,631</u>	<u>16,865</u>	<u>532,222</u>

Included above are assets held under finance leases or hire purchase contracts as follows

<b>Asset description</b>	<b>2007</b>		<b>2006</b>	
	<b>Net</b>	<b>Depreciation</b>	<b>Net</b>	<b>Depreciation</b>
	<b>book value</b>	<b>charge</b>	<b>book value</b>	<b>charge</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Motor vehicles	<u>-</u>	<u>-</u>	<u>15,619</u>	<u>5,206</u>
<b>8. Stocks</b>			<b>2007</b>	<b>2006</b>
			<b>£</b>	<b>£</b>
Raw materials and consumables			<u>213,079</u>	<u>150,105</u>

**Grainger Games Ltd**

**Notes to the abbreviated financial statements  
for the year ended 30th June 2007**

continued

<b>9. Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade debtors	8,186	-
Other debtors	5,634	4,535
Prepayments and accrued income	30,300	34,770
	<u>44,120</u>	<u>39,305</u>
 <b>10. Creditors: amounts falling due within one year</b>	 <b>2007</b>	 <b>2006</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	-	6,247
Trade creditors	260,119	234,336
Corporation tax	55,932	37,652
Other taxes and social security costs	129,114	38,595
Directors' accounts	-	176
Other creditors	79,971	63,364
Accruals and deferred income	48,637	38,375
	<u>573,773</u>	<u>418,745</u>
 <b>11. Creditors: amounts falling due after more than one year</b>	 <b>2007</b>	 <b>2006</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	-	8,849

**Grainger Games Ltd**

**Notes to the abbreviated financial statements  
for the year ended 30th June 2007**

continued

**12. Provisions for liabilities**

	<b>Deferred taxation (Note 14) £</b>	<b>Total £</b>
At 1st July 2006	19,551	19,551
Movements in the year	(7,988)	(7,988)
At 30th June 2007	<u>11,563</u>	<u>11,563</u>

**13. Accruals and deferred income**

	<b>2007 £</b>	<b>2006 £</b>
<b>Government grants</b>		
At 1st July 2006	4,757	6,342
Released in the year	(1,189)	(1,586)
At 30th June 2007	<u>3,568</u>	<u>4,756</u>

**14. Provision for deferred taxation**

	<b>2007 £</b>	<b>2006 £</b>
Accelerated capital allowances	(7,988)	19,551
Provision for deferred tax	<u>(7,988)</u>	<u>19,551</u>
Provision at 1st July 2006	19,551	
Deferred tax credit in profit and loss account	(7,988)	
Provision at 30th June 2007	<u>11,563</u>	

# Grainger Games Ltd

## Notes to the abbreviated financial statements for the year ended 30th June 2007

continued

<b>15. Share capital</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
1,000 'A' Ordinary shares of 1 each	1,000	1,000
1,000 'B' Ordinary shares of 1 each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>
<b>Allotted, called up and fully paid equity</b>		
20 'A' Ordinary shares of 1 each	20	20
20 'B' Ordinary shares of 1 each	20	20
	<u>40</u>	<u>40</u>
<b>16. Reconciliation of movements in shareholders' funds</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the year	177,516	150,294
Dividends	(112,000)	(118,000)
	<u>65,516</u>	<u>32,294</u>
Opening shareholders' funds	416,561	384,267
Closing shareholders' funds	<u>482,076</u>	<u>416,561</u>

### 17. Related party transactions

During the year, the company acquired the services of an advertising agent, Active Advertising Ltd (company number 5253833) Active Advertising Ltd is controlled by S Bowyer and S W Sibley During the year the company paid to Active Advertising Ltd £42,016 (2006 - £9,343) for advertising At 30th June 2007 the company owed Active Advertising Ltd £7,500 (2006 - £18,150) Active Advertising Ltd will continue to be the company's advertising agent for the foreseeable future

**Grainger Games Ltd**

**Notes to the abbreviated financial statements  
for the year ended 30th June 2007**

continued

**18. Gross cash flows**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	8,596	3,011
Interest paid	(1,331)	(1,488)
	<u>7,265</u>	<u>1,523</u>
<b>Taxation</b>		
Corporation tax paid	<u>(41,991)</u>	<u>(38,352)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(147,164)	(280,680)
Receipts from sales of tangible assets	<u>11,576</u>	<u>38,275</u>
	<u>(135,588)</u>	<u>(242,405)</u>
<b>Financing</b>		
Capital element of finance leases and hire purchase contracts	<u>(15,096)</u>	<u>(11,895)</u>

**19. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	146,830	163,854	310,684
Finance leases and hire purchase contracts	<u>(15,096)</u>	<u>15,096</u>	<u>-</u>
<b>Net funds</b>	<u>131,734</u>	<u>178,950</u>	<u>310,684</u>