

REG COPY

Registration number 4201151

Grainger Games Ltd
Abbreviated accounts
for the year ended 30th June 2008

THURSDAY



A30 *A2UYA3TA* 20
09/10/2008
COMPANIES HOUSE

Grainger Games Ltd

Contents

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 14

Grainger Games Ltd
Directors' report
for the year ended 30th June 2008

The directors present their report and the accounts for the year ended 30th June 2008

Principal activity and review of the business

The principal activity remained that of games consoles, games and D V D retailing

There have been no significant changes in the company's principle activities in the year under review and the directors are not aware of any major changes

The company's profit and loss account, on page 5, reveals the turnover increased by 71.4% over the prior year. Profit after tax increased by 83.9%. The increases are mainly due to the company increasing its number of branches during the year.

The balance sheet on page 6 shows that the company's financial position at the year end is, in net terms, improved on the previous year.

The company's directors do not believe further key performance indicators are necessary for an appropriate understanding of the performance and position of the business.

Results and dividends

The profit for the year, after taxation, amounted to £312,800. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

Financial risk management objectives and policies

Cash received through the retail branches account for a big part of the income for the business. The company manages this risk by developing and maintaining strong controls to prevent the risk to the business of any theft or fraud.

Appropriate trade terms are negotiated with suppliers. Management reviews these terms at regular intervals and maintain strong relationships with suppliers and manages any exposure on normal trade terms.

The directors have reviewed the financial risk management objectives and policies of the company. The directors do not believe there to be significant risks in this area. The company does not enter into any hedging instruments and does not enter into financial instruments for speculative purposes.

Directors

The directors who served during the year are as stated below

S Bowyer
J H Bowyer
S W Sibley

Grainger Games Ltd

Directors' report for the year ended 30th June 2008

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

- 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 Tait Walker be appointed 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 7th October 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 14 together with the financial statements of Grainger Games Ltd for the year ended 30th June 2008 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

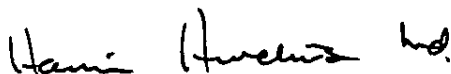
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of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



- 7 OCT 2008

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

Grainger Games Ltd

**Abbreviated profit and loss account
for the year ended 30th June 2008**

		Continuing operations	
		2008	2007
	Notes	£	£
Gross profit		2,954,989	1,986,722
Administrative expenses		(2,531,709)	(1,764,189)
Operating profit	2	<u>423,280</u>	<u>222,533</u>
Other interest receivable and similar income	3	13,162	8,596
Interest payable and similar charges	4	(1,091)	(1,331)
Profit on ordinary activities before taxation		<u>435,351</u>	<u>229,798</u>
Tax on profit on ordinary activities	6	(122,551)	(52,282)
Profit on ordinary activities after taxation		<u><u>312,800</u></u>	<u><u>177,516</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 14 form an integral part of these financial statements.

Grainger Games Ltd

**Abbreviated balance sheet
as at 30th June 2008**

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		692,471		503,097
Current assets					
Stocks	8	387,818		213,079	
Debtors	9	87,882		44,120	
Cash at bank and in hand		605,579		310,684	
		<u>1,081,279</u>		<u>567,883</u>	
Creditors: amounts falling due within one year	10	<u>(1,086,372)</u>		<u>(573,773)</u>	
Net current liabilities			<u>(5,093)</u>		<u>(5,890)</u>
Total assets less current liabilities			687,378		497,207
Provisions for liabilities			-		(11,563)
Accruals and deferred income	11		<u>(2,675)</u>		<u>(3,568)</u>
Net assets			<u>684,703</u>		<u>482,076</u>
Capital and reserves					
Called up share capital	13		40		40
Profit and loss account			<u>684,663</u>		<u>482,036</u>
Shareholders' funds	14		<u>684,703</u>		<u>482,076</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 7th October 2008 and signed on its behalf by



S. Bowyer
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Grainger Games Ltd

Cash flow statement for the year ended 30th June 2008

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		423,280	222,533
Depreciation		214,397	163,524
(Increase) in stocks		(174,739)	(62,974)
(Increase) in debtors		(43,762)	(4,815)
Increase in creditors		434,417	142,995
Net cash inflow from operating activities		853,593	461,263
Cash flow statement			
Net cash inflow from operating activities		853,593	461,263
Returns on investments and servicing of finance	17	12,071	7,265
Taxation	17	(55,932)	(41,991)
Capital expenditure	17	(404,663)	(135,588)
		405,069	290,949
Equity dividends paid		(110,173)	(112,000)
		294,896	178,949
Financing	17	-	(15,096)
Increase in cash in the year		294,896	163,853
Reconciliation of net cash flow to movement in net funds (Note 18)			
Increase in cash in the year		294,896	163,853
Cash outflow from decrease in debts and lease financing		-	15,096
Change in net funds resulting from cash flows		294,896	178,949
Net funds at 1st July 2007		310,683	131,734
Net funds at 30th June 2008		605,579	310,683

Grainger Games Ltd

Notes to the abbreviated financial statements for the year ended 30th June 2008

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

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 2008**

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.

2. Operating profit	2008	2007
	£	£
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	214,397	150,577
Loss on disposal of tangible fixed assets	-	12,947
Auditors' remuneration	7,685	5,091
	<u> </u>	<u> </u>
3. Interest receivable and similar income	2008	2007
	£	£
Bank interest	13,162	8,596
	<u> </u>	<u> </u>
4. Interest payable and similar charges	2008	2007
	£	£
Interest payable on loans < 1 yr	1,048	-
Hire purchase interest	-	317
On overdue tax	43	1,014
	<u> </u>	<u> </u>
	1,091	1,331
	<u> </u>	<u> </u>

Grainger Games Ltd

**Notes to the abbreviated financial statements
for the year ended 30th June 2008**

continued

5. Employees

Number of employees	2008	2007
The average monthly numbers of employees (including the directors) during the year were		
Office and management	9	7
Warehouse and distribution	12	6
Retail sales	91	47
	<u>112</u>	<u>60</u>

Employment costs	2008	2007
	£	£
Wages and salaries	1,293,943	915,948
Social security costs	12,219	7,288
	<u>1,306,162</u>	<u>923,236</u>

5.1. Directors' emoluments	2008	2007
	£	£
Remuneration and other emoluments	<u>82,468</u>	<u>80,281</u>

Grainger Games Ltd

**Notes to the abbreviated financial statements
for the year ended 30th June 2008**

continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2008	2007
	£	£
Current tax		
UK corporation tax	134,114	55,932
Adjustments in respect of previous periods	-	4,338
	<u>134,114</u>	<u>60,270</u>
Total current tax charge	<u>134,114</u>	<u>60,270</u>
Deferred tax		
Timing differences, origination and reversal	(11,563)	(7,988)
Total deferred tax	<u>(11,563)</u>	<u>(7,988)</u>
Tax on profit on ordinary activities	<u>122,551</u>	<u>52,282</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 (29.5%)
The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before taxation	<u>435,351</u>	<u>229,798</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.5% (30th June 2007 19.25%)	128,429	44,236
Effects of:		
Expenses not deductible for tax purposes	7,379	1,364
Capital allowances for period in excess of depreciation	8,110	10,332
Adjustments to tax charge in respect of previous periods	-	4,338
Marginal rate relief	(23,412)	
Current tax charge for period	<u>120,506</u>	<u>60,270</u>

Failed validation -

Grainger Games Ltd

**Notes to the abbreviated financial statements
for the year ended 30th June 2008**

continued

7. Tangible fixed assets	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Property Improvement £	Total £
Cost					
At 1st July 2007	6,620	603,148	302,477	49,723	961,968
Additions	-	289,795	114,868	-	404,663
At 30th June 2008	<u>6,620</u>	<u>892,943</u>	<u>417,345</u>	<u>49,723</u>	<u>1,366,631</u>
Depreciation					
At 1st July 2007	4,572	367,675	86,624	-	458,871
Charge for the year	1,324	131,317	82,648	-	215,289
At 30th June 2008	<u>5,896</u>	<u>498,992</u>	<u>169,272</u>	<u>-</u>	<u>674,160</u>
Net book values					
At 30th June 2008	<u>724</u>	<u>393,951</u>	<u>248,073</u>	<u>49,723</u>	<u>692,471</u>
At 30th June 2007	<u>2,048</u>	<u>235,473</u>	<u>215,853</u>	<u>49,723</u>	<u>503,097</u>

8. Stocks	2008 £	2007 £
Raw materials and consumables	<u>387,818</u>	<u>213,079</u>

9. Debtors	2008 £	2007 £
Trade debtors	-	8,186
Other debtors	34,250	5,634
Prepayments and accrued income	53,632	30,300
	<u>87,882</u>	<u>44,120</u>

Grainger Games Ltd

**Notes to the abbreviated financial statements
for the year ended 30th June 2008**

continued

10. Creditors: amounts falling due within one year	2008	2007
	£	£
Trade creditors	546,763	260,119
Corporation tax	134,114	55,932
Other taxes and social security costs	149,573	129,114
Directors' accounts	349	-
Other creditors	129,703	79,971
Accruals and deferred income	125,870	48,637
	<u>1,086,372</u>	<u>573,773</u>
 11. Accruals and deferred income	 2008	 2007
	£	£
Government grants		
At 1st July 2007	3,567	4,757
Released in year	(892)	(1,189)
At 30th June 2008	<u>2,675</u>	<u>3,568</u>
 12. Provision for deferred taxation	 2008	 2007
	£	£
Accelerated capital allowances	(11,563)	(7,988)
Provision for deferred tax	<u>(11,563)</u>	<u>(7,988)</u>
 Provision at 1st July 2007	 11,563	
Deferred tax credit in profit and loss account	(11,563)	
Provision at 30th June 2008	<u>-</u>	

Grainger Games Ltd

Notes to the abbreviated financial statements for the year ended 30th June 2008

continued

13. Share capital	2008	2007
	£	£
Authorised equity		
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>
Allotted, called up and fully paid equity		
20 'A' Ordinary shares of 1 each	20	20
20 'B' Ordinary shares of 1 each	20	20
	<u>40</u>	<u>40</u>
14. Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Profit for the year	312,800	177,516
Dividends	(110,173)	(112,000)
	<u>202,627</u>	<u>65,516</u>
Opening shareholders' funds	482,076	416,560
Closing shareholders' funds	<u>684,703</u>	<u>482,076</u>

15. Capital commitments

At 30th June 2008, the company had entered into agreements to open two branches in July 2008. Fixtures, fittings and equipment of £40,000 are to be installed prior to opening

16. 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 £23,379 (2007 - £42,016) for advertising. At 30th June 2008 the company owed Active Advertising Ltd £nil (2007 - £7,500). The company is to arrange its own advertising and not acquire the services of Active Advertising Ltd in the near future.

Grainger Games Ltd

**Notes to the abbreviated financial statements
for the year ended 30th June 2008**

continued

17. Gross cash flows

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	13,162	8,596
Interest paid	(1,091)	(1,331)
	<u>12,071</u>	<u>7,265</u>
Taxation		
Corporation tax paid	(55,932)	(41,991)
Capital expenditure		
Payments to acquire tangible assets	(404,663)	(153,411)
Receipts from sales of tangible assets	-	11,576
	<u>(404,663)</u>	<u>(141,835)</u>
Capital element of finance leases and hire purchase contracts	<u>-</u>	<u>(15,096)</u>

18. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	310,684	294,895	605,579
Net funds	<u>310,684</u>	<u>294,895</u>	<u>605,579</u>