

BRAIN BOXES LIMITED
ABBREVIATED ACCOUNTS
for the year ended
31st October 2004

Company Registration Number 3245094



MITCHELL CHARLESWORTH
Chartered Accountants
Liverpool

BRAIN BOXES LIMITED

Abbreviated Accounts

Year ended 31st October 2004

Contents	Page
Independent auditors' report to the company	1
Abbreviated balance sheet	1
Notes to the abbreviated accounts	1

Mitchell Charlesworth

Chartered Accountants
5 Temple Square Temple Street Liverpool

BRAIN BOXES LIMITED

Independent Auditors' Report to the Company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on page 1, together with the accounts of the company for the year ended 31st October 2004 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 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 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 246 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 Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on page 1 are properly prepared in accordance with those provisions.



MITCHELL CHARLESWORTH

Chartered Accountants

Registered Auditor

5 Temple Square
Temple Street
Liverpool
L2 5RH

11th May 2005

BRAIN BOXES LIMITED

Abbreviated Balance Sheet

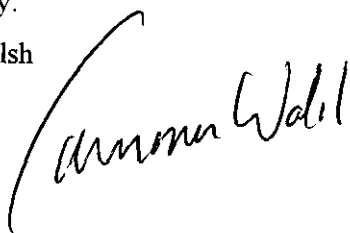
31st October 2004

	Note	2004 £	£	2003 £	£
Fixed assets	2				
Tangible assets			187,868		244,795
Current assets					
Stocks		230,071		276,900	
Debtors		330,195		284,184	
Cash at bank and in hand		265,285		168,081	
		825,551		729,165	
Creditors: Amounts falling due within one year	3	<u>335,436</u>		<u>394,115</u>	
Net current assets			490,115		335,050
Total assets less current liabilities			677,983		579,845
Creditors: Amounts falling due after more than one year	4		401,800		460,599
Provisions for liabilities and charges			18,287		18,287
Government grants	5		31,500		24,745
			<u>226,396</u>		<u>76,214</u>
Capital and reserves					
Called-up equity share capital	6		100,000		100,000
Profit and loss account			126,396		(23,786)
Shareholders' funds			<u>226,396</u>		<u>76,214</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 9th May 2005 and are signed on their behalf by:

E.T. Walsh



The notes on page 2 form part of these abbreviated accounts.

BRAIN BOXES LIMITED

Notes to the Abbreviated Accounts

Year ended 31st October 2004

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	20% - 33.3%
Motor Vehicles	-	20%

Stocks

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

In respect of finished goods, cost includes all production overheads and an attributable proportion of indirect overhead expenses.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

BRAIN BOXES LIMITED

Notes to the Abbreviated Accounts

Year ended 31st October 2004

1. Accounting policies *(continued)*

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 tax.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Deferred government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to profit and loss account over the estimated useful life of the assets to which they relate.

Government grants receivable in respect of revenue expenditure are credited to profit and loss account on receipt of the grant.

2. Fixed assets

	Tangible Assets £
Cost	
At 1st November 2003	1,235,269
Additions	56,096
Disposals	(7,495)
At 31st October 2004	<u>1,283,870</u>
Depreciation	
At 1st November 2003	990,474
Charge for year	112,398
On disposals	(6,870)
At 31st October 2004	<u>1,096,002</u>
Net book value	
At 31st October 2004	<u>187,868</u>
At 31st October 2003	<u>244,795</u>

BRAIN BOXES LIMITED

Notes to the Abbreviated Accounts

Year ended 31st October 2004

3. Creditors: Amounts falling due within one year

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

	2004	2003
	£	£
Bank loans and overdrafts	46,324	44,031
Hire purchase agreements	3,979	51,822
	<u>50,303</u>	<u>95,853</u>

4. Creditors: Amounts falling due after more than one year

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

	2004	2003
	£	£
Bank loans and overdrafts	-	54,820
Hire purchase agreements	1,800	5,779
	<u>1,800</u>	<u>60,599</u>

5. Government grants

	2004	2003
	£	£
Received and receivable	243,485	193,485
Amortisation	(211,985)	(168,740)
	<u>31,500</u>	<u>24,745</u>

6. Share capital

Authorised share capital:

	2004	2003
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>