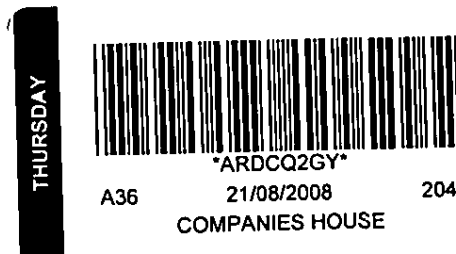


BRAINBOXES LIMITED
ABBREVIATED ACCOUNTS
for the year ended
31st October 2007

Company Registration Number 3245094



BRAINBOXES LIMITED

Abbreviated Accounts

Year ended 31st October 2007

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Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

BRAINBOXES LIMITED **Independent Auditor's Report to** **Brainboxes Limited**

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the accounts of Brainboxes Limited for the year ended 31st October 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 auditor

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 abbreviated accounts have been properly prepared in accordance with those provisions 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 Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

5 Temple Square
Temple Street
Liverpool
L2 5RH



MITCHELL CHARLESWORTH
Chartered Accountants
Registered Auditor

8th August 2008

BRAINBOXES LIMITED

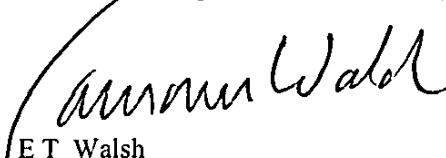
Abbreviated Balance Sheet

31st October 2007

	Note	2007	2006
		£	£
Fixed assets	2		
Tangible assets		181,414	252,664
Current assets			
Stocks		144,079	208,676
Debtors		278,493	249,339
Cash at bank and in hand		715,009	703,486
		<u>1,137,581</u>	<u>1,161,501</u>
Creditors: Amounts falling due within one year		<u>308,169</u>	<u>470,495</u>
Net current assets		829,412	691,006
Total assets less current liabilities		1,010,826	943,670
Creditors: Amounts falling due after more than one year		250,000	250,000
Provisions for liabilities		-	11,771
Government grants	3	17,013	31,293
		<u>743,813</u>	<u>650,606</u>
Capital and reserves			
Called-up equity share capital	4	100,000	100,000
Profit and loss account		643,813	550,606
Shareholders' funds		<u>743,813</u>	<u>650,606</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 and authorised for issue on 7th August 2008, and are signed on their behalf by


E T Walsh

The notes on pages 3 to 5 form part of these abbreviated accounts

BRAINBOXES LIMITED

Notes to the Abbreviated Accounts

Year ended 31st October 2007

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is small

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

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

BRAINBOXES LIMITED

Notes to the Abbreviated Accounts

Year ended 31st October 2007

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

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

BRAINBOXES LIMITED

Notes to the Abbreviated Accounts

Year ended 31st October 2007

2. Fixed assets

	Tangible Assets £
Cost	
At 1st November 2006	1,493,109
Additions	27,691
Disposals	(24,458)
At 31st October 2007	<u><u>1,496,342</u></u>
Depreciation	
At 1st November 2006	1,240,445
Charge for year	99,783
On disposals	(25,300)
At 31st October 2007	<u><u>1,314,928</u></u>
Net book value	
At 31st October 2007	<u><u>181,414</u></u>
At 31st October 2006	<u><u>252,664</u></u>

3. Government grants

	2007 £	2006 £
Received and receivable	311,703	293,485
Amortisation	(294,690)	(262,192)
	<u><u>17,013</u></u>	<u><u>31,293</u></u>

4. Share capital

Authorised share capital:

	2007 £	2006 £
100,000 Ordinary shares of £1 each	<u><u>100,000</u></u>	<u><u>100,000</u></u>

Allotted, called up and fully paid:

	No	2007 £	No	2006 £
Ordinary shares of £1 each	<u><u>100,000</u></u>	<u><u>100,000</u></u>	<u><u>100,000</u></u>	<u><u>100,000</u></u>