THE SHADOW ROBOT COMPANY LTD

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

Company No. 3308007

THE SHADOW ROBOT COMPANY LTD

COMPANY INFORMATION

Directors	Mr David Buckley Mr Richard Greenhill Mr Christopher Phillips Mr Richard Walker
Secretary	Mr Christopher Phillips
Company number	3308007
Registered office	251 Liverpool Rd London N1 1LX
Accountants	K E Wilson & Co 40 The Highway Great Staughton St Neots Cambs PE19 5DA

THE SHADOW ROBOT COMPANY LTD

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THE SHADOW ROBOT COMPANY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST JANUARY 2000

The directors present their report and the accounts for the company for the year ended 31st January 2000.

Principal activities and review of business

The company's principal activity during the year were those of robotics research and development.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors consider the loss achieved on ordinary activities before taxation to be £7707..

The directors consider the state of the company's affairs to be satisfactory.

The directors do not recommend a dividend .

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st January 2000	At 1st February 1999
Mr David Buckley	ordinary	10	10
Mr Richard Greenhill	ordinary	64	64
Mr Christopher Phillips	ordinary	10	10
Mr Richard Walker	ordinary	10	10

Year 2000

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company suffered no impact from the Year 2000 date change nor did any its major customers, suppliers or trading partners.

THE SHADOW ROBOT COMPANY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST JANUARY 2000

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

By order of the Board

Mr Christopher Phillips, Secretary
31st August 2000

251 Liverpool Rd
London
N1 2LX

ACCOUNTANTS' REPORT TO THE DIRECTORS

ON THE UNAUDITED ACCOUNTS OF

THE SHADOW ROBOT COMPANY LTD

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st January 2000, set out on pages 4 to 7, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

K E Wilson & Co
Chartered Accountants
40 The Highway
Great Staughton
St Neots
Cambs
PE19 5DA
Date: 31st August 2000

THE SHADOW ROBOT COMPANY LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST JANUARY 2000

	Notes	2000 £	*1999 £*
Turnover	2	**57,443**	*7,380*
Cost of sales		**(9,527)**	*(3,840)*
Gross profit		**47,916**	*3,540*
Administrative expenses		**(55,623)**	*(14,805)*
Operating loss		**(7,707)**	*(11,265)*
Loss on ordinary activities before taxation		**(7,707)**	*(11,265)*
Tax on loss on ordinary activities		**-**	*-*
Loss for the financial year		**(7,707)**	*(11,265)*
Retained loss brought forward		**(11,265)**	*-*
Retained loss carried forward		**(18,972)**	*(11,265)*

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

The notes on pages 6 to 7 form part of these accounts.

THE SHADOW ROBOT COMPANY LTD

BALANCE SHEET

AS AT 31ST JANUARY 2000

	Notes	£	2000 £	£	*1999* *£*
Current assets					
Debtors	4		**100**		*100*
Cash at bank and in hand			**5,486**		*4,314*
			5,586		*4,414*
Creditors: Amounts falling due within one year	5		**(24,458)**		*(15,579)*
Total assets less current liabilities			**(18,872)**		*(11,165)*
Creditors: amounts falling due after more than one year			**-**		*-*
Capital and reserves					
Share capital	7		**100**		*100*
Profit and loss account			**(18,972)**		*(11,265)*
Shareholders' funds	8		**(18,872)**		*(11,165)*

The directors are of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st January 2000.

The directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

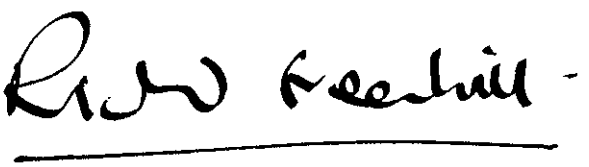
The directors confirm that they are responsible for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These accounts were approved by the board on 31st August 2000 and signed on its behalf by:

Mr Richard Greenhill
Director



The notes on pages 6 to 7 form part of these accounts.

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts it includes £29634 reimbursed expenses from a Government Smart Award..

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2000	*1999*
	£	*£*
Wages and salaries	38,441	*1,449*
	38,441	*1,449*

Highest paid director

	2000	*1999*
	£	*£*
Aggregate emoluments	-	-
Contributions to a money purchase pension scheme	-	-
	-	-

Highest paid director other information.

Accrued pension	-	-
Other	-	-

4 Debtors

	2000	*1999*
	£	*£*
Other debtors	100	*100*
	100	*100*

5 Creditors: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	1,006	-
Other taxes and social security	1,773	39
Accruals and deferred income	3,084	1,750
Directors' loans	18,595	13,790
	24,458	15,579

6 Loans and borrowings

	2000	1999
	£	£
Analysis of loans		
Directors' loans	18,595	13,790
	18,595	13,790
Maturity of debt		
In one year or less, or on demand	18,595	13,790
	18,595	13,790

7 Share capital

	2000	1999
	£	£
Authorised		
Equityshares	10,000	
	-	-
Allotted		
Equity shares		
- Allotted, called up and fully paid ordinary shares of £1 each	100	100
	100	100

8 Reconciliation of movement in shareholders' funds

	2000	1999
	£	£
Loss for the financial year	(7,707)	(11,265)
Decrease in the shareholders' funds	(7,707)	(11,265)
Opening shareholders' funds	(11,165)	100
Closing shareholders' funds	(18,872)	(11,165)