

Company Registration No. 3308007 (England and Wales)

**THE SHADOW ROBOT COMPANY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2008**

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# THE SHADOW ROBOT COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N Singer R Greenhill R Walker
<b>Secretary</b>	N Singer
<b>Company number</b>	3308007
<b>Registered office</b>	14 Ida Road London N15 5JE
<b>Auditors</b>	HLB Vantis Audit plc 66 Wigmore Street London W1U 2SB
<b>Business address</b>	251 Liverpool Road London N1 1LX

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# **THE SHADOW ROBOT COMPANY LIMITED**

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# **THE SHADOW ROBOT COMPANY LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 JANUARY 2008***

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The directors present their report and financial statements for the year ended 31 January 2008

#### **Principal activities**

The principal activity of the company is robotics research and development

#### **Review of the business**

Shadow has gone through a significant period of restructuring in the past twelve months bringing in the services of new CEO, Michael Pollitt, and making a number of new additions and structural improvements. Under this new management team, Shadow's forward forecast has improved significantly with strong growth forecast for the year ahead against the financial year ended 31 January 2008.

In the past twelve months the Shadow Board has taken the decision to move away from its historical focus on research and development towards rapid productisation and expansion of its existing technology portfolio for a broad commercial and industrial markets with particular focus on applications for space, hazardous handling, and EOD work.

Shadow is also seeking external investment and is expecting to take in significant external funds within the next financial year with a view to setting the structural platform to take the business forward and to sustain or exceed this current forecast rate of growth.

#### **Directors**

The following directors have held office since 1 February 2007

N Singer  
R Greenhill  
R Walker

# THE SHADOW ROBOT COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2008

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### 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then 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.

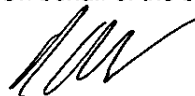
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



2008-09-03

R Walker  
Director

# **THE SHADOW ROBOT COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF THE SHADOW ROBOT COMPANY LIMITED**

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We have audited the financial statements of The Shadow Robot Company Limited for the year ended 31 January 2008 set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# THE SHADOW ROBOT COMPANY LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF THE SHADOW ROBOT COMPANY LIMITED

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#### Opinion

##### In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 January 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*HLB Vantis Audit plc*

HLB Vantis Audit plc

Chartered Accountants

Registered Auditor



*3/4/08*

66 Wigmore Street  
London  
W1U 2SB

# THE SHADOW ROBOT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2008

	Notes	2008 £	2007 £
Turnover	2	170,963	75,572
Cost of sales		(39,766)	(25,885)
<b>Gross profit</b>		<b>131,197</b>	<b>49,687</b>
Distribution costs		(21,651)	(37,825)
Administrative expenses		(161,418)	(162,684)
<b>Operating loss</b>	<b>3</b>	<b>(51,872)</b>	<b>(150,822)</b>
Other interest receivable and similar income	4	230	597
Interest payable and similar charges		(7,223)	(4,495)
Other income		1,000	-
<b>Loss on ordinary activities before taxation</b>		<b>(57,865)</b>	<b>(154,720)</b>
Tax on loss on ordinary activities	5	27,345	13,104
<b>Loss for the year</b>	<b>12</b>	<b>(30,520)</b>	<b>(141,616)</b>

# THE SHADOW ROBOT COMPANY LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	6		9,225		14,957
<b>Current assets</b>					
Debtors	7	154,264		117,130	
Cash at bank and in hand		12,236		14,762	
		<u>166,500</u>		<u>131,892</u>	
<b>Creditors. amounts falling due within one year</b>	8	<u>(305,583)</u>		<u>(245,514)</u>	
<b>Net current liabilities</b>			<u>(139,083)</u>		<u>(113,622)</u>
<b>Total assets less current liabilities</b>			<u>(129,858)</u>		<u>(98,665)</u>
<b>Creditors. amounts falling due after more than one year</b>	9		(146,389)		(159,801)
<b>Provisions for liabilities</b>	10		-		(261)
			<u>(276,247)</u>		<u>(258,727)</u>
<b>Capital and reserves</b>					
Called up share capital	11		1,141		1,141
Other reserves	12		13,000		-
Profit and loss account	12		<u>(290,388)</u>		<u>(259,868)</u>
<b>Shareholders' funds</b>			<u>(276,247)</u>		<u>(258,727)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved by the Board for issue on 2008-09-05



R Walker  
Director

# THE SHADOW ROBOT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2008

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements are prepared on a going concern basis, the validity of which is dependent upon continued financial support from the three directors including the majority shareholder. The directors are confident that the financial support will be maintained and accordingly consider the going concern basis to be appropriate.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised on the delivery of goods or on satisfaction of contractual terms when the company obtains the right to consideration in exchange for its services.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% on cost
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#### 1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### 1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

### 2 Turnover

In the year to 31 January 2008 95.84% (2007 - 82.75%) of the company's turnover was to markets outside the United Kingdom.

### 3 Operating loss

	2008	2007
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	11,890	10,350
Directors' emoluments	18,000	15,000

# THE SHADOW ROBOT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2008

4	Investment income	2008	2007
		£	£
	Bank interest	230	597
		<u>230</u>	<u>597</u>
		<u>230</u>	<u>597</u>
5	Taxation	2008	2007
		£	£
	<b>Domestic current year tax</b>		
	U K corporation tax	(27,084)	(11,498)
		<u>(27,084)</u>	<u>(11,498)</u>
	<b>Current tax charge</b>	(27,084)	(11,498)
	<b>Deferred tax</b>		
	Deferred tax credit current year	(261)	(1,606)
		<u>(261)</u>	<u>(1,606)</u>
		<u>(27,345)</u>	<u>(13,104)</u>

# THE SHADOW ROBOT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2008

### 6 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 February 2007	41,401
Additions	6,158
	<hr/>
At 31 January 2008	47,559
	<hr/>
<b>Depreciation</b>	
At 1 February 2007	26,444
Charge for the year	11,890
	<hr/>
At 31 January 2008	38,334
	<hr/>
<b>Net book value</b>	
At 31 January 2008	9,225
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At 31 January 2007	14,957
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The net book value of tangible fixed assets includes £6,493 (2007 - £12,987) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £6,494 (2007 - £6,494) for the year.

7 Debtors	2008 £	2007 £
Trade debtors	126,882	105,351
Other debtors	27,382	11,779
	<hr/>	<hr/>
	154,264	117,130
	<hr/>	<hr/>

# THE SHADOW ROBOT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2008

8	Creditors: amounts falling due within one year	2008 £	2007 £
	Bank loans and overdrafts	2,725	3,746
	Net obligations under hire purchase contracts	8,058	6,700
	Trade creditors	12,162	12,756
	Taxation and social security	2,945	1,833
	Other creditors	279,693	220,479
		<u>305,583</u>	<u>245,514</u>
9	Creditors: amounts falling due after more than one year	2008 £	2007 £
	Bank loans	4,532	7,252
	Net obligations under hire purchase contracts	784	8,843
	Other creditors	141,073	143,706
		<u>146,389</u>	<u>159,801</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	148,330	154,704
	Included in current liabilities	(2,725)	(3,746)
		<u>145,605</u>	<u>150,958</u>

# THE SHADOW ROBOT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2008

### 10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 February 2007	261
Deferred tax credit	(261)
	<u>          </u>
Balance at 31 January 2008	<u>          </u> -

Deferred tax is provided as follows:

	2008 £	2007 £
Decelerated capital allowances	<u>          </u> -	<u>          </u> 261

### 11 Share capital

	2008 £	2007 £
<b>Authorised</b>		
10,000 Ordinary shares of £1 each	<u>          </u> 10,000	<u>          </u> 10,000
<b>Allotted, called up and fully paid</b>		
1,141 Ordinary shares of £1 each	<u>          </u> 1,141	<u>          </u> 1,141

# THE SHADOW ROBOT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2008

### 12 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 February 2007	-	(259,868)
Loss for the year	-	(30,520)
Movement during the year	13,000	-
Balance at 31 January 2008	13,000	(290,388)
<b>Other reserves</b>		
<b>Other capital reserve</b>		
Other capital reserve movement during the year	13,000	
Balance at 31 January 2008	13,000	

During the year, R Greenhill, a director, made a capital contribution of £13,000 to the company

### 13 Control

The company is controlled by R Greenhill by virtue of his majority shareholding

### 14 Related party transactions

During the year R Greenhill, a director, made a net loan contribution of £8,800. At the year end the company owed R Greenhill £112,085 (2007 £103,185). £10,000 is included within other creditors due in less than one year and the balance is within other creditors due in more than one year.

During the year N Singer, a director, made a net loan contribution of £3,467. At the year end the company owed N Singer £43,988 (2007 £40,521). £5,000 is included within other creditors due in less than one year and the balance is within other creditors due in more than one year.

During the year R Walker, a director, made a net loan contribution of £70. At the year end the company owed R Walker £70 (2007 £nil) which is included within other creditors due in less than one year.

During the year R Greenhill was paid £12,000 (2007 £1,000) for rent.

During the year a son of R Greenhill gave £1,000 to the company as a gift which is included within other income.

**THE SHADOW ROBOT COMPANY LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 JANUARY 2008**

# THE SHADOW ROBOT COMPANY LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2008

		2008		2007
	£	£	£	£
<b>Turnover</b>				
Sales		170,963		75,572
<b>Cost of sales</b>				
Purchases	24,889		22,319	
Rent & Rates	14,877		3,566	
		(39,766)		(25,885)
<b>Gross profit</b>	76 74%	131,197	65 75%	49,687
<b>Distribution costs</b>	21,651		37,825	
<b>Administrative expenses</b>	161,418		162,684	
		(183,069)		(200,509)
<b>Operating loss</b>		(51,872)		(150,822)
<b>Other interest receivable and similar income</b>				
Bank interest received		230		597
<b>Interest payable</b>				
Bank interest paid	4,968		1,207	
Hire purchase interest payable	2,030		1,598	
Hire purchase interest paid	225		1,690	
		(7,223)		(4,495)
<b>Other finance income</b>		1,000		-
<b>Loss before taxation</b>	33 85%	(57,865)	204 73%	(154,720)

# THE SHADOW ROBOT COMPANY LIMITED

## SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 JANUARY 2008

	2008	2007
	£	£
<b>Distribution costs</b>		
Advertising	12,669	715
Commission	1,912	27,235
Travelling expenses	7,070	9,875
	<u>21,651</u>	<u>37,825</u>
 <b>Administrative expenses</b>		
Wages and salaries (excl N I )	110,237	102,829
Directors' remuneration	9,593	5,338
Employer's N I contributions	11,965	11,711
Insurance	3,451	3,589
Light and heat	1,855	1,794
Repairs and maintenance	886	666
Printing, postage and stationery	872	1,899
Telephone	1,165	1,806
Legal and professional fees	9,973	14,433
Accountancy	1,200	990
Bank charges	745	458
Bad and doubtful debts	(4,364)	6,049
Profit/loss on foreign currency	98	(221)
Sundry expenses	1,852	993
Depreciation on fixtures, fittings and equipment	11,890	10,350
	<u>161,418</u>	<u>162,684</u>