## REGISTERED NUMBER: 03803104 (England and Wales)

#### Report of the Directors and

Abbreviated Unaudited Accounts for the Year Ended 31 July 2008

<u>for</u>

**Shakeaway Limited** 

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## **Shakeaway Limited**

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#### Shakeaway Limited

Report of the Directors for the Year Ended 31 July 2008

The directors present their report with the abbreviated accounts of the company for the year ended 31 July 2008.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of restauranteurs and franchisors.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

Having finalised the franchise options (Franchise Agreement, Manual, Head Office structure), the first franchised outlet opened in October 2007. This was followed during the rest of the period with opening a further six franchised shops and developing the Head Office staffing structure and procedures to support the growing number of outlets. Further franchise enquiries are received every week and each one is assessed and dealt with using a vetting procedure for the ability and suitability of each applicant and their required territory.

Growing the number of worldwide ShakeAway outlets by 100% required a rapid growth of the support structure which is now in place and ready for the next substantial phase of expansion.

Whilst being mindful of the state of the retail property market and not being flippant about the Credit Crunch, we anticipate given the property options we continue to be offered, the new franchisee applicants we receive, and the budgets we continue to meet in existing shops, that we will ride this downturn and are keen and confident to work with our exciting growth as our successful history and brand awareness is recognised by all angles of the business world.

During this period we saw more 'copy cats' entering the market. Whilst it is flattering for our own original idea to be mimicked, we watch each set-up to ensure that there is no confusion or trade mark infringement, and at the time of finalising this period's accounts, we are in the midst of an injunction against a new-start venture which is mimicking our concept too closely, causing confusion in the market place and therefore potentially damaging our brand.

The ShakeAway brand continues to grow and is the market leader in MilkShake retailing, the on-line Fan Club now contains around 15,000 members and, as we celebrate the tenth birthday of the first shop, we remain proud of the business and excited about the future.

#### EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2007 to the date of this report.

P R Moody R P Hazeil

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:

P R Moody - Secretar

Date: ( S February 2009

		31.7.08		31.7.07	
1	Votes	£	£	£	£
FIXED ASSETS					
Intangible assets	2		1,500,000		1,500,000
Tangible assets	3		185,731		188,231
			1,685,731		1,688,231
CURRENT ASSETS					
Stocks		79,299		63,170	
Debtors		305,584		207,965	
Cash at bank and in hand		11,813		13,382	
CDEDITORS		396,696		284,517	
CREDITORS Amounts falling due within one year		474,317		494,838	
NET CURRENT LIABILITIES			(77,621)		(210,321)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,608,110		1,477,910
CREDITORS Amounts falling due after more than one yea	r				
· ·			<u>156,146</u>		155,449
NET ASSETS			1,451,964		1,322,461
CAPITAL AND RESERVES					
Called up share capital	4		992		992
Share premium	•		1,201,860		1,201,860
Profit and loss account			249,112		119,609
SHAREHOLDERS' FUNDS			1,451,964		1,322,461

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these abbreviated accounts

#### Shakeaway Limited

#### <u>Abbreviated Balance Sheet - continued</u> 31 July 2008

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

The financial statements were approved by the Board of Directors on 13 February 2009 and were signed on its behalf by:

P R Moody - Director

R P Hazell - Difector

#### 1. ACCOUNTING POLICIES

#### Accounting convention

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

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, is not being amortised as the directors consider its residual value to be in excess of its book value at the balance sheet date.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery etc

- 20% on cost

#### Stocks

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

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

#### 2.

INTANGIBLE FIXED ASSETS  COST	Total £
At 1 August 2007 and 31 July 2008	_1,500,000
NET BOOK VALUE At 31 July 2008	1,500,000
At 31 July 2007	1,500,000

3.	TANGIBLE FIXED ASSETS							
	COST			£				
	At 1 August 20	07		238,252				
	Additions			59,271				
	Disposals			(11,950)				
-	At 31 July 2008	3		285,573				
	DEPRECIATI	ON .						
	At 1 August 20			50,021				
	Charge for year			58,286				
	Eliminated on c	lisposal		(8,465)				
	At 31 July 2008	3		99,842				
	NET BOOK V	ALUE						
	At 31 July 2008			185,731				
	At 31 July 2007	7		188,231				
4.	CALLED UP SHARE CAPITAL							
	Authorised:							
	Number:	Class:	Nominal 31.7.08	31.7.07				
			value: £	£				
	1,000	Ordinary	£1 <u>1,000</u>	1,000				
	Allotted, issued	l and fully paid:						
	Number:	Class:	Nominal 31.7.08	31.7.07				
			value: £	£				
	992	Ordinary	£1992	992				

#### 5. RELATED PARTY DISCLOSURES

During the year, the directors P R Moody and R P Hazell continued to provide funding to the company. At the balance sheet date, creditors included £163,263 in respect of this.

The company provided franchise development support services to Shakeaway Worldwide Limited, a company in which the directors of Shakeaway Limited had a controlling interest. The directors of Shakeaway Limited are also directors of Shakeaway Worldwide Limited.

#### 6. ULTIMATE PARENT COMPANY

During the year the entire share capital of the company was sold to The Red Lightning Group Limited, a company incorporated in England and Wales. The directors of Shakeaway Limited, R Hazell and P Moody, own 100% of the issued share capital of the new parent company. At the balance sheet date The Red Lightning Group Limited was the ultimate parent company of Shakeaway Limited.