

A. R. COPY

BUTTERFLY WORLD LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2004**

UNAUDITED



BUTTERFLY WORLD LIMITED

COMPANY INFORMATION

DIRECTOR	G S Welsh
SECRETARY	Mrs P Welsh
COMPANY NUMBER	02249318
REGISTERED OFFICE	Preston Park Yarm Road Stockton on Tees TS18 3RH
ACCOUNTANTS	Horwath Clark Whitehill Chartered Accountants Oakland House 40 Victoria Road Hartlepool TS26 8DD

BUTTERFLY WORLD LIMITED

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BUTTERFLY WORLD LIMITED

DIRECTOR'S REPORT
For the year ended 31 March 2004

The director presents his report and the financial statements for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was that of a butterfly farm.

DIRECTOR

The director who served during the year and his beneficial interest in the company's issued share capital was:

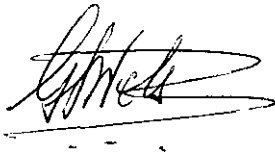
	Ordinary shares of £1 each	
	<u>31/3/04</u>	<u>1/4/03</u>
G S Welsh	50	50

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

This report was approved by the board on

and signed on its behalf.

G S Welsh
Director



24 - 01. 05

**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE
UNAUDITED FINANCIAL STATEMENTS OF BUTTERFLY WORLD LIMITED**

In accordance with the engagement letter dated January 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company set out on pages 3 to 8, from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements, report to the Company's Board of Directors that we have done so, 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 Board of Directors, as a body, for our work or for this report.

You have acknowledged on the balance sheet for the year ended 31 March 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Horwath Clark Whitehill

Horwath Clark Whitehill

Chartered Accountants
HARTLEPOOL

25 January 2008

BUTTERFLY WORLD LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 31 March 2004

	Note	2004 £	2003 £
TURNOVER	1	57,312	48,663
Cost of sales		<u>(16,271)</u>	<u>(22,303)</u>
GROSS PROFIT		41,041	26,360
Administrative expenses		<u>(52,090)</u>	<u>(47,036)</u>
OPERATING LOSS	3	(11,049)	(20,676)
Interest payable		<u>(241)</u>	<u>(20)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,290)	(20,696)
TAX ON LOSS ON ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(11,290)</u>	<u>(20,696)</u>

The notes on pages 5 to 8 form part of these financial statements.

BUTTERFLY WORLD LIMITED

BALANCE SHEET
As at 31 March 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible fixed assets	5	78,158	84,054
CURRENT ASSETS			
Stocks		2,056	2,016
Debtors	4	10,000	-
Cash in hand		144	-
		<u>12,200</u>	<u>2,016</u>
CREDITORS: amounts falling due within one year	6	<u>(37,438)</u>	<u>(23,129)</u>
NET CURRENT LIABILITIES		<u>(25,238)</u>	<u>(21,113)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>52,920</u>	<u>62,941</u>
CREDITORS: amounts falling due after more than one year	7	<u>(102,973)</u>	<u>(101,704)</u>
NET LIABILITIES		<u><u>(50,053)</u></u>	<u><u>(38,763)</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	11	(50,153)	(38,863)
SHAREHOLDERS' FUNDS		<u><u>(50,053)</u></u>	<u><u>(38,763)</u></u>

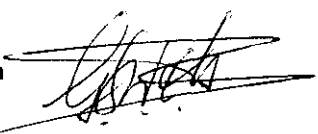
The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 249B(2) of the Act. The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2004 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on

and signed on its behalf.

G S Welsh
Director



24.01.05

The notes on pages 5 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	21 years straight line
Plant and machinery	-	10% reducing balance
Computer equipment	-	4 years straight line
Fixtures and fittings	-	10% reducing balance

Plants and livestock in the display areas of the company's premises are included at the director's estimated cost using the base stock method. The purchase of new stock lines is capitalised at cost and not depreciated in accordance with Financial Reporting Standard for Smaller Entities 15. Replacements are written off against profit in the accounting period in which they occur.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.6 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions.

2. GOING CONCERN

The accounts have been prepared on a going concern basis which is considered appropriate by the director due to the continued support from the director himself and providers of loan finance. At 31 March 2004 the director was owed £43,515 and the providers of loan finance £59,458. These amounts are included in the creditors due in more than one year.

3. OPERATING LOSS

The operating loss is stated after charging:

	2004	2003
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	6,186	6,206
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2003 - £nil).

BUTTERFLY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

4. DEBTORS

	2004	2003
	£	£
Due within one year		
Other debtors	10,000	-

5. TANGIBLE FIXED ASSETS

	Freehold buildings	Fixtures, fittings, plant and machinery & livestock	Total
	£	£	£
Cost			
At 1 April 2003	108,952	46,383	155,335
Additions	-	290	290
At 31 March 2004	108,952	46,673	155,625
Depreciation			
At 1 April 2003	56,677	14,604	71,281
Charge for the year	5,191	995	6,186
At 31 March 2004	61,868	15,599	77,467
Net book value			
At 31 March 2004	47,084	31,074	78,158
At 31 March 2003	52,275	31,779	84,054

6. CREDITORS:

Amounts falling due within one year

	2004	2003
	£	£
Bank overdraft (Note 9)	7,293	7,403
Trade creditors	15,521	4,879
Social security and other taxes	11,968	6,211
Other creditors	2,656	4,636
	37,438	23,129

BUTTERFLY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

7. CREDITORS:

Amounts falling due after more than one year

	2004 £	2003 £
Other loans	59,458	59,458
Directors loan (Note 9)	43,515	42,246
	<u>102,973</u>	<u>101,704</u>

8. SHARE CAPITAL

	2004 £	2003 £
Authorised		
20,000,000 Ordinary shares of £1 each	<u>20,000,000</u>	<u>20,000,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. OPERATING LEASE COMMITMENTS

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004 £	2003 £
Expiry date:		
After more than 5 years	<u>10,000</u>	<u>-</u>

10. RELATED PARTY TRANSACTIONS

Directors current account

At 31 March 2004 the company owed G S Welsh, the director £43,515 (1 April 2003: £42,246).

Loans

The company owes £31,458 (1 April 2003: £31,458) to P Hill, a shareholder and a former director.

Bank overdraft

G S Welsh has given a personal guarantee against the overdraft.

BUTTERFLY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2004

11. RESERVES

Profit and loss account	£
At 1 April 2003	(38,863)
Loss retained for the year	(11,290)
	<hr/>
At 31 March 2004	<u>(50,153)</u>