

A. R. COPY

BUTTERFLY WORLD LIMITED

REPORT AND ACCOUNTS

31 MARCH 1998

UNAUDITED

COMPANY NUMBER: 2249318



X 27.1.99 X date

BUTTERFLY WORLD LIMITED
 PROFIT AND LOSS ACCOUNT - UNAUDITED
 FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £	1997 £
TURNOVER		78,998	94,907
Cost of sales		(25,973)	(28,988)
GROSS PROFIT		53,025	65,919
Administrative expenses		(60,628)	(54,885)
OPERATING (LOSS)/PROFIT	2	(7,603)	11,034
Interest payable and similar charges		(2,764)	(3,038)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,367)	7,996
Tax on (loss)/profit on ordinary activities	3	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	10	(10,367)	7,996

There are no recognised gains or losses other than as shown above.

The notes on pages 4 to 7 form part of these accounts.

BUTTERFLY WORLD LIMITED
BALANCE SHEET - UNAUDITED
31 MARCH 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	4	113,207	117,899
CURRENT ASSETS			
Stocks		4,799	7,476
Debtors	5	143	-
Cash at bank and in hand		36	2
		<u>4,978</u>	<u>7,478</u>
CREDITORS: amounts falling due within one year	6	<u>(85,139)</u>	<u>(43,323)</u>
NET CURRENT (LIABILITIES)		<u>(80,161)</u>	<u>(35,845)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		33,046	82,054
CREDITORS: amounts falling due after more than one year	7	<u>(24,058)</u>	<u>(62,699)</u>
NET ASSETS		<u>8,988</u>	<u>19,355</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	8,888	19,255
SHAREHOLDERS' FUNDS	10	<u>8,988</u>	<u>19,355</u>

In the director's opinion the company was entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31 March 1998. No notice from members requiring an audit has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its accounts for the financial year.

The director is responsible for ensuring that the company keeps accounting records which comply with Section 221 of the Act and for preparing accounts 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 year in accordance with the requirements of Section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

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

Approved by the board on 27.1.99 date
and signed on its behalf

G S Welsh
Director

X GSW

The notes on pages 4 to 7 form part of these accounts.

BUTTERFLY WORLD LIMITED
NOTES TO THE ACCOUNTS - UNAUDITED
FOR THE YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards except as stated in note 1(C). The director has prepared the accounts in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

(b) Turnover

Turnover represents amounts receivable in respect of sales and services made by the company, excluding VAT.

(c) Tangible fixed assets and depreciation

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

Plants and livestock	- Nil
Freehold buildings	- 21 years straight line
Fixtures and fittings	- 10% reducing balance
Plant and machinery	- 10% reducing balance

Plants and livestock in the display areas of the company's premises are included at the directors estimated cost, using the base stock method. The purchase of new stock lines is capitalised at cost and not depreciated in accordance with Statement of Standard Accounting Practice 12. Replacements are written off against profit in the accounting period in which they occur.

(d) Leasing

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

(e) Stocks

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

(f) Foreign currency translation

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

2. OPERATING (LOSS)/PROFIT is stated after charging:	1998	1997
	£	£
Depreciation of fixed assets	6,496	6,720
Directors' remuneration	3,103	5,581
Operating lease rentals	<u>11,000</u>	<u>10,000</u>

3. TAXATION

The company has no liability for corporation tax due to losses arising in the year.

BUTTERFLY WORLD LIMITED
 NOTES TO THE ACCOUNTS - UNAUDITED (CONTINUED)
 FOR THE YEAR ENDED 31 MARCH 1998

4. TANGIBLE FIXED ASSETS			Total £
	Freehold buildings £	Fixtures, fittings, plant, machinery & livestock £	
Cost			
1 April 1997	108,952	41,066	150,018
Additions	-	1,804	1,804
31 March 1998	108,952	42,870	151,822
Depreciation			
1 April 1997	25,537	6,582	32,119
Charge for the year	5,189	1,307	6,496
31 March 1998	30,726	7,889	38,615
Net book value			
31 March 1998	78,226	34,981	113,207
31 March 1997	83,415	34,484	117,899
5. DEBTORS		1998 £	1997 £
Sundry debtors		143	-
6. CREDITORS: amounts falling due within one year		1998 £	1997 £
Bank loans - secured		7,987	8,898
Bank overdraft - secured		7,892	17,252
Trade creditors		7,322	1,264
Other creditors		60,172	13,202
Taxation and social security		1,766	2,707
		85,139	43,323
7. CREDITORS: amounts falling due after more than one year		1998 £	1997 £
Bank loans (secured)		2,758	7,022
Other creditors		21,300	55,677
		24,058	62,699

BUTTERFLY WORLD LIMITED
 NOTES TO THE ACCOUNTS - UNAUDITED (CONTINUED)
 FOR THE YEAR ENDED 31 MARCH 1998

8.	LOANS		1998	1997	
			£	£	
	Maturity				
	In one year or less		7,987	8,898	
	Between one and two years		2,758	4,200	
	Between two and five years		-	2,822	
			<u>10,745</u>	<u>15,920</u>	
9.	SHARE CAPITAL				
		Authorised	Allotted, called up and fully paid		
		1998	1997	1998	1997
		£	£	£	£
	£1 Ordinary shares	<u>20,000,000</u>	<u>20,000,000</u>	<u>100</u>	<u>100</u>
10.	SHAREHOLDERS' FUNDS				
		Share capital	Profit and loss account	Total	
		£	£	£	
	1 April 1996	100	11,259	11,359	
	Retained profit for year	-	7,996	7,996	
	31 March 1997	100	19,255	19,355	
	Retained (loss) for year	-	(10,367)	(10,367)	
	31 March 1998	<u>100</u>	<u>8,888</u>	<u>8,988</u>	
11.	FINANCIAL COMMITMENTS				
	At 31 March 1998 the company had annual commitments under non-cancellable operating leases of land and buildings as follows:				
			1998	1997	
			£	£	
	Expiry date:				
	In over five years		<u>10,000</u>	<u>10,000</u>	

BUTTERFLY WORLD LIMITED
NOTES TO THE ACCOUNTS - UNAUDITED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

12. RELATED PARTY TRANSACTIONS

(i) Directors accounts

At the year end the company owed G S Welsh, a director £23,300, (1.4.97 £26,219).

(ii) Security

The company's bank loans are secured by the director personally.

(iii) Loans

The company owes £31,458 (1.4.97 £31,458) to P Hill a former director and shareholder.