

BUTTERFLY WORLD LIMITED
DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000
UNAUDITED



BUTTERFLY WORLD LIMITED

COMPANY INFORMATION

Director

Mr G S Welsh

Secretary

Mrs P Welsh

Company number

02249318

Accountants

Horwath Clark Whitehill
Oakland House
40 Victoria Road
Hartlepool
TS26 8DD

Bankers

National Westminster Bank PLC
106 Linthorpe Road
Middlesbrough
TS1 2JX

BUTTERFLY WORLD LIMITED

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BUTTERFLY WORLD LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST MARCH 2000

The director presents his report and the accounts for the company for the year ended 31st March 2000.

Principal activities

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

Director and his interests

The director who held office during the year and his beneficial interest in the company's issued share capital are given below:

Name of director	At 31st March 2000	At 1st April 1999
Mr G S Welsh	50	50

Statement of director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

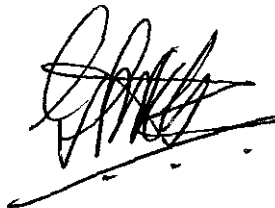
Small company exemptions

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

By order of the Board

Mr G S Welsh, Director

Date: 22.05.01



ACCOUNTANTS' REPORT TO THE DIRECTORS
ON THE UNAUDITED ACCOUNTS OF
BUTTERFLY WORLD LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st March 2000, set out on pages 3 to 8, 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.

Horwath Clark Whitehill

Horwath Clark Whitehill
Chartered Accountants
Oakland House
40 Victoria Road
Hartlepool
TS26 8DD

22 June 2001

BUTTERFLY WORLD LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2000

	Notes	2000 £	1999 £
Turnover	3	42,940	67,375
Cost of sales		(14,741)	(17,940)
Gross profit		28,199	49,435
Administrative expenses		(42,303)	(56,854)
		(14,104)	(7,419)
Other operating income		6,548	-
Operating loss	4	(7,556)	(7,419)
Interest payable and similar charges		(1,067)	(1,609)
Loss on ordinary activities before taxation		(8,623)	(9,028)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		(8,623)	(9,028)
Retained loss/profit brought forward		(140)	8,888
Retained loss carried forward		(8,763)	(140)

BUTTERFLY WORLD LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	6		101,085		106,525
			<u>101,085</u>		<u>106,525</u>
Current assets					
Stocks		5,000		6,260	
Debtors	7	-		142	
Cash at bank and in hand		1,466		-	
			<u>6,466</u>	<u>6,402</u>	
Creditors: amounts falling due within one year	8	(21,282)		(35,829)	
Net current liabilities			<u>(14,816)</u>		<u>(29,427)</u>
Total assets less current liabilities			<u>86,269</u>		<u>77,098</u>
Creditors: amounts falling due after more than one year	9		(94,932)		(77,138)
			<u>(8,663)</u>		<u>(40)</u>
Capital and reserves					
Share capital	10		100		100
Profit and loss account			(8,763)		(140)
Shareholders' funds			<u>(8,663)</u>		<u>(40)</u>

For the financial year ended 31st March 2000, the company was entitled to exemption from audit under Section 249A(1) Companies Act 1985.

No notice has been deposited under Section 249B(2) Companies Act 1985.

BUTTERFLY WORLD LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2000

The director acknowledges his responsibility for:

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

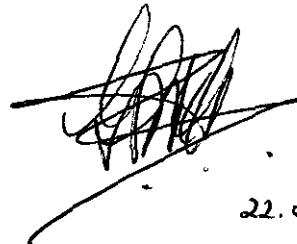
and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements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

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000)

These accounts were approved by the board on

and signed on its behalf by:

Mr G S Welsh
Director



22.05.01

BUTTERFLY WORLD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover comprises the value of sales excluding value added tax.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost, less estimated residual value, of all tangible fixed assets, over their expected useful lives:

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	- nil

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 Statement of Standard Accounting Practice 12. Replacements are written off against profit in the accounting period in which they occur.

Stocks

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

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 2000 the director was owed £40,474 and the providers of loan finance £54,458. These amounts are included in the creditors due in more than one year.

3 Turnover

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

BUTTERFLY WORLD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

4 Operating loss

The operating loss is stated after charging or crediting:

	2000 £	1999 £
Depreciation of tangible fixed assets:		
-owned assets	6,644	6,682

5 Taxation

The company has no liability for corporation tax due to losses arising in the year. The company has corporation tax losses to carry forward amounting to approximately £137,000.

6 Tangible fixed assets

	Freehold buildings £	Fixtures, fittings, plant and machinery & livestock £	Total £
Cost			
At 1st April 1999	108,952	42,870	151,822
Additions	-	1,204	1,204
At 31st March 2000	108,952	44,074	153,026
Depreciation			
At 1st April 1999	35,915	9,382	45,297
Charge for the year	5,189	1,455	6,644
At 31st March 2000	41,104	10,837	51,941
Net book value			
At 31st March 2000	67,848	33,237	101,085
At 31st March 1999	73,037	33,488	106,525

7 Debtors

	2000 £	1999 £
Other debtors	-	142
	-	142

BUTTERFLY WORLD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

8	Creditors: amounts falling due within one year	2000	1999
		£	£
	Other loans	1,893	1,893
	Bank loan and overdraft	-	16,658
	Trade creditors	8,444	9,004
	Other creditors	10,945	8,274
		<u>21,282</u>	<u>35,829</u>

'Other creditors' include £3,695 (1999: £2,046) in respect of taxation and social security.

9	Creditors: amounts falling due after more than one year	2000	1999
		£	£
	Other loans	54,458	53,458
	Director's loan (note 11)	40,474	23,680
		<u>94,932</u>	<u>77,138</u>

10	Share capital	2000	1999
		£	£
	Authorised		
	20,000,000 Ordinary shares of £1.00 each	20,000,000	20,000,000
		<u>20,000,000</u>	<u>20,000,000</u>
	Allotted		
	100 Allotted, called up and fully paid ordinary shares of £1.00 each	100	100
		<u>100</u>	<u>100</u>

11 Related party transactions

(i) Directors current account

At the year end the company owed G S Welsh, the director £40,474 (1.4.99 £23,680).

(ii) Security

The company's bank loan was secured by the director personally.

(iii) Loans

The company owes £31,458 (1.4.99 £31,458) to P Hill a former director and shareholder.