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BUTTERFLY WORLD LIMITED
DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2001
UNAUDITED

Company No. 02249318



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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 2001

The director presents his report and the accounts for the company for the year ended 31st March 2001.

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 2001	At 1st April 2000
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

23.02.02

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 2001, set out on pages 3 to 7, 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.

H. H. Clark Whitehill

Horwath Clark Whitehill
Chartered Accountants
Hartlepool

1 March 2002

BUTTERFLY WORLD LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2001**

	Notes	2001 £	2000 £
Turnover	3	38,610	42,940
Cost of sales		(12,613)	(14,741)
Gross profit		25,997	28,199
Administrative expenses		(29,058)	(42,303)
Other operating income		-	6,548
Operating loss	4	(3,061)	(7,556)
Interest payable and similar charges		-	(1,067)
Loss on ordinary activities before taxation		(3,061)	(8,623)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		(3,061)	(8,623)
Retained loss brought forward		(8,763)	(140)
Retained loss carried forward		(11,824)	(8,763)

BUTTERFLY WORLD LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	6		95,042		101,085
			<u>95,042</u>		<u>101,085</u>
Current assets					
Stocks		4,000		5,000	
Cash at bank and in hand		3,950		1,466	
		<u>7,950</u>		<u>6,466</u>	
Creditors: amounts falling due within one year	7	(13,257)		(21,282)	
Net current liabilities			(5,307)		(14,816)
Total assets less current liabilities			<u>89,735</u>		<u>86,269</u>
Creditors: amounts falling due after more than one year	8		(101,459)		(94,932)
			<u>(11,724)</u>		<u>(8,663)</u>
Capital and reserves					
Share capital	9		100		100
Profit and loss account			(11,824)		(8,763)
Shareholders' funds			<u>(11,724)</u>		<u>(8,663)</u>

For the financial year ended 31st March 2001, 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.

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

 23.02.02.

The notes on pages 5 to 7 form part of these accounts.

BUTTERFLY WORLD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

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 2001 the director was owed £42,001 and the providers of loan finance £59,458. 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 2001

4 Operating loss

The operating loss is stated after charging or crediting:

	2001 £	2000 £
Depreciation of tangible fixed assets:		
-owned assets	6,625	6,644

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 £141,000.

6 Tangible fixed assets

	Freehold buildings £	Fixtures, fittings, plant and machinery & livestock £	Total £
Cost			
At 1st April 2000	108,952	44,074	153,026
Additions	-	582	582
At 31st March 2001	108,952	44,656	153,608
Depreciation			
At 1st April 2000	41,104	10,837	51,941
Charge for the year	5,191	1,434	6,625
At 31st March 2001	46,295	12,271	58,566
Net book value			
At 31st March 2001	62,657	32,385	95,042
<i>At 31st March 2000</i>	<i>67,848</i>	<i>33,237</i>	<i>101,085</i>

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Other loans	1,893	1,893
Trade creditors	3,688	8,444
Other creditors	7,676	10,945
	13,257	21,282

'Other creditors' include £4,593 (2000: £3,695) in respect of taxation and social security.

BUTTERFLY WORLD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

8	Creditors: amounts falling due after more than one year	2001	2000
		£	£
	Other loans	59,458	54,458
	Director's loan (note 11)	42,001	40,474
		101,459	94,932
9	Share capital	2001	2000
		£	£
	Authorised		
	20,000,000 Ordinary shares of £1.00 each	20,000,000	20,000,000
		20,000,000	20,000,000
	Allotted		
	100 Allotted, called up and fully paid ordinary shares of £1.00 each	100	100
10	Related party transactions		
	(i) Directors current account		
	At the year end the company owed G S Welsh, the director £42,001 (1.4.00 £40,474).		
	(ii) Loans		
	The company owes £31,458 (1.4.00 £31,458) to P Hill a shareholder and a former director.		