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BUTTERFLY WORLD LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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COMPANIES HOUSE

Registered number: 02249318

BUTTERFLY WORLD LIMITED

COMPANY INFORMATION

DIRECTORS	Mrs H Willcox Mrs P A Welsh
COMPANY SECRETARY	Mrs P A Welsh
COMPANY NUMBER	02249318
REGISTERED OFFICE	Preston Park Yarm Road Stockton on Tees TS18 3RH
ACCOUNTANTS	Waltons Clark Whitehill LLP Chartered Accountants Oakland House 40 Victoria Road Hartlepool TS26 8DD

BUTTERFLY WORLD LIMITED

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BUTTERFLY WORLD LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and the financial statements for the year ended 31 March 2011

PRINCIPAL ACTIVITIES

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

DIRECTORS

The directors who served during the year were

Mrs H Willcox
Mrs P A Welsh

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 16 December 2011 and signed on its behalf

Mrs P A Welsh
Director

BUTTERFLY WORLD LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BUTTERFLY WORLD LIMITED FOR THE YEAR ENDED 31 MARCH 2011

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Butterfly World Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew com/regulations

This report is made solely to the Board of Directors of Butterfly World Limited, as a body, in accordance with the terms of our engagement letter Our work has been undertaken solely to prepare for your approval the financial statements of Butterfly World Limited and state those matters that we have agreed to state to them in this report in accordance with AAF 2/10 as detailed at icaew com/compilation To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Butterfly World Limited and its Board of Directors, as a body, for our work or for this report

It is your duty to ensure that Butterfly World Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and profit You consider that Butterfly World Limited is exempt from the statutory audit requirement for the year

We have not been instructed to carry out an audit or review of the financial statements of Butterfly World Limited 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 statutory financial statements

Waltons Clark Whitehill LLP

Chartered Accountants

HARTLEPOOL

Date 19 December 2011

BUTTERFLY WORLD LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	*2010 £*
TURNOVER	1	**96,587**	*91,597*
Cost of sales		**(21,952)**	*(23,143)*
GROSS PROFIT		**74,635**	*68,454*
Administrative expenses		**(74,386)**	*(62,203)*
Other operating income	2	**13,000**	-
OPERATING PROFIT	3	**13,249**	*6,251*
Interest payable and similar charges		-	*(31)*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**13,249**	*6,220*
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR	11	**13,249**	*6,220*

The notes on pages 6 to 9 form part of these financial statements

BUTTERFLY WORLD LIMITED
REGISTERED NUMBER· 02249318

BALANCE SHEET
AS AT 31 MARCH 2011

	Note	2011 £	2011 £	2010 £	2010 £
FIXED ASSETS					
Tangible assets	6		**60,263**		*53,957*
CURRENT ASSETS					
Stocks		**5,239**		*1,500*	
Debtors	7	**-**		*888*	
Cash at bank and in hand		**1,102**		*6,516*	
		6,341		*8,904*	
CREDITORS: amounts falling due within one year	8	**(29,427)**		*(8,259)*	
NET CURRENT (LIABILITIES)/ASSETS			**(23,086)**		*645*
TOTAL ASSETS LESS CURRENT LIABILITIES			**37,177**		*54,602*
CREDITORS. amounts falling due after more than one year	9		**(50,255)**		*(80,929)*
NET LIABILITIES			**(13,078)**		*(26,327)*
CAPITAL AND RESERVES					
Called up share capital	10		**100**		*100*
Profit and loss account	11		**(13,178)**		*(26,427)*
SHAREHOLDERS' DEFICIT			**(13,078)**		*(26,327)*

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its profit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

BALANCE SHEET (continued)
AS AT 31 MARCH 2011

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

HELEN WILLCOX

Mrs P A Welsh
Director

16/12/11

The notes on pages 6 to 9 form part of these financial statements

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 April 2008) except as noted in 1 4 below

1.2 Going concern

The directors, due to the continued support from a director, shareholders and providers of loan finance, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months Since the year end one of the loans has been settled privately (Note 2) The remaining loan will only be repaid when the company is in a position to do so and is therefore included in creditors due after one year (Note 9) The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future As a result the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax

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 directors' estimated cost The purchase of new stock lines is capitalised at cost and not depreciated

Replacements are written off against profit in the accounting period in which they occur

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets The directors consider that this policy is necessary in order that the financial statements give a true and fair view

1.5 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value

2 OTHER OPERATING INCOME

	2011 £	2010 £
Loan waived	13,000	-

A loan previously disclosed as due after one year of £28,000 has been renegotiated £13,000 of the loan has been waived, leaving £15,000 repayable (Note 8) This was repaid on 2 December 2011

3. OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	6,857	6,675

4 DIRECTORS' REMUNERATION

	2011 £	2010 £
Aggregate emoluments	10,750	9,008

5 TAXATION

Factors affecting tax charge for the year

At 31 March 2011 there was approximately £133,000 losses to carry forward against future profits

6 TANGIBLE FIXED ASSETS

	Freehold property £	Other fixed assets £	Total £
Cost			
At 1 April 2010	102,952	61,754	164,706
Additions	-	13,765	13,765
Disposals	-	(2,733)	(2,733)
At 31 March 2011	102,952	72,786	175,738
Depreciation			
At 1 April 2010	87,916	22,833	110,749
Charge for the year	4,905	1,952	6,857
On disposals	-	(2,131)	(2,131)
At 31 March 2011	92,821	22,654	115,475
Net book value			
At 31 March 2011	10,131	50,132	60,263
At 31 March 2010	*15,036*	*38,921*	*53,957*

7 DEBTORS

	2011 £	*2010 £*
Other debtors	-	*888*

8. CREDITORS:
Amounts falling due within one year

	2011 £	*2010 £*
Other loan (Note 2)	15,000	-
Trade creditors	1,469	*3,224*
Social security and other taxes	2,013	*381*
Other creditors	10,945	*4,654*
	29,427	*8,259*

9 CREDITORS:
Amounts falling due after more than one year

	2011 £	2010 £
Other loans	31,458	59,458
Directors loan (Note 13)	18,797	21,471
	50,255	80,929

10. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

11. RESERVES

	Profit and loss account £
At 1 April 2010	(26,427)
Profit for the year	13,249
At 31 March 2011	(13,178)

12. OPERATING LEASE COMMITMENTS

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
Expiry date:		
Between 2 and 5 years	6,500	6,500

13. RELATED PARTY TRANSACTIONS

At 31 March 2011 the company owed Mrs P A Welsh, a director and her husband £21,297 (1 April 2010 £23,971) of which £2,500 is shown within one year