

A. R. COPY

BUTTERFLY WORLD LIMITED

REPORT AND ACCOUNTS

31 MARCH 1999

UNAUDITED

COMPANY NUMBER: 2249318



The director presents his report and accounts for the year ended 31 March 1999.

The company's principal activity is that of a butterfly farm.

The director holding office during the year had the following interests in the share capital of the company:

MILLENNIUM

The company is aware of the issues that may arise as a result of the millennium with both computer systems and date-aware microchip based equipment. The director has satisfied himself that all critical systems will be compliant within the requisite timescale and that there will be no adverse effect on the business.

In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint Waltons Clark Whitehill as the company's auditors will be proposed at the Annual General Meeting, although at present no audit is required by virtue of Section 249A(2) of the Companies Act 1985.

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

By order of the board

G S Welsh
Director

x 22.12.1999 x date

BUTTERFLY WORLD LIMITED
 PROFIT AND LOSS ACCOUNT - UNAUDITED
 FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1999 £	1998 £
TURNOVER		67,375	78,998
Cost of sales		(17,940)	(25,973)
GROSS PROFIT		<u>49,435</u>	<u>53,025</u>
Administrative expenses		(56,854)	(60,628)
OPERATING (LOSS)	3	(7,419)	(7,603)
Interest payable and similar charges		(1,609)	(2,764)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(9,028)</u>	<u>(10,367)</u>
Tax on (loss) on ordinary activities	4		
(LOSS) FOR THE FINANCIAL YEAR	11	<u>(9,028)</u>	<u>(10,367)</u>

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 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	5	106,525	113,207
CURRENT ASSETS			
Stocks		6,260	4,799
Debtors	6	142	143
Cash at bank and in hand		-	36
		<u>6,402</u>	<u>4,978</u>
CREDITORS: amounts falling due within one year	7	<u>(35,829)</u>	<u>(85,139)</u>
NET CURRENT (LIABILITIES)		<u>(29,427)</u>	<u>(80,161)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>77,098</u>	<u>33,046</u>
CREDITORS: amounts falling due after more than one year	8	<u>(77,138)</u>	<u>(24,058)</u>
NET (LIABILITIES)/ASSETS		<u>(40)</u>	<u>9,988</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	(140)	8,888
SHAREHOLDERS' (DEFICIT)/FUNDS	11	<u>(40)</u>	<u>8,988</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 1999. 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 22.12.1999 date
and signed on its behalf.

G S Welsh
Director

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 1999

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
Computer equipment	- 4 years straight line

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.

(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. 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 1999 the director was owed £23,680 and the providers of loan finance £53,458. These amounts are included in the creditors due in more than one year

BUTTERFLY WORLD LIMITED
 NOTES TO THE ACCOUNTS - UNAUDITED (CONTINUED)
 FOR THE YEAR ENDED 31 MARCH 1999

3.	OPERATING (LOSS) is stated after charging:	1999 £	1998 £
	Depreciation of fixed assets	6,682	6,496
	Director's remuneration	-	3,103
	Operating lease rentals	<u>7,166</u>	<u>11,000</u>
4.	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 £127,000.		
5.	TANGIBLE FIXED ASSETS		
		Freehold buildings £	Fixtures, fittings, plant, machinery & livestock £
	Cost		Total £
	1 April 1998 and 31 March 1999	<u>108,952</u>	<u>42,870</u>
	Depreciation		
	1 April 1998	30,726	7,889
	Charge for the year	<u>5,189</u>	<u>1,493</u>
	31 March 1999	<u>35,915</u>	<u>9,382</u>
	Net book value		
	31 March 1999	<u>73,037</u>	<u>33,488</u>
	31 March 1998	<u>78,226</u>	<u>34,981</u>
6.	DEBTORS	1999 £	1998 £
	Sundry debtors	<u>142</u>	<u>143</u>
7.	CREDITORS: amounts falling due within one year	1999 £	1998 £
	Bank and other loan	4,526	7,497
	Bank overdraft (secured)	14,025	7,890
	Trade creditors	9,004	7,322
	Other creditors	6,228	60,172
	Taxation and social security	<u>2,046</u>	<u>1,766</u>
		<u>35,829</u>	<u>80,119</u>

Included in bank loans is £2,633 (£4,200 at 31 March 1998) which is secured.

BUTTERFLY WORLD LIMITED
 NOTES TO THE ACCOUNTS - UNAUDITED (CONTINUED)
 FOR THE YEAR ENDED 31 MARCH 1999

8.	CREDITORS: amounts falling due after more than one year	1999	1998
		£	£
	Bank loan (secured)	-	2,758
	Other creditors	77,138	21,300
		<u>77,138</u>	<u>24,058</u>
9.	LOANS	1999	1998
		£	£
	Maturity		
	In one year or less	4,526	7,987
	Between one and two years	-	2,758
		<u>4,526</u>	<u>10,745</u>
10.	SHARE CAPITAL		
		Authorised	Allotted, called up and fully paid
		1999	1998
		£	£
	£1 Ordinary shares	<u>20,000,000</u>	<u>20,000,000</u>
			<u>100</u>
			<u>100</u>
11.	SHAREHOLDERS' DEFICIT		
		Share capital	Profit and loss account
		£	£
	1 April 1997	100	19,255
	Retained (loss) for year	-	(10,367)
	31 March 1998	100	8,888
	Retained (loss) for year	-	(9,028)
	31 March 1999	<u>100</u>	<u>(140)</u>
12.	FINANCIAL COMMITMENTS		
	At 31 March 1999 the company had annual commitments under non-cancellable operating leases of land and buildings as follows:		
		1999	1998
		£	£
	Expiry date:		
	In over five years	10,000	10,000

BUTTERFLY WORLD LIMITED
NOTES TO THE ACCOUNTS - UNAUDITED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1999

13. RELATED PARTY TRANSACTIONS

(i) Director's current account

At the year end the company owed G S Welsh, the director £23,680, (1.4.98 £23,300).

(ii) Security

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

(iii) Loans

The company owes £31,458 (1.4.98 £31,458) to P Hill a former director and shareholder.