

COMPANY REGISTRATION NUMBER 3141067

**BUTTERWICK LOTTERIES  
LIMITED**

**FINANCIAL STATEMENTS**

31 DECEMBER 2006



**GILCHRIST TASH**

Chartered Accountants & Registered Auditors  
Cleveland Buildings  
Queen's Square  
Middlesbrough  
TS2 1PA

# **BUTTERWICK LOTTERIES LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2006**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2006.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the operation of a lottery. The company pays all its trading profits to its parent undertaking, Butterwick Limited (Registered Charity No 1044816) under gift aid. In respect of the financial year ended 31 December 2006 amounts payable under gift aid were £315,576

### **DIRECTORS**

The directors who served the company during the year were as follows

P F Riley  
C J Davey  
G Leggatt-Chidgey

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# **BUTTERWICK LOTTERIES LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2006**

### **AUDITOR**

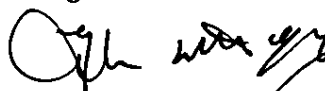
A resolution to re-appoint Gilchrist Tash as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office  
Middlefield Road  
Stockton on Tees  
TS19 8XN

Signed on behalf of the directors



**G LEGGATT-CHIDGEY**

Director

Approved by the directors on 25.10.07 .....

# **BUTTERWICK LOTTERIES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUTTERWICK LOTTERIES LIMITED**

### **YEAR ENDED 31 DECEMBER 2006**

We have audited the financial statements of Butterwick Lotteries Limited for the year ended 31 December 2006 on pages 5 to 9, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 7

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **BUTTERWICK LOTTERIES LIMITED**

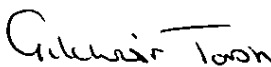
## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUTTERWICK LOTTERIES LIMITED *(continued)***

**YEAR ENDED 31 DECEMBER 2006**

### **OPINION**

In our opinion.

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its results for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

  
**GILCHRIST TASH**  
Chartered Accountants  
& Registered Auditors

Cleveland Buildings  
Queen's Square  
Middlesbrough  
TS2 1PA

*. 25.12.2006*

# **BUTTERWICK LOTTERIES LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
<b>TURNOVER</b>		620,150	646,121
Cost of sales		182,506	197,594
<b>GROSS PROFIT</b>		437,644	448,527
Administrative expenses		163,128	121,492
Other operating income		(41,060)	(33,400)
<b>OPERATING PROFIT</b>	2	315,576	360,435
Payments to parent undertaking under gift aid		(315,576)	(360,435)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		—	—
Tax on profit on ordinary activities	3	—	—
<b>PROFIT FOR THE FINANCIAL YEAR</b>		—	—

The notes on pages 7 to 9 form part of these financial statements.

# BUTTERWICK LOTTERIES LIMITED

## BALANCE SHEET

31 DECEMBER 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	4	1,474	1,932
<b>CURRENT ASSETS</b>			
Debtors	5	680	8,761
Cash at bank and in hand		218,071	189,898
		<u>218,751</u>	<u>198,659</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>220,223</u>	<u>200,589</u>
<b>NET CURRENT LIABILITIES</b>		(1,472)	(1,930)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2</u>	<u>2</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	8	2	2
<b>SHAREHOLDERS' FUNDS</b>		<u>2</u>	<u>2</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors on the 25.12.2007 and are signed on their behalf by:

  
P F RILEY

  
G LEGGATT-CHIDGEY

The notes on pages 7 to 9 form part of these financial statements.

# BUTTERWICK LOTTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### Turnover

Turnover represents income received from subscriptions to the lottery adjusted to eliminate any advance payments received.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	- 25% straight line
Fixtures & Fittings	- 20% straight line

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. OPERATING PROFIT

Operating profit is stated after charging

	2006 £	2005 £
Directors' emoluments	—	—
Depreciation	458	528
Auditor's fees	<u>2,862</u>	<u>2,947</u>



# BUTTERWICK LOTTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2006

#### 3. TAXATION ON ORDINARY ACTIVITIES

No UK corporation tax is payable as the company pays all profits to Butterwick Limited, a registered charity, under gift aid.

#### 4. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures & Fittings £	Total £
<b>COST</b>			
At 1 January 2006 and 31 December 2006	<u>3,050</u>	<u>987</u>	<u>4,037</u>
<b>DEPRECIATION</b>			
At 1 January 2006	1,644	461	2,105
Charge for the year	<u>349</u>	<u>109</u>	<u>458</u>
At 31 December 2006	<u>1,993</u>	<u>570</u>	<u>2,563</u>
<b>NET BOOK VALUE</b>			
At 31 December 2006	<u>1,057</u>	<u>417</u>	<u>1,474</u>
At 31 December 2005	<u>1,406</u>	<u>526</u>	<u>1,932</u>

#### 5. DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	—	159
Other debtors	<u>680</u>	<u>8,602</u>
	<u>680</u>	<u>8,761</u>

#### 6. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Trade creditors	2,841	3,320
Amounts owed to group undertakings	123,531	108,841
Other creditors	<u>93,851</u>	<u>88,428</u>
	<u>220,223</u>	<u>200,589</u>

# BUTTERWICK LOTTERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 7. RELATED PARTY TRANSACTIONS

Butterwick Limited has a 25% interest in North East Hospices Lottery Limited. Butterwick Lotteries Limited acts as manager of North East Hospices Lottery Limited for which it receives a management fee. Fees charged for the year were £41,060 (2005 - £ 33,400)

All of the above transactions were carried out on an arms length commercial basis. The balance due to the company from North East Hospices Lottery Limited at 31 December 2006 was £595 (2005 - £5,216).

Advantage has been taken of the exemption not to disclose details of transactions with fellow group undertakings on the grounds that they are included in the consolidated accounts. The consolidated accounts are available from Butterwick Limited at its registered office, Middlefield Road, Stockton on Tees.

### 8. SHARE CAPITAL

Authorised share capital:

	2006	2005
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### 9. ULTIMATE PARENT COMPANY

The company is a 100% owned subsidiary of Butterwick Limited, the ultimate parent company, which is a registered charity (no. 1044816) incorporated in England.