

Company Registration No. 3219245

YELLOW SPARROW LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

14644-B-2004

Registered Office
6th Floor, 94 Wigmore Street
London



YELLOW SPARROW LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2004**

The director presents his report and financial statements for the year ended 30 June 2004.

Principal activity

The principal activity of the company is that of an investment company.

Review of the business and future developments

The director considers that the results of the company are satisfactory and that the company is expected to continue at its present levels in the future.

Results and dividends

The results for the year are set out on page 3.

No dividends have been declared or paid during this or the comparative period.

Directors

The following directors have held office since 1 July 2003:

Hurstdene Services Limited	(Appointed 21 May 2004 and resigned 24 June 2004)
L R Taylor	(Appointed 24 June 2004 and resigned 1 February 2005)
J.G. Hester	(Appointed 1 February 2005)
L R Taylor	(Resigned 21 May 2004)

The directors have no interest in the issued share capital of the company.

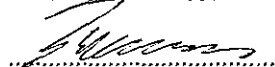
Director's responsibilities

Company law requires the director to prepare financial statements 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 of the company for that period. In preparing those financial statements, 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 financial statements;
- prepare the financial statements 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 to enable him to ensure that the financial statements 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.

On behalf of the board



J.G. Hester (Director)

Date: 9/12/05

MeesPierson Intertrust

ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE ACCOUNTS OF YELLOW SPARROW LIMITED

We report on the accounts for the year ended 30 June 2004.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2004, set out on pages 3 to 9 and you consider that the company is exempt from an audit. 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.

Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.


MeesPierson Intertrust Limited


9/12/05

MeesPierson Intertrust Limited

P.O. Box 227, Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ

Telephone +44 1624-683229, Fax +44 1624-612624

MeesPierson Intertrust Limited registered in the Isle of Man, Company Registration No. 28731

Licensed by the Isle of Man Financial Supervision Commission as a Corporate Service Provider

Directors: M.C. Cundy, B. Deconinck, M.W. Denton, M.J. Derbyshire, P.N. Eckersley, S.E. McGowan, S.J. Turner

Internet: www.meespiersonintertrust.com, E-mail: mail@meespiersonintertrust.com

YELLOW SPARROW LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2004**

		2004	2003
	Notes	€	as restated €
Administrative expenses		(57,948)	(15,037)
Operating (loss)/profit	2	(57,948)	(15,037)
Other interest receivable and similar income	3	9,891	39,184
Interest payable and similar charges	4	-	(31,026)
Loss on ordinary activities before taxation		(48,057)	(6,879)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation	10	(48,057)	(6,879)
Profit brought forward at 1 July 2003		78,900	85,779
Profit carried forward at 30 June 2004		30,843	78,900

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

YELLOW SPARROW LIMITED

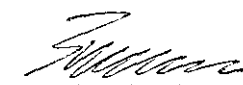
BALANCE SHEET
AS AT 30 JUNE 2004

		2004		2003	
				as restated	
	Notes	€	€	€	€
Fixed assets					
Investments	6		1,436,936		1,410,454
Current assets					
Debtors	7	87,376		84,788	
Cash at bank and in hand		843,413		915,313	
		930,789		1,000,101	
Creditors: amounts falling due within one year	8	(2,335,438)		(2,330,211)	
Net current liabilities			(1,404,649)		(1,330,110)
Total assets less current liabilities			32,287		80,344
Capital and reserves					
Called up share capital	9		1,444		1,444
Profit and loss account	10		30,843		78,900
Shareholders' funds - equity interests	11		32,287		80,344

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on



J.G. Hester
Director

YELLOW SPARROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.4 Foreign currency translation

The company's accounting records are maintained in Euros.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.6 Comparatives

The currency the financial statements have been prepared in has been adjusted from Pounds Sterling to Euros. There has been no material effect on the profit and loss or balance sheet from this adjustment.

1.7 Exemption from FRS9

The company has taken advantage of the exemption in Financial Reporting Standard No 9 not to disclose amounts relating to the associate on the grounds that it is exempt from preparing consolidated financial statements.

2 Operating (loss)/profit

	2004	2003
	€	€
Operating (loss)/profit is stated after charging:		
Accountancy	5,970	7,984

YELLOW SPARROW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004**

3	Income from investments, other interest receivable and similar income	2004	2003
		€	€
	Bank interest received	4,943	-
	Other interest	4,916	4,338
	Profit on foreign exchange	32	34,846
		<u>9,891</u>	<u>39,184</u>
4	Interest payable and similar charges	2004	2003
		€	€
	Loss on disposal of unlisted investments	-	31,026
		<u>-</u>	<u>31,026</u>
5	Taxation	2004	2003
		€	€
	Domestic current year tax		
	Corporation tax at 30.00% (2003: 30.00%)	-	-
		<u>-</u>	<u>-</u>
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(48,057)	(6,879)
		<u>(48,057)</u>	<u>(6,879)</u>
	Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00% (2003: 30.00%)	(14,417)	(2,064)
		<u>(14,417)</u>	<u>(2,064)</u>
	Effects of:		
	None deductible expenses	-	173
	Losses not recognised for accounting purposes	14,417	1,891
		<u>14,417</u>	<u>2,064</u>
	Current tax charge	<u>-</u>	<u>-</u>

On the basis of these financial statements no provision has been made for corporation tax.

YELLOW SPARROW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004**

6 Fixed asset investments

	Unlisted investments	Shares in participating interests	Shares in subsidiary undertakings	Total
	€	€	€	€
Cost				
At 1 July 2003	798,143	261,742	350,569	1,410,454
Additions	-	90,000	-	90,000
Disposals	(63,518)	-	-	(63,518)
	<u>734,625</u>	<u>351,742</u>	<u>350,569</u>	<u>1,436,936</u>
At 30 June 2004	734,625	351,742	350,569	1,436,936
At 30 June 2003	<u>798,143</u>	<u>261,742</u>	<u>350,569</u>	<u>1,410,454</u>

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Arbustos Y Vivaces SA	Spain	Ordinary	100
Participating interests			
Viveros Aimara Peninsular S.L.	Spain	Ordinary	21

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal Activity	Capital and reserves	Profit for the year
		€	€
Arbustos Y Vivaces SA	Trading in Plants	634,862	13,627
Viveros Aimara Peninsular S.L.	Trading in Plants	<u>1,288,852</u>	<u>-</u>

The unlisted investments consist of the following holdings as at 30 June 2004: 16% in Zarzalia S.L., a company incorporated in Spain, 7.46% in Corpfin Capital S.A., a company incorporated in Spain and a 4.5% interest in Gocco Confec S.A, a company incorporated in Spain.

All investments are stated at cost and in the opinion of the directors the value of each holding as at the balance sheet date is at least equal to and not less than the original cost.

The financial disclosures above for Viveros Aimara Peninsular S.L. and Arbustos Y Vivaces SA are taken from the accounts for the year ended 31 December 2003.

YELLOW SPARROW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004**

7 Debtors	2004	2003
	€	€
Other debtors	86,307	84,091
Prepayments and accrued income	1,069	697
	<u>87,376</u>	<u>84,788</u>
8 Creditors: amounts falling due within one year	2004	2003
	€	€
Corporation tax	38,229	43,589
Other loans	38,067	38,067
Other creditors	2,224,924	2,224,924
Accruals and deferred income	34,218	23,631
	<u>2,335,438</u>	<u>2,330,211</u>
9 Share capital	2004	2003
	No.	No.
Authorised		
1,000 ordinary £1.00 shares	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	€	€
1,000 ordinary £1.00 shares	<u>1,444</u>	<u>1,444</u>
10 Statement of movements on profit and loss account		Profit and loss account
		€
Balance at 1 July 2003		78,900
Retained loss for the year		<u>(48,057)</u>
Balance at 30 June 2004		<u>30,843</u>

YELLOW SPARROW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004**

11 Reconciliation of movements in shareholders' funds	2004	2003
	€	€
Loss for the financial year	(48,057)	(6,879)
Opening shareholders' funds	80,344	87,223
	<hr/>	<hr/>
Closing shareholders' funds	32,287	80,344
	<hr/>	<hr/>

12 Contingent liabilities

There were no major contingent liabilities as at the balance sheet date.

13 Capital commitments

There were no major capital commitments as at the balance sheet date

14 Employees

Number of employees

There were no employees during the year apart from the directors. The directors received no remuneration during the year.

15 Ultimate Controlling Party and Related Party Transactions

The director is aware of the identity of the ultimate controlling party. However, they are under a duty of confidentiality that prevents them from disclosing certain information otherwise required by Financial Reporting Standard 8. Therefore they have taken the exemption offered by the Standard in respect of confidentiality.