

YELLOW SPARROW LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

14644-B-2001

Registered Office
2nd Floor, 48 Conduit Street
London
W1R 9FB



YELLOW SPARROW LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2001**

The directors present their report and financial statements for the year ended 30 June 2001.

Principal activities and review of the business

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

Results and dividends

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

Directors

The following directors have held office since 1 July 2000:

L.R. Taylor

P J Devo

(Resigned 2 January 2001)

A.M. Taylor

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

Directors' responsibilities

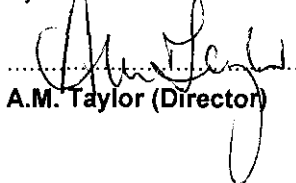
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

By order of the board

17 APR 2002


A.M. Taylor (Director)

Date :

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ
Telephone: +44 (0) 1624 663166 Facsimile: +44 (0) 1624 677108
E-mail audit@matthew-edwards.com

**ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
ACCOUNTS OF YELLOW SPARROW LIMITED**

We report on the accounts for the year ended 30 June 2001.

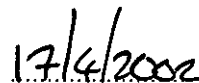
As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2001, set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist 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.


Matthew Edwards & Co.

Chartered Accountants



Clinch's House, Lord Street
Douglas
Isle of Man
IM99 1RZ

YELLOW SPARROW LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2001**

	Notes	2001 £	2000 £
Turnover	2	12,200	12,200
Administrative expenses		(12,648)	(28,301)
Operating loss	3	(448)	(16,101)
Investment income	4	7,017	1,923
Other interest receivable and similar income	4	768	9,625
Profit/(loss) on ordinary activities before taxation		7,337	(4,553)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation	10	7,337	(4,553)
Loss brought forward at 1 July 2000		(21,284)	(16,731)
Loss carried forward at 30 June 2001		(13,947)	(21,284)

All of the company's activities are derived from continuing operations.

YELLOW SPARROW LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2001**

	2001	2000
	£	£
Profit/(loss) for the financial year	7,337	(4,553)
Currency translation differences on foreign currency loans	28,378	14,776
Currency translation differences on foreign currency investments	(28,378)	(14,776)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	7,337	(4,553)
	<hr/>	<hr/>

YELLOW SPARROW LIMITED

**BALANCE SHEET
AS AT 30 JUNE 2001**

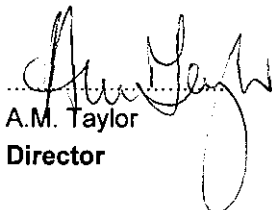
	Notes	2001 £	£	2000 £	£
Fixed assets					
Investments	6		546,805		575,182
Current assets					
Debtors	7	253,287		130,502	
Cash at bank and in hand		709		1,568	
		<u>253,996</u>		<u>132,070</u>	
Creditors: amounts falling due within one year	8	<u>(813,748)</u>		<u>(727,536)</u>	
Net current liabilities			<u>(559,752)</u>		<u>(595,466)</u>
Total assets less current liabilities			<u>(12,947)</u>		<u>(20,284)</u>
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss account	10		<u>(13,947)</u>		<u>(21,284)</u>
Shareholders' funds - equity interests	11		<u>(12,947)</u>		<u>(20,284)</u>

In preparing these financial statements:

- (a) The directors are 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 directors acknowledge their 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.

17 APR 2002

The financial statements were approved by the Board on


A.M. Taylor
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001**

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 financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

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 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

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.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings 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.

1.5 Exemption from FRS9

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

2 Turnover

Turnover represents the company's income derived from its principal activity.

3 Operating profit/(loss)	2001	2000
	£	£
Operating profit/(loss) is stated after charging:		
Audit and Accountancy	3,300	4,100
	<u> </u>	<u> </u>
4 Income from investments	2001	2000
	£	£
Income from subsidiary undertakings	7,017	1,923
Profit on foreign exchange	768	9,625
	<u> </u>	<u> </u>
	<u>7,785</u>	<u>11,548</u>

YELLOW SPARROW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2001**

5 Taxation

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 2001**

6 Fixed asset investments

	Unlisted investments	Shares in participating interests	Shares in subsidiary undertakings	Total
	£	£	£	£
Cost				
At 1 July 2000	281,429	135,097	158,657	575,183
Revaluation	(13,884)	(6,666)	(7,828)	(28,378)
	<u>267,545</u>	<u>128,431</u>	<u>150,829</u>	<u>546,805</u>
At 30 June 2001	267,545	128,431	150,829	546,805
	<u>267,545</u>	<u>128,431</u>	<u>150,829</u>	<u>546,805</u>
Net book value				
At 30 June 2001	267,545	128,431	150,829	546,805
	<u>267,545</u>	<u>128,431</u>	<u>150,829</u>	<u>546,805</u>
At 30 June 2000	281,428	135,097	158,657	575,182
	<u>281,428</u>	<u>135,097</u>	<u>158,657</u>	<u>575,182</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	Class	Shares held %
Subsidiary undertakings			
Arbustos Y Vivaces SA	Spain	Ordinary	100
Cultivos del Henares S.L.	Spain	Ordinary	100
Participating interests			
Auxiliar de Jardines Y Riegos S.L.	Spain	Ordinary	20
Sociedad De Gestion Vegetal S.A.	Spain	Ordinary	20

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/(loss) for the year
Arbustos Y Vivaces SA	Trading in Plants	151,748	(15,836)
Cultivos del Henares S.L.	Trading in Plants	2,263	63
Auxiliar de Jardines Y Riegos S.L.	Plant nursery	(1,204)	(1,898)
Sociedad De Gestion Vegetal S.A.	Agriculture and plant nursery	229,252	18,707

The unlisted investments consist of the following holdings as at 30 June 2001: 16% in Zarzalia S.L., a company incorporated in Spain, 18.90% in Viveros Aimara Peninsular, a company incorporated in Spain, and a 6.49% interest in Corpin Capital 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 results of Sociedad De Gestion Vegetal S.A. are for the year ended 31 December 1998, whilst the results reflected for the other investments are as at 31 December 2000.

Arbustos y Vivaces S.A. has a 100% participation in Cultivos del Henares S.L.

YELLOW SPARROW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2001**

7 Debtors	2001	2000
	£	£
Trade debtors	12,200	17,395
Other debtors	240,712	112,732
Prepayments and accrued income	375	375
	<u>253,287</u>	<u>130,502</u>

Amounts falling due after more than one year and included in the debtors above are:

	2001	2000
	£	£
Amounts owed by group undertakings	<u>240,712</u>	<u>112,732</u>

8 Creditors: amounts falling due within one year	2001	2000
	£	£
Bank loans and overdrafts	6	-
Other creditors	9,475	15,299
Other loan	797,418	705,637
Accruals and deferred income	6,849	6,600
	<u>813,748</u>	<u>727,536</u>

9 Share Capital

The authorised share capital of the Company comprises 1000 Ordinary Shares of £1.00 each of which 1000 have been issued and are fully paid up (2000 - 1000).

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2000	(21,284)
Retained profit for the year	7,337
Currency translation differences on foreign currency net investments	(28,378)
Currency translation differences on foreign currency loans	28,378
Balance at 30 June 2001	<u>(13,947)</u>

YELLOW SPARROW LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2001**

11 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit/(Loss) for the financial year	7,337	(4,553)
	<hr/>	<hr/>
Net depletion in shareholders' funds	7,337	(4,553)
Opening shareholders' funds	(20,284)	(15,731)
	<hr/>	<hr/>
Closing shareholders' funds	(12,947)	(20,284)
	<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 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 directors are not aware of the ultimate controlling party, transactions related thereto and any other related party transactions.