

Company Registration No 3219245

**YELLOW SPARROW LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

14644-B-2005



**Registered Office**  
6th Floor, 94 Wigmore Street  
London

**YELLOW SPARROW LIMITED**

**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 30 JUNE 2005**

---

The director presents his report and financial statements for the year ended 30 June 2005

**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 paid during this or the comparative period

**Directors**

The following directors have held office since 1 July 2004

L R Taylor (Resigned 1 February 2005)

J G Hester (Appointed 1 February 2005)

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 18/7/2006

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

---

We report on the accounts for the year ended 30 June 2005

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2005, 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.

*SMP Partners Ltd*

SMP Partners Limited

*18/7/2006*

**SMP Partners Limited**

5th Floor, 86 Jermyn Street London SW1Y 6AW

Telephone +44 207 930 7111, Fax +44 207 930 7444

SMP Partners Limited, Registered in England and Wales Company Registration 6220395

Directors M W Denton S E McGowan, S J Turner

Internet [www.smppartners.com](http://www.smppartners.com), E-mail [info@smppartners.com](mailto:info@smppartners.com)

**YELLOW SPARROW LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2005**

	Notes	2005 €	2004 €
Administrative expenses		9,379	(57,948)
<b>Operating profit/(loss)</b>	<b>2</b>	<b>9,379</b>	<b>(57,948)</b>
Other interest receivable and similar income	<b>3</b>	6,171	9,891
Interest payable and similar charges	<b>4</b>	(6,017)	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>9,533</b>	<b>(48,057)</b>
Tax on profit/(loss) on ordinary activities	<b>5</b>	(471)	-
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>10</b>	<b>9,062</b>	<b>(48,057)</b>

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 2005**

	Notes	2005 €	€	2004 €	€
<b>Fixed assets</b>					
Investments	6		1,560,936		1,436,936
<b>Current assets</b>					
Debtors	7	128,951		87,376	
Cash at bank and in hand		629,062		843,413	
		<u>758,013</u>		<u>930,789</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,277,600)</u>		<u>(2,335,438)</u>	
<b>Net current liabilities</b>			<u>(1,519,587)</u>		<u>(1,404,649)</u>
<b>Total assets less current liabilities</b>			<u>41,349</u>		<u>32,287</u>
<b>Capital and reserves</b>					
Called up share capital	9		1,444		1,444
Profit and loss account	10		39,905		30,843
<b>Shareholders' funds - equity interests</b>	11		<u>41,349</u>		<u>32,287</u>

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

18/7/2006



J G Hester  
Director

## YELLOW SPARROW LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

---

#### 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 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

<b>2 Operating profit/(loss)</b>	<b>2005</b>	<b>2004</b>
	€	€
Operating profit/(loss) is stated after charging		
Accountancy	7,705	5,970
	<u>7,705</u>	<u>5,970</u>
<b>3 Other interest receivable and similar income</b>	<b>2005</b>	<b>2004</b>
	€	€
Bank interest received	1,255	4,943
Other interest	4,916	4,916
Profit on foreign exchange	-	32
	<u>6,171</u>	<u>9,891</u>

**YELLOW SPARROW LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2005**

<b>4</b>	<b>Interest payable and similar charges</b>	<b>2005</b>	<b>2004</b>
		<b>€</b>	<b>€</b>
	On overdue tax	2,674	-
	Loss on foreign exchange	3,343	-
		<u>6,017</u>	<u>-</u>
<b>5</b>	<b>Taxation</b>	<b>2005</b>	<b>2004</b>
		<b>€</b>	<b>€</b>
	<b>Domestic current year tax</b>		
	Corporation tax at 30.00% (2004 - 30.00%)	-	-
	Adjustment for prior years	471	-
	<b>Current tax charge</b>	<u>471</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	<u>9,533</u>	<u>(48,057)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00% (2004 - 30.00%)	<u>2,860</u>	<u>(14,417)</u>
	<b>Effects of</b>		
	None deductible expenses	2,464	-
	Losses not recognised for accounting purposes	-	14,417
	Tax losses utilised	(5,324)	-
	Adjustments to prior years	471	-
		<u>(2,389)</u>	<u>14,417</u>
	<b>Current tax charge</b>	<u>471</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**6 Fixed asset investments**

	Unlisted investments	Shares in participating interests	Shares in group undertakings	Total
	€	€	€	€
<b>Cost</b>				
At 1 July 2004	734,625	351,742	350,569	1,436,936
Additions	124,000	-	-	124,000
At 30 June 2005	<u>858,625</u>	<u>351,742</u>	<u>350,569</u>	<u>1,560,936</u>
<b>Net book value</b>				
At 30 June 2005	<u>858,625</u>	<u>351,742</u>	<u>350,569</u>	<u>1,560,936</u>
At 30 June 2004	<u>734,625</u>	<u>351,742</u>	<u>350,569</u>	<u>1,436,936</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 %
<b>Subsidiary undertakings</b>			
Arbustos Y Vivaces SA	Spain	Ordinary	100 00
<b>Participating interests</b>			
Viveros Aimara Peninsular S L	Spain	Ordinary	21 00

**Financial Results**

In relation to holdings of 20% or more, the aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves	Profit/(Loss) for the year
	Principal activity	€	€
Arbustos Y Vivaces SA	Trading in Plants	648,488	641
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 2005 16% in Zarzalia S L , a company incorporated in Spain, 7 46% in Corpin 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 2005**

<b>7 Debtors</b>	<b>2005</b>	<b>2004</b>
	<b>€</b>	<b>€</b>
Corporation tax	36,441	-
Other debtors	91,223	86,307
Prepayments and accrued income	1,287	1,069
	<u>128,951</u>	<u>87,376</u>
<b>8 Creditors: amounts falling due within one year</b>	<b>2005</b>	<b>2004</b>
	<b>€</b>	<b>€</b>
Corporation tax	563	38,229
Other creditors	2,263,136	2,262,991
Accruals and deferred income	13,901	34,218
	<u>2,277,600</u>	<u>2,335,438</u>
<b>9 Share capital</b>	<b>2005</b>	<b>2004</b>
	<b>No</b>	<b>No</b>
<b>Authorised</b>		
1,000 ordinary £1 00 shares	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>	<b>€</b>	<b>€</b>
1,000 ordinary £1 00 shares	<u>1,444</u>	<u>1,444</u>
<b>10 Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
		<b>€</b>
Balance at 1 July 2004		30,843
Retained profit for the year		<u>9,062</u>
Balance at 30 June 2005		<u>39,905</u>

**YELLOW SPARROW LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2005**

---

<b>11 Reconciliation of movements in shareholders' funds</b>	<b>2005</b>	<b>2004</b>
	<b>€</b>	<b>€</b>
Profit/(Loss) for the financial year	9,062	(48,057)
Opening shareholders' funds	32,287	80,344
	<hr/>	<hr/>
Closing shareholders' funds	41,349	32,287
	<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.