

Company Registration No. 3219245 (England and Wales)

YELLOW SPARROW LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006



14644-B-2006

Registered Office
6th Floor, 94 Wigmore Street
London

YELLOW SPARROW LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2006

The director presents his report and financial statements for the year ended 30 June 2006

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 2005

Hurstdene Services Limited (Appointed 5 October 2006)

J G Hester (Resigned 5 October 2006)

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

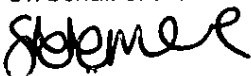
Statement of Director's responsibilities

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

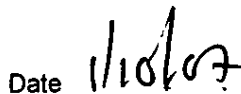
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

On behalf of the board



Hurstdene Services Limited (Director)

Date



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

We report on the accounts for the year ended 30 June 2006

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2006, 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 Limited
SMP Partners Limited

1/10/07

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

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YELLOW SPARROW LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 €	2005 €
Administrative expenses		(20,898)	9,379
Operating (loss)/profit	2	(20,898)	9,379
Other interest receivable and similar income	3	6,259	6,171
Interest payable and similar charges	4	(1,335)	(6,017)
(Loss)/profit on ordinary activities before taxation		(15,974)	9,533
Tax on (loss)/profit on ordinary activities	5	(3,279)	(471)
(Loss)/profit for the year	10	(19,253)	9,062

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 2006

	Notes	2006 €	€	2005 €	€
Fixed assets					
Investments	6	1,560,936		1,560,936	
Current assets					
Debtors	7	138,790		128,951	
Cash at bank and in hand		599,253		629,062	
		<u>738,043</u>		<u>758,013</u>	
Creditors: amounts falling due within one year	8	<u>(2,276,883)</u>		<u>(2,277,600)</u>	
Net current liabilities			(1,538,840)		(1,519,587)
Total assets less current liabilities		<u>22,096</u>		<u>41,349</u>	
Capital and reserves					
Called up share capital	9	1,444		1,444	
Profit and loss account	10	20,652		39,905	
Shareholders' funds	11	<u>22,096</u>		<u>41,349</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

Approved by the Board and authorised for issue on

1/10/07



Hurstdene Services Limited
Director

YELLOW SPARROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

1 Accounting policies

1.1 Accounting conventions

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

2 Operating (loss)/profit

	2006	2005
	€	€
Operating (loss)/profit is stated after charging		
Accountancy	(118)	7,705

YELLOW SPARROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

3	Investment income, other interest receivable and similar income	2006	2005
		€	€
	Bank interest	1,343	1,255
	Other interest	4,916	4,916
		<u>6,259</u>	<u>6,171</u>
4	Interest payable and similar charges	2006	2005
		€	€
	On overdue tax	-	2,674
	Loss on foreign exchange	1,335	3,343
		<u>1,335</u>	<u>6,017</u>
5	Taxation	2006	2005
		€	€
	Domestic current year tax		
	Corporation tax at 30.00% (2005 - 30.00%)	-	-
	Adjustment for prior years	3,279	471
	Current tax charge	<u>3,279</u>	<u>471</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>(15,974)</u>	<u>9,533</u>
	(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00% (2005 - 30.00%)	<u>(4,792)</u>	<u>2,860</u>
	Effects of		
	None deductible expenses	-	2,464
	Losses not recognised for accounting purposes	4,792	-
	Tax losses utilised	-	(5,324)
	Adjustments to prior years	3,279	471
		<u>8,071</u>	<u>(2,389)</u>
	Current tax charge	<u>3,279</u>	<u>471</u>

YELLOW SPARROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

6 Fixed asset investments

	Unlisted investments	Shares in participating interests	Shares in group undertakings	Total
	€	€	€	€
Cost				
At 1 July 2005 & at 30 June 2006	858,625	351,742	350,569	1,560,936
Net book value				
At 30 June 2006	858,625	351,742	350,569	1,560,936
At 30 June 2005	858,625	351,742	350,569	1,560,936

Holdings of more than 20%

The company holds more than 20% 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 00
Participating interests			
Viveros Aimara Peninsular S L	Spain	Ordinary	20 56

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	631,338	(33,816)
Viveros Aimara Peninsular S L	Trading in Plants	1,033,367	(93,430)

The unlisted investments consist of the following holdings as at 30 June 2006 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 2005

YELLOW SPARROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

7 Debtors	2006	2005
	€	€
Corporation tax	41,060	36,441
Other debtors	96,139	91,223
Prepayments and accrued income	1,591	1,287
	<u>138,790</u>	<u>128,951</u>

8 Creditors: amounts falling due within one year	2006	2005
	€	€
Corporation tax	-	563
Other creditors	2,263,569	2,263,136
Accruals and deferred income	13,314	13,901
	<u>2,276,883</u>	<u>2,277,600</u>

9 Share capital	2006	2005
	No	No.
Authorised		
1,000 ordinary £1 00 shares	<u>1,000</u>	<u>1,000</u>
	2006	2005
	€	€
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 2005	39,905
Loss for the year	(19,253)
Balance at 30 June 2006	<u>20,652</u>

YELLOW SPARROW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

11 Reconciliation of movements in shareholders' funds	2006	2005
	€	€
(Loss)/Profit for the financial year	(19,253)	9,062
Opening shareholders' funds	41,349	32,287
	<hr/>	<hr/>
Closing shareholders' funds	22,096	41,349
	<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 director, who received no remuneration

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.

YELLOW SPARROW LIMITED**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2006**

		2006 €	2005 €
Administrative Expenses			
Swiss Management Charges	-	(33,789)	
Administrative fees	19,556	7,865	
Accountancy	(118)	7,705	
Bank Charges	325	620	
Penalty on late payment of tax	-	6,597	
Companies house penalty	1,135	1,623	
		<u>(20,898)</u>	<u>9,379</u>
Operating (loss)/profit		(20,898)	9,379
Other interest receivable and similar income			
Bank interest	1,343	1,255	
Other interest	4,916	4,916	
		<u>6,259</u>	<u>6,171</u>
Interest payable and similar expenditure			
Interest payable on overdue tax	-	(2,674)	
Exchange loss	(1,335)	(3,343)	
		<u>(1,335)</u>	<u>(6,017)</u>
(Loss)/profit on ordinary activities before taxation		<u>(15,974)</u>	<u>9,533</u>

This page is supplementary to and does not form part of the statutory financial statements