

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008
FOR
SAFFRON BRAND CONSULTANTS LTD**



SAFFRON BRAND CONSULTANTS LTD
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FOR THE YEAR ENDED 31ST DECEMBER 2008

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SAFFRON BRAND CONSULTANTS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2008

DIRECTORS: W Olins CBE
K Manasian
J Benbunan
I Stephens

SECRETARY: J Benbunan

REGISTERED OFFICE: Ibex House
Baker Street
Weybridge
Surrey
KT13 8AH

REGISTERED NUMBER: 4531406

ACCOUNTANTS: MGI Midgley Snelling
Chartered Accountants
Ibex House
Baker Street
Weybridge
Surrey
KT13 8AH

SAFFRON BRAND CONSULTANTS LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2008

The directors present their report with the financial statements of the company for the year ended 31st December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of brand consultancy services.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2008 to the date of this report.

W Olins CBE
K Manasian
J Benbunan

Other changes in directors holding office are as follows:

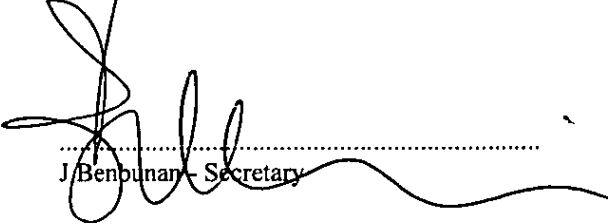
I Stephens - appointed 22nd May 2008

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations of £650 were made to One Laptop Per Child Foundation.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
J Benbunan - Secretary

Date: ..21/07/2009.....

SAFFRON BRAND CONSULTANTS LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2008

	Notes	2008 £	2007 £
TURNOVER	2	2,469,141	2,159,144
Administrative expenses		<u>3,376,167</u>	<u>2,293,030</u>
		(907,026)	(133,886)
Other operating income		<u>119,830</u>	<u>56,995</u>
OPERATING LOSS	3	(787,196)	(76,891)
Interest receivable and similar income		<u>1,161</u>	<u>1,365</u>
		(786,035)	(75,526)
Interest payable and similar charges	4	<u>60,300</u>	<u>3,557</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(846,335)	(79,083)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(846,335)</u>	<u>(79,083)</u>

The notes form part of these financial statements

SAFFRON BRAND CONSULTANTS LTD

**BALANCE SHEET
31ST DECEMBER 2008**

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	6	114,185	143,822
Investments	7	72	-
		<u>114,257</u>	<u>143,822</u>
CURRENT ASSETS			
Stocks		29,032	-
Debtors	8	454,572	729,112
Prepayments and accrued income		29,247	7,172
Cash at bank and in hand		3,852	190
		<u>516,703</u>	<u>736,474</u>
CREDITORS			
Amounts falling due within one year	9	<u>2,018,426</u>	<u>1,416,094</u>
NET CURRENT LIABILITIES		<u>(1,501,723)</u>	<u>(679,620)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,387,466)</u>	<u>(535,798)</u>
CREDITORS			
Amounts falling due after more than one year	10	9,333	14,666
NET LIABILITIES		<u>(1,396,799)</u>	<u>(550,464)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Profit and loss account	14	<u>(1,397,799)</u>	<u>(551,464)</u>
SHAREHOLDERS' FUNDS		<u>(1,396,799)</u>	<u>(550,464)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st December 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

SAFFRON BRAND CONSULTANTS LTD

BALANCE SHEET - continued
31ST DECEMBER 2008

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on23/1/2009..... and were signed on its behalf by:



.....
J Benbunan - Director

The notes form part of these financial statements

SAFFRON BRAND CONSULTANTS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold improvements	- over the term of the lease
Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Provision is made for deferred tax using the liability method to take account of timing differences between certain items for taxation and accounting purposes. Tax deferred is accounted for in respect of material timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. The company has not adopted a policy of discounting deferred tax assets and liabilities.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange recorded for that month for each transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

The directors consider that with the continuing support of their bankers and parent company that the company is a going concern.

2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2008	2007
UK	37.97%	53.31%
Rest of the world	62.03%	46.69%
	<u>100.00%</u>	<u>100.00%</u>

SAFFRON BRAND CONSULTANTS LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008**

3. OPERATING LOSS

The operating loss is stated after charging:

	2008	2007
	£	£
Depreciation - owned assets	70,567	51,574
Loss on disposal of fixed assets	-	34,371
Foreign exchange differences	347,041	7,123
	<u>393,436</u>	<u>247,357</u>
Directors' emoluments and other benefits etc	393,436	247,357

During the year there were foreign exchange differences totalling £347,041, which have largely arisen from the translation of intercompany balances at the year end.

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	2008	2007
	£	£
Bank interest	2,127	3,557
Group loan interest	58,173	-
	<u>60,300</u>	<u>3,557</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2008 nor for the year ended 31st December 2007.

SAFFRON BRAND CONSULTANTS LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008**

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fittings & office equipment £	Computer equipment £	Totals £
COST				
At 1st January 2008	132,840	28,531	54,409	215,780
Additions	17,174	11,781	11,975	40,930
At 31st December 2008	150,014	40,312	66,384	256,710
DEPRECIATION				
At 1st January 2008	5,890	25,086	40,982	71,958
Charge for year	50,055	4,912	15,600	70,567
At 31st December 2008	55,945	29,998	56,582	142,525
NET BOOK VALUE				
At 31st December 2008	94,069	10,314	9,802	114,185
At 31st December 2007	126,950	3,445	13,427	143,822

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	72
At 31st December 2008	72
NET BOOK VALUE	
At 31st December 2008	72

During the year the company acquired 1% of the share capital in Saffron Brand Consultants India Private Limited, a group subsidiary company incorporated in India.

8. DEBTORS

	2008 £	2007 £
Amounts falling due within one year:		
Trade debtors	428,172	691,401
Other debtors	2,400	1,800
	430,572	693,201

SAFFRON BRAND CONSULTANTS LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008**

8. DEBTORS - continued

	2008 £	2007 £
Amounts falling due after more than one year:		
Other debtors	<u>24,000</u>	<u>35,911</u>
Aggregate amounts	<u>454,572</u>	<u>729,112</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank loans and overdrafts	113,352	100,934
Trade creditors	152,794	197,469
Amounts owed to group undertakings	1,533,989	955,020
Taxation and social security	84,753	37,892
Other creditors	133,538	124,779
	<u>2,018,426</u>	<u>1,416,094</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Other creditors	<u>9,333</u>	<u>14,666</u>

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2008 £	2007 £
Expiring:		
Between one and five years	<u>96,000</u>	<u>96,000</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	2008 £	2007 £
Bank overdraft	<u>94,391</u>	<u>-</u>

The bank overdraft is secured by an amount of £100,000 deposited at the bank by W Olins CBE.

SAFFRON BRAND CONSULTANTS LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008**

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:		Nominal value: £1	2008	2007
Number:	Class:		£	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

14. RESERVES

	Profit and loss account £
At 1st January 2008	(551,464)
Deficit for the year	(846,335)
At 31st December 2008	<u>(1,397,799)</u>

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Saffron Brand Consultants S.A., a company incorporated in Spain.

Consolidated Financial Statements are available from, Saffron Brand Consultants S.A., Zurbano 23, 28010 Madrid, Spain.

16. CONTINGENT LIABILITIES

During the year HM Revenue and Customs commenced a payroll review. The Directors are of the opinion that this will result in no additional tax liabilities for the company.

17. TRANSACTIONS WITH DIRECTORS

During the year £284,816 was invoiced by W Olins CBE (2007: £250,000), a director, for consultancy services rendered. At the period end the company owed W Olins CBE £51,360 (2007: £56,801).

18. RELATED PARTY DISCLOSURES

The company is controlled by Saffron Brand Consultants S.A. who own 100% of the issued share capital.

The company paid management and project fees in the ordinary course of business of £60,292 (2007: £44,150) to Saffron Brand Consultants S.A. and £257,750 (2007: Nil) to Saffron Brand Consultants Inc.. At the year end the company owed £1,260,076 (2007: £906,399) to Saffron Brand Consultants S.A. and £273,913 (2007: £48,621) to Saffron Brand Consultants Inc..

The company paid interest at the rate of 5% to Saffron Brand Consultants S.A. of £54,191 (2007: Nil) and Saffron Brand Consultants Inc. of £3,982 (2007: Nil).