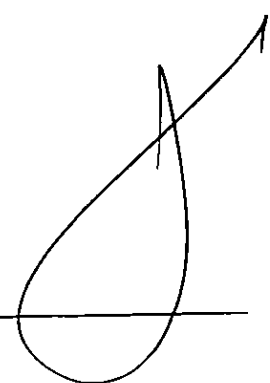


**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
FOR
SAFFRON BRAND CONSULTANTS LTD**



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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SAFFRON BRAND CONSULTANTS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS:

W Olins CBE
J Benbunan
I Stephens

SECRETARY:

J Benbunan

REGISTERED OFFICE:

Ibex House
Baker Street
Weybridge
Surrey
KT13 8AH

REGISTERED NUMBER:

4531406

ACCOUNTANTS:

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

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 1 January 2010 to the date of this report

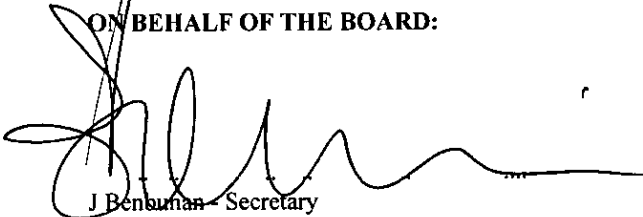
W Olins CBE
J Benbunan
I Stephens

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations of £150 were made during the year

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:



J Benbunan - Secretary

Date

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
TURNOVER	2	1,822,662	2,036,828
Administrative expenses		<u>1,801,018</u>	<u>2,225,544</u>
		21,644	(188,716)
Other operating income		<u>67,010</u>	<u>191,734</u>
OPERATING PROFIT	3	88,654	3,018
Interest receivable and similar income		<u>3,453</u>	<u>-</u>
		92,107	3,018
Interest payable and similar charges	4	<u>22,652</u>	<u>63,001</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		69,455	(59,983)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>69,455</u></u>	<u><u>(59,983)</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	33,703	53,976
Investments	7	51,072	51,072
		<u>84,775</u>	<u>105,048</u>
CURRENT ASSETS			
Stocks		76,080	155,000
Debtors	8	352,378	252,706
Prepayments and accrued income		55,683	29,133
Cash at bank and in hand		101,159	113,759
		<u>585,300</u>	<u>550,598</u>
CREDITORS			
Amounts falling due within one year	9	2,057,402	2,108,428
NET CURRENT LIABILITIES		<u>(1,472,102)</u>	<u>(1,557,830)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,387,327)</u>	<u>(1,452,782)</u>
CREDITORS			
Amounts falling due after more than one year	10	-	4,000
NET LIABILITIES		<u>(1,387,327)</u>	<u>(1,456,782)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Profit and loss account	14	(1,388,327)	(1,457,782)
SHAREHOLDERS' FUNDS		<u>(1,387,327)</u>	<u>(1,456,782)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2010

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2010 in accordance with Section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 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 Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

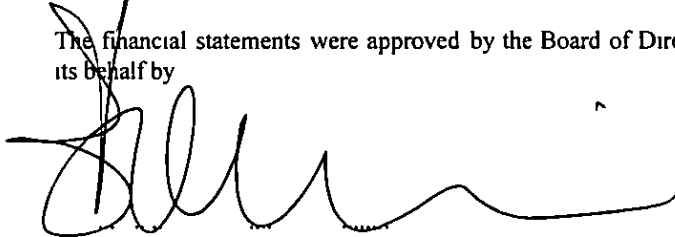
The notes form part of these financial statements

BALANCE SHEET - continued
31 DECEMBER 2010

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on
its behalf by

and were signed on

A handwritten signature in black ink, appearing to be 'J Benbunan', written over a horizontal line.

J Benbunan - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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 April 2008)

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, fittings & office equipment	- 25% on cost
Computer equipment	- 33% on cost

Work in progress

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

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 profit (2009 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below

	2010	2009
UK	16.39%	35.65%
Rest of the world	83.61%	64.35%
	<u>100.00%</u>	<u>100.00%</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation - owned assets	60,393	61,867
Loss on disposal of fixed assets	-	37
Foreign exchange differences	<u>(16,702)</u>	<u>(127,036)</u>
Directors' remuneration and other benefits etc	<u>217,215</u>	<u>370,535</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following

	2010	2009
	£	£
Bank interest	7,363	3,807
Group loan interest	<u>15,289</u>	<u>59,194</u>
	<u>22,652</u>	<u>63,001</u>

5 TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009

6 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fittings & office equipment £	Computer equipment £	Totals £
COST				
At 1 January 2010	150,014	40,312	66,567	256,893
Additions	<u>-</u>	<u>25,348</u>	<u>14,772</u>	<u>40,120</u>
At 31 December 2010	<u>150,014</u>	<u>65,660</u>	<u>81,339</u>	<u>297,013</u>
DEPRECIATION				
At 1 January 2010	107,696	34,321	60,900	202,917
Charge for year	<u>42,318</u>	<u>8,790</u>	<u>9,285</u>	<u>60,393</u>
At 31 December 2010	<u>150,014</u>	<u>43,111</u>	<u>70,185</u>	<u>263,310</u>
NET BOOK VALUE				
At 31 December 2010	<u>-</u>	<u>22,549</u>	<u>11,154</u>	<u>33,703</u>
At 31 December 2009	<u>42,318</u>	<u>5,991</u>	<u>5,667</u>	<u>53,976</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

7 FIXED ASSET INVESTMENTS

	2010	2009
	£	£
Shares in group undertakings	51,072	72
Loans to group undertakings	-	51,000
	<u>51,072</u>	<u>51,072</u>

Additional information is as follows

	Shares in group undertakings £
COST	
At 1 January 2010	72
Reclassification/transfer	51,000
At 31 December 2010	<u>51,072</u>
NET BOOK VALUE	
At 31 December 2010	<u>51,072</u>
At 31 December 2009	<u>72</u>
	Loans to group undertakings £
At 1 January 2010	51,000
Other movement	(51,000)
At 31 December 2010	<u>-</u>

The company holds 47% (2009 1%) of the share capital in Saffron Brand Consultants India Private Limited, a group subsidiary company incorporated in India

During the year the loan was capitalised and interest of £736 (2009 £nil) was charged

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade debtors	67,944	115,257
Amounts owed by group undertakings	232,933	102,092
Other debtors	51,501	35,357
	<u>352,378</u>	<u>252,706</u>

Included within other debtors are amounts of £42,166 (2009 £24,000) which are due after one year

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Bank loans and overdrafts	105,032	59,199
Trade creditors	199,837	281,769
Amounts owed to group undertakings	1,539,548	1,558,817
Taxation and social security	53,342	22,685
Other creditors	159,643	185,958
	<u>2,057,402</u>	<u>2,108,428</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010	2009
	£	£
Other creditors	<u>-</u>	<u>4,000</u>

11 OPERATING LEASE COMMITMENTS

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

	2010	2009
	£	£
Expiring		
Within one year	-	96,000
In more than five years	<u>113,846</u>	<u>-</u>
	<u>113,846</u>	<u>96,000</u>

12 SECURED DEBTS

The bank overdraft with Banco Sabadell is secured by a deposit of £100,000

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value	2010	2009
Number	Class		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

14 RESERVES

	Profit and loss account £
At 1 January 2010	(1,457,782)
Profit for the year	<u>69,455</u>
At 31 December 2010	<u>(1,388,327)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

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 2008 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 £206,933 (2009 £230,400) was invoiced by W Olins CBE, a director, for consultancy services rendered At the year end the company owed W Olins CBE £90,029 (2009 £136,968) in respect of consultancy services and £100,000 (2009 £100,000) in respect of money loaned to the company which has been deposited at Banco Sabadell as security on overdrafts The company paid W Olins CBE interest of £1,111 (2009 £nil) in respect of the loan to secure the Banco Sabadell overdraft

At the year end the company owed I Stephens, a director, £3,965 (2009 £942) in respect of expenses to be reimbursed and £7,500 (2009 £nil) in respect of money loaned to the company

18 **RELATED PARTY DISCLOSURES**

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

The company paid management and project fees in the ordinary course of business of £19,758 (2009 £79,848) to Saffron Brand Consultants S A (Spain), and £47,198 (2009 £64,100) to Saffron Brand Consultants Inc , a company under common control At the year end the company owed £1,483,498 (2009 £1,480,058) to Saffron Brand Consultants S A (Spain), and £56,050 (2009 £78,760) to Saffron Brand Consultants Inc

During the year the company purchased fixtures and fittings from Saffron Brand Consultants Inc for £22,457 (2009 £nil)

During the year the company invoiced Saffron Brand Consultants Private Limited , a company under common control, £117,199 (2009 £102,092) At 31 December 2010 Saffron Brand Consultants India Private Limited owed £130,003 (2009 £102,092) to the company

During the year the company invoiced £102,930 (2009 £nil) to a branch of Saffron Brand Consultants S A located in Austria At 31 December 2010 the branch owed £102,930 (2009 £nil) to the company

The company paid interest at the rate of 1% (2009 5%) to Saffron Brand Consultants S A (Spain) of £14,504 (2009 £53,653) and Saffron Brand Consultants Inc of £785 (2009 £5,541) The company received interest from Saffron Brand Consultants Private Ltd of £736 (2009 £nil)