

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
FOR
SAFFRON BRAND CONSULTANTS LTD**

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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SAFFRON BRAND CONSULTANTS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013

DIRECTORS: J Benbunan
I Stephens

SECRETARY: J Benbunan

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

REGISTERED NUMBER: 04531406

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

J Benbunan
I Stephens

Other changes in directors holding office are as follows:

W Olins CBE ceased to be a director after 31 December 2013 but prior to the date of this report.

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

22 May 2014

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £	2012 £
TURNOVER	2	2,097,845	1,445,635
Administrative expenses		<u>1,739,853</u>	<u>1,375,017</u>
		357,992	70,618
Other operating income		<u>79,371</u>	<u>104,560</u>
OPERATING PROFIT	3	437,363	175,178
Interest payable and similar charges	4	<u>16,969</u>	<u>10,742</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		420,394	164,436
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>420,394</u>	<u>164,436</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2013

	Notes	2013		2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		4,945		10,434
Investments	7		<u>51,072</u>		<u>51,072</u>
			56,017		61,506
CURRENT ASSETS					
Stocks		56,075		40,000	
Debtors	8	570,167		450,828	
Prepayments and accrued income		3,185		35,714	
Cash at bank and in hand		<u>104,428</u>		<u>103,806</u>	
		733,855		630,348	
CREDITORS					
Amounts falling due within one year	9	<u>1,640,370</u>		<u>1,962,746</u>	
NET CURRENT LIABILITIES			(906,515)	(1,332,398)	
TOTAL ASSETS LESS CURRENT LIABILITIES			(850,498)	(1,270,892)	
CAPITAL AND RESERVES					
Called up share capital	12		1,000		1,000
Profit and loss account	13		<u>(851,498)</u>		<u>(1,271,892)</u>
SHAREHOLDERS' FUNDS			(850,498)	(1,270,892)	

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2013.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2013 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) 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 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 22 May 2014 and were signed on its behalf by:

J Benbunan - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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.

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 before taxation are attributable to the one principal activity of the company.

83.64% (2012: 61.49%) of turnover is attributable to markets outside the UK.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Depreciation - owned assets	10,440	13,127
Profit on disposal of fixed assets	(11,980)	-
Foreign exchange differences	<u>29,064</u>	<u>(41,710)</u>
Directors' remuneration and other benefits etc	<u>223,247</u>	<u>193,368</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	2013	2012
	£	£
Bank interest	6,463	8,458
Other interest	<u>10,506</u>	<u>2,284</u>
	<u>16,969</u>	<u>10,742</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings & office equipment £	Computer equipment £	Totals £
COST			
At 1 January 2013	48,460	60,803	109,263
Additions	-	5,961	5,961
Disposals	-	(26,792)	(26,792)
At 31 December 2013	<u>48,460</u>	<u>39,972</u>	<u>88,432</u>
DEPRECIATION			
At 1 January 2013	41,531	57,298	98,829
Charge for year	6,337	4,103	10,440
Eliminated on disposal	-	(25,782)	(25,782)
At 31 December 2013	<u>47,868</u>	<u>35,619</u>	<u>83,487</u>
NET BOOK VALUE			
At 31 December 2013	<u>592</u>	<u>4,353</u>	<u>4,945</u>
At 31 December 2012	<u>6,929</u>	<u>3,505</u>	<u>10,434</u>

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2013 and 31 December 2013	<u>51,072</u>
NET BOOK VALUE	
At 31 December 2013	<u>51,072</u>
At 31 December 2012	<u>51,072</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

7. **FIXED ASSET INVESTMENTS - continued**

The company holds 47% (2012: 47%) of the share capital in Saffron Brand Consultants India Private Limited, a group subsidiary company incorporated in India.

8. **DEBTORS**

	2013	2012
	£	£
Amounts falling due within one year:		
Trade debtors	363,362	236,290
Amounts owed by group undertakings	185,777	167,988
Other debtors	<u>300</u>	<u>4,384</u>
	<u>549,439</u>	<u>408,662</u>
Amounts falling due after more than one year:		
Other debtors	<u>20,728</u>	<u>42,166</u>
Aggregate amounts	<u>570,167</u>	<u>450,828</u>

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013	2012
	£	£
Bank loans and overdrafts	40,430	28,855
Trade creditors	112,210	272,675
Amounts owed to group undertakings	986,799	1,378,633
Taxation and social security	38,056	24,773
Other creditors	<u>462,875</u>	<u>257,810</u>
	<u>1,640,370</u>	<u>1,962,746</u>

10. **OPERATING LEASE COMMITMENTS**

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

	2013	2012
	£	£
Expiring:		
Between one and five years	<u>113,846</u>	<u>113,846</u>

11. **SECURED DEBTS**

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

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013	2012
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

13. RESERVES

	Profit and loss account £
At 1 January 2013	(1,271,892)
Profit for the year	420,394
At 31 December 2013	<u>(851,498)</u>

14. ULTIMATE PARENT COMPANY

Saffron Brand Consultants S.A. (incorporated in Spain) is regarded by the directors as being the company's ultimate parent company.

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

15. CONTINGENT LIABILITIES

During 2008 HM Revenue and Customs commenced a payroll review. Following detailed correspondence sent to HM Revenue & Customs on behalf of the directors, to date no response has subsequently been received. The Directors are of the opinion that this will result in no additional tax liabilities for the company.

16. RELATED PARTY DISCLOSURES

W Olins CBE

A director of the company

During the year £160,000 (2012: £160,000) was invoiced by W Olins CBE for consultancy services rendered.

An amount of £100,000 has been deposited by W Olins at Banco Sabadell as security on overdrafts. Interest of £5,145 (2012: £2,284) was due on the loan during the year. The loan has no fixed repayment date.

I Stephens

A director of the company

The loan is in respect of expenses to be repaid of £329 (2012: £1,591 reimbursed) and £7,500 (2012: £7,500) loaned to the company.

Saffron Brand Consultants S.A.

The parent company

The company paid management and project fees in the ordinary course of business of £49,726 (2012: £11,849) to Saffron Brand Consultants S.A.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

16. RELATED PARTY DISCLOSURES - continued

Saffron Brand Consultants Inc.

A fellow subsidiary undertaking

During the year net amounts of £15,159 (2012: £39,723) were loaned to Saffron Brand Consultants Inc.

Saffron Brand Consultants Private Limited

A fellow subsidiary undertaking

During the year the company invoiced Saffron Brand Consultants Private Limited £1,983 (2012: £1,452).

A branch of Saffron Brand Consultants S.A.

A branch within the group

During the year the company invoiced £3,882 (2012: £4,584 by) to a branch of Saffron Brand Consultants S.A. located in Austria.

	2013 £	2012 £
Amount due from/(to) related party at balance sheet date		
W Olins CBE		
A director of the company	(66,483)	(172,377)
W Olins CBE		
A director of the company	(100,000)	(100,000)
I Stephens		
A director of the company	(7,171)	(9,091)
Saffron Brand Consultants S.A.		
The parent company	(657,760)	(1,056,145)
Saffron Brand Consultants Inc.		
A fellow subsidiary undertaking	16,298	1,139
Saffron Brand Consultants Private Limited		
A fellow subsidiary undertaking	169,479	166,849
A branch of Saffron Brand Consultants S.A.		
A branch within the group	<u>(329,039)</u>	<u>(322,488)</u>

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