

JAMES BUDGETT SUGARS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2001

Company Number: 1472422



JAMES BUDGETT SUGARS LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements for the year ending 31 October 2001.

Principal activities and business review

The principal activities of the Group are those of sugar merchants, sugar processing and the processing and selling of fruits. The directors consider the prospects of the Group are good.

Results and dividends

The profit for the period after taxation amounted to £2,821,000 (7 months to 31 October 2000 £1,603,000).

No dividend was declared in the period (7 months to 31 October 2000 £Nil).

Directors and interests in shares

The directors who served during the year were as follows:

| | |
|-------------|-----------------------------|
| D Barratt | |
| J P Brady | (Appointed 25 January 2002) |
| D J Dilger | |
| W A Heaphy | (Resigned 25 January 2002) |
| J C Janssis | |
| R F Muguiro | |
| N Vesterdal | |

Mr R F Muguiro is a director of E D & F Man Holdings Limited, the Company's ultimate parent undertaking. His interests in the US\$1 ordinary shares of E D & F Man Holdings Limited are given in that company's financial statement .

The other directors had the following interests in E D & F Man Holdings Limited shares as at 31 October 2000 and 31 October 2001:

| | <u>Number held as at 31 October 2001</u> | <u>Number held as at 31 October 2000</u> |
|-------------|--|--|
| D Barratt | Nil | 71,574 |
| J P Brady | Nil | Nil |
| D J Dilger | Nil | Nil |
| W A Heaphy | Nil | Nil |
| J C Janssis | Nil | Nil |
| N Vesterdal | 9,620,247 | 9,620,247 |

Other than as disclosed above no director had any other interest required to be disclosed by the Companies Act 1985.

JAMES BUDGETT SUGARS LIMITED

DIRECTORS' REPORT (Continued)

Future Developments

The Company intends to dispose of the activity of sale of frozen fruit, as it has granted an option to a third party, which gives them the right to acquire these activities on 1 October 2003.

Post Balance Sheet Events

On 21 March 2002 an interim dividend of £3,200,000 was declared.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies that have been used and applied 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

Ernst & Young LLP will remain in office as Auditors of the Company in accordance with the provisions of section 386 of the Companies Act 1985.

By order of the Board



J A Moore
Secretary

21 May 2002

JAMES BUDGETT SUGARS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JAMES BUDGETT SUGARS LIMITED**

We have audited the Group's financial statements for the year ended 31 October 2001 which comprise the Consolidated Profit & Loss account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom law and accounting standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 October 2001 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
London

Ernst & Young LLP

Date: *12 July 2002*

JAMES BUDGETT SUGARS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year to 31 October 2001

| | Note | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|---|------|--|---|
| Turnover | 3 | 131,502 | 86,094 |
| Cost of sales | | (125,137) | (82,465) |
| Gross Profit | | <u>6,365</u> | <u>3,629</u> |
| Administrative expenses | | (2,276) | (1,266) |
| Operating profit | 4 | <u>4,089</u> | <u>2,363</u> |
| Net interest receivable / (payable) | 2 | 92 | (87) |
| Profit on ordinary activities before taxation | | <u>4,181</u> | <u>2,276</u> |
| Tax on profit on ordinary activities | 6 | (1,360) | (673) |
| Profit on ordinary activities after taxation | | <u>2,821</u> | <u>1,603</u> |
| Transferred to / (from) reserves | | <u><u>2,821</u></u> | <u><u>1,603</u></u> |
| Profit /(Loss) for the financial year attributable to: | | | |
| - parent company | | 2,887 | 1,562 |
| - subsidiaries | | (66) | 41 |
| | | <u><u>2,821</u></u> | <u><u>1,603</u></u> |

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the profit for the period.

Historical cost gains and losses are not materially different from those shown above.

JAMES BUDGETT SUGARS LIMITED

CONSOLIDATED BALANCE SHEET

As at 31 October 2001

| | Note | £'000 | 31 October 2001 £'000 | 31 October 2000 £'000 |
|--|------|---------------|-----------------------------|-----------------------------|
| Fixed assets | | | | |
| Tangible fixed assets | 7 | | 844 | 1,212 |
| Current assets | | | | |
| Stocks | | 2,888 | | 2,521 |
| Debtors | 9 | 21,834 | | 16,852 |
| Cash at bank and in hand | | 234 | | 321 |
| | | <u>24,956</u> | | <u>19,694</u> |
| Creditors - amounts falling due within one year | 10 | (14,519) | | (12,446) |
| Net current assets | | | <u>10,437</u> | <u>7,248</u> |
| Total assets less Current liabilities | | | 11,281 | 8,460 |
| Net assets | | | <u>11,281</u> | <u>8,460</u> |
| Capital and reserves | | | | |
| Called up share capital | 12 | | 250 | 250 |
| Capital reserves | 13 | | 3,004 | 3,004 |
| Profit and loss account | 13 | | 8,027 | 5,206 |
| Shareholders' funds | | | <u>11,281</u> | <u>8,460</u> |

The financial statements on pages 4 to 18 were approved by the Board on 21 May 2002 and were signed on its behalf by:


J C Janssis
Director

JAMES BUDGETT SUGARS LIMITED

COMPANY BALANCE SHEET

As at 31 October 2001

| | Note | £'000 | 31 October 2001 £'000 | £'000 | 31 October 2000 £'000 |
|--|------|-----------------|-----------------------------|-----------------|-----------------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 7 | | 188 | | 227 |
| Investments | 8 | | <u>2,372</u> | | <u>2,372</u> |
| | | | 2,560 | | 2,599 |
| Current assets | | | | | |
| Stocks | | 2,560 | | 1,692 | |
| Debtors | 9 | 21,136 | | 16,053 | |
| Cash at bank and in hand | | <u>312</u> | | <u>1,083</u> | |
| | | 24,008 | | 18,828 | |
| Creditors - amounts falling due within one year | 10 | <u>(15,713)</u> | | <u>(13,459)</u> | |
| Net current assets | | | <u>8,295</u> | | <u>5,369</u> |
| Total assets less Current liabilities | | | 10,855 | | 7,968 |
| Net assets | | | <u>10,855</u> | | <u>7,968</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 250 | | 250 |
| Capital reserves | 13 | | 3,004 | | 3,004 |
| Profit and loss account | 13 | | 7,601 | | 4,714 |
| Shareholders' funds | | | <u>10,855</u> | | <u>7,968</u> |

The financial statements on pages 4 to 18 were approved by the Board on 21 May 2002 and were signed on its behalf by:


J C Janssis
Director

JAMES BUDGETT SUGARS LIMITED

CONSOLIDATED CASHFLOW STATEMENT

As at 31 October 2001

| | Note | £'000 | 31 October 2001 £'000 | 31 October 2000 £'000 |
|--|-----------|-----------|-----------------------------|-----------------------------|
| Cashflow from operating activities | 18 | | 5,093 | (1,637) |
| Returns on investments and servicing of finance | | | | |
| Interest received / (paid) | | | 92 | (87) |
| Taxation | | | | |
| UK Corporation tax paid | | | (525) | (304) |
| Capital expenditure and financial investment | | | | |
| Purchase of tangible fixed assets | | (92) | | (62) |
| Sale of tangible fixed assets | | <u>60</u> | <u>(32)</u> | <u>(53)</u> |
| Net cash Inflow/(outflow) | | | <u>4,628</u> | <u>(2,081)</u> |
| Increase/(Decrease) in cash in the year | 19& 20 | | <u><u>4,628</u></u> | <u><u>(2,081)</u></u> |

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Basis of consolidation

The Group accounts incorporate the accounts of James Budgett Sugars Limited and its subsidiary undertakings for the twelve months ended 31 October 2001.

In accordance with the Companies Act 1985, S230 (4), a separate profit and loss account for James Budgett Sugars Limited is not presented, as the results of the Company are disclosed in the consolidated profit and loss account.

Goodwill

Goodwill arising on acquisitions prior to 31 March 1998 amounting to £4,180,515 was written off directly against Group reserves. Goodwill previously eliminated against reserves has not been reinstated on implementation of FRS 10.

Positive goodwill arising on acquisitions since 1 April 1998 is capitalised, categorised as an asset on the balance sheet and amortised over its useful economic life.

Upon the sale or closure of previously acquired businesses, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Deferred taxation

Deferred taxation is provided using the liability on all timing differences, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Foreign currencies

Transactions arising during the year in currencies other than the reporting currency have been converted at the rate appropriate at the time of the transaction. Currency balances at 31 October 2001 have been converted at the rate ruling at that date except where covered by an open foreign exchange contract in which case the rate specified in the contract is used. Foreign exchange differences are taken to the profit and loss account.

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (Continued)

Stock

Stock, principally sugar and other food products, is valued at the lower of cost and net realisable value. Cost includes those costs incurred in bringing the stock to its present location and condition.

Impairment of fixed assets

The carrying values of fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation is provided on a straight line basis to write off the fixed assets over their effective useful lives as follows:

Improvement to leasehold property 10 years; computer equipment 3 years; plant, fixtures and fittings 5-10 years; office equipment 5 years; motor vehicles 4 years.

Leases

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.

Pensions

Certain of the Company's employees are members of a defined contribution occupational pension scheme, administered by the Company's ultimate parent undertaking, E D & F Man Holdings Limited.

Company contributions are charged to the profit and loss account in the period in which they arise.

Turnover

Turnover represents sales net of Value Added Tax, where applicable, and trade discounts.

Investments

Fixed asset investments in subsidiaries are included in the financial statements at cost less provisions for impairment. Income, together with the related tax credit, is recognised in the year in which it is received.

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Interest receivable / payable

| | 12 months to 31 October 2000 £'000 | 7 months to 31 October 2001 £'000 |
|--------------------------------------|--|---|
| Interest receivable from: | | |
| - group undertakings | 101 | - |
| - third parties | 6 | 16 |
| | <u>107</u> | <u>16</u> |
| Interest payable to : | | |
| - group undertakings | 8 | 103 |
| - third parties | 7 | - |
| | <u>15</u> | <u>103</u> |
| Net interest receivable / (payable) | 92 | (87) |

3. Turnover

| | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|--|--|---|
| Turnover is analysed by product type as follows: | | |
| - sugar merchenting and processing | 127,017 | 83,107 |
| - fruit processing | 4,485 | 2,987 |
| | <u>131,502</u> | <u>86,094</u> |
| Turnover is analysed by geographical area as follows : | | |
| - United Kingdom and Ireland | 122,780 | 81,296 |
| - Other European Union countries | 6,137 | 4,579 |
| - Countries outside the European Union | 2,585 | 219 |
| | <u>131,502</u> | <u>86,094</u> |

4. Operating Profit

| | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|---|--|---|
| Operating profit is stated after charging : | | |
| - auditors remuneration | 5 | 10 |
| - depreciation of fixed assets | 296 | 267 |
| - impairment write down of fixed assets | 110 | - |
| - operating leases - land and buildings | 228 | 129 |
| - plant and machinery | 49 | 36 |

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Directors and other employees

| | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|--|--|---|
| Staff costs include the following: | | |
| - wages and salaries | 1,213 | 722 |
| - social security costs | 120 | 72 |
| - costs of defined contribution pension scheme | 62 | 50 |
| | <u>1,395</u> | <u>844</u> |

| | 12 months to 31 October 2001 Number | 7 months to 31 October 2000 Number |
|--|---|--|
| The average weekly number of persons employed by the Group during the period (including directors) was as follows: | | |
| - Sales and administration | 28 | 29 |
| - Industrial | 10 | 23 |
| | <u>38</u> | <u>52</u> |

| | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|---------------------------------------|--|---|
| The emoluments of the directors were: | <u>220</u> | <u>203</u> |

The emoluments of the highest paid director amounted to £114,693 (7 months to 31 October 2000 £117,953), no pension contributions were made by the Company.

One director was a member of the defined contribution pension scheme to which the Company contributed £13,560 in the period (7 months to 31 October 2000 £2,337).

6. Tax on profit on ordinary activities

| | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|-----------------------------------|--|---|
| Based on the profit for the year: | | |
| - corporation tax at 30% | 1363 | 655 |
| - prior year adjustments | 34 | - |
| - deferred taxation | (37) | 18 |
| | <u>1,360</u> | <u>673</u> |

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Tangible fixed assets

| Group | Improvements to Leasehold property £'000 | Equipment and vehicles £'000 | Total £'000 |
|-------------------------|---|------------------------------------|----------------|
| Cost: | | | |
| - at 1 November 2000 | 110 | 2,308 | 2,418 |
| - additions | - | 92 | 92 |
| - disposals | - | (167) | (167) |
| - at 31 October 2001 | <u>110</u> | <u>2,233</u> | <u>2,343</u> |
| Aggregate depreciation: | | | |
| - at 1 November 2000 | 76 | 1,130 | 1,206 |
| - charge for year | 11 | 285 | 296 |
| - impairment write down | - | 110 | 110 |
| - disposals | - | (113) | (113) |
| - at 31 October 2001 | <u>87</u> | <u>1,412</u> | <u>1,499</u> |
| Net book value: | | | |
| - at 31 October 2001 | <u>23</u> | <u>821</u> | <u>844</u> |
| - at 1 November 2000 | <u>34</u> | <u>1,178</u> | <u>1,212</u> |
| Company | | Equipment And vehicles £'000 | |
| Cost: | | | |
| - at 1 November 2000 | | 649 | |
| - additions | | 72 | |
| - disposals | | (49) | |
| - at 31 October 2001 | | <u>672</u> | |
| Aggregate depreciation: | | | |
| - at 1 November 2000 | | 422 | |
| - charge for year | | 104 | |
| - disposals | | (42) | |
| - at 31 October 2001 | | <u>484</u> | |
| Net book value: | | | |
| - at 31 October 2001 | | <u>188</u> | |
| - at 1 November 2000 | | <u>227</u> | |

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Fixed asset investments

| Company | Shares in Subsidiary Undertakings £'000 | | | |
|----------------------------------|--|----------------------------|-------------------|-----------------------|
| Cost | | | | |
| At 1 November 2000 | 2,372 | | | |
| At 31 October 2001 | 2,372 | | | |
| Net Book Value | | | | |
| At 1 November 2000 | 2,372 | | | |
| At 31 October 2001 | 2,372 | | | |
| Principal subsidiary undertaking | Country of Incorporation | Nature of Business | Type of Shares | Effective Interest |
| Treelinks Foods Limited | England & Wales | Sale of frozen fruit | Ordinary | 100% |

The above information is given only in respect of the subsidiary undertaking, which in the opinion of the directors principally affects the figures shown in the Group's financial statements.

In the opinion of the directors, the aggregate value of the investments is not less than the amount stated in the balance sheet.

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Debtors

| | Group | | Company | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 31.10.01 £'000 | 31.10.00 £'000 | 31.10.01 £'000 | 31.10.00 £'000 |
| Trade debtors | 14,555 | 15,504 | 13,945 | 14,770 |
| *Amounts owed by group undertakings for banking purposes | 5,147 | 432 | 5,089 | 423 |
| Amounts owed by other group undertakings | 1,067 | - | 1,090 | - |
| Other debtors | 697 | 614 | 686 | 594 |
| Prepayments and accrued income | 139 | 111 | 97 | 75 |
| Deferred tax asset (refer note 11) | 229 | 191 | 229 | 191 |
| | <u>21,834</u> | <u>16,852</u> | <u>21,136</u> | <u>16,053</u> |

* This represents a cash balance with E D & F Man Treasury Management plc, a fellow subsidiary undertaking, who provides banking and treasury facilities to the company. This balance and the movement thereon has been included in the cash flow statement.

10. Creditors - amounts falling due within one year

| | Group | | Company | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31.10.01 £'000 | 31.10.00 £'000 | 31.10.01 £'000 | 31.10.00 £'000 |
| Trade creditors | 10,067 | 8,430 | 9,768 | 7,988 |
| Amounts owed to group undertakings | 304 | 116 | 1,870 | 1,692 |
| Taxation and social security | 2,342 | 1,491 | 2,317 | 1,510 |
| Other creditors | 726 | 595 | 723 | 591 |
| Accruals and deferred income | 1,080 | 1,814 | 1,035 | 1,678 |
| | <u>14,519</u> | <u>12,446</u> | <u>15,713</u> | <u>13,459</u> |

11. Deferred taxation

| | 31.10.01 £'000 | 31.10.00 £'000 |
|--|-------------------|-------------------|
| The movements in deferred taxation were as follows :- | | |
| At beginning of period | (191) | (209) |
| Charge / (credit) for the period | <u>(38)</u> | <u>18</u> |
| At end of year | <u>(229)</u> | <u>(191)</u> |
| Deferred taxation comprises taxation on timing differences | | |
| Relating to : | | |
| Short term timing differences | (229) | (191) |

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Share capital

| | Authorised Number | £'000 | Allotted, called up & fully paid Number | £'000 |
|--|----------------------|--------------|--|------------|
| Ordinary shares of £1 each - Attributable to equity interests | | | | |
| At 1 November 2000 and 31 October 2001 | <u>3,250,000</u> | <u>3,250</u> | <u>250,000</u> | <u>250</u> |

13. Reserves

| Group | Capital Redemption reserve £'000 | Capital reserve £'000 | Profit and loss account £'000 |
|------------------------------|---|-----------------------------|-------------------------------------|
| At 1 November 2000 | 3,000 | 4 | 5,206 |
| Retained profit for the year | - | - | 2,821 |
| At 31 October 2001 | <u>3,000</u> | <u>4</u> | <u>8,027</u> |
| Company | | | |
| At 1 November 2000 | 3,000 | 4 | 4,714 |
| Retained profit for the year | - | - | 2,887 |
| At 31 October 2001 | <u>3,000</u> | <u>4</u> | <u>7,601</u> |

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Financial commitments

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

| | Group | | Company | |
|----------------------------|--------------|------------|----------------|-----------|
| | 31.10.01 | 31.10.00 | 31.10.01 | 31.10.00 |
| | £'000 | £'000 | £'000 | £'000 |
| Land and Buildings | | | | |
| Expiry Date: | | | | |
| Within one year | - | - | - | - |
| One to five years | 151 | 151 | 55 | 55 |
| Over five years | 76 | 111 | - | 35 |
| | <u>227</u> | <u>262</u> | <u>55</u> | <u>90</u> |
| Plant and Machinery | | | | |
| Expiry Date: | | | | |
| Within one year | 20 | - | 4 | - |
| One to five years | 17 | 56 | - | 8 |
| | <u>37</u> | <u>56</u> | <u>4</u> | <u>8</u> |

The Company has granted an option to a third party to acquire the frozen fruit sales activity of the business as a going concern. Should the option be exercised the sale of this activity will take place on 1 October 2003.

15. Contingent liabilities

The company has given a guarantee to the Intervention Board for Agricultural Product of £50,000 (31.10.2000 - £50,000).

There is an unlimited multilateral guarantee given by the Company in respect of any amounts owed to the Company's bankers by other companies within James Budgett Sugars Limited group.

16. Parent undertaking

The directors regard E D & F Man Holdings Limited, a company registered in England and Wales, as the Group's ultimate parent undertaking. The immediate parent undertaking is Agman Holdings Limited, a company registered in England and Wales. The financial statements of E D & F Man Holdings Limited are available from:

E D & F Man Holdings Limited
Cottons Centre
Hay's Lane
London SE1 2QE

The smallest and the largest group of undertakings of which the Group is a member that draws up group financial statements is E D & F Man Holdings Limited.

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. Reconciliation of movements in shareholders' funds

| | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|-------------------------------------|--|---|
| Profit for the year/period | 2,821 | 1,603 |
| Dividends | - | - |
| Retained earnings | <u>2,821</u> | <u>1,603</u> |
| Net Increase in shareholders' funds | 2,821 | 1,603 |
| Opening shareholders' funds | 8,460 | 6,857 |
| Closing shareholders' funds | <u>11,281</u> | <u>8,460</u> |

18. Reconciliation of operating profit to net cash flow from operating activities

| | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|----------------------------------|--|---|
| Operating profit, | 4,089 | 2,363 |
| Depreciation charges | 406 | 267 |
| (Increase)/Decrease in stocks | (367) | 691 |
| (Increase) in debtors | (267) | (3,316) |
| (Decrease)/Increase in creditors | 1,232 | (1,642) |
| | <u>5,093</u> | <u>(1,637)</u> |

19. Reconciliation of net cash flow to movement in net cash

| | 12 months to 31 October 2001 £'000 | 7 months to 31 October 2000 £'000 |
|-----------------------------|--|---|
| Net cash at 1 November 2000 | 753 | 2,834 |
| Net cash inflow/(outflow) | 4,628 | (2,081) |
| Net cash at 31 October 2001 | <u>5,381</u> | <u>753</u> |

JAMES BUDGETT SUGARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Analysis of net cash

| | At 1 November 2000 £'000 | Cash flow £'000 | At 31 October 2001 £'000 |
|---|--------------------------------|--------------------|--------------------------------|
| Cash balance with fellow subsidiary undertaking (refer note 9) | 432 | 4,715 | 5,147 |
| Cash at bank and in hand | 321 | (87) | 234 |
| Total | <u>753</u> | <u>4,628</u> | <u>5,381</u> |

21. Related party transactions

The directors regard E D & F Man Holdings Limited, which owns an effective interest of 66.67% in the Company, as the Company's ultimate parent company. The remaining 33.33% are owned by Greencore Group plc. Banking and treasury facilities are provided at commercial rates to the Company by E D & F Man Treasury Management plc, a subsidiary undertaking of E D & F Man Holdings Limited.

James Budgett Sugars Limited carries out low volumes of sugar trading transactions with its shareholders at commercial rates.

| Outstanding balances at the period end | 31 October 2001 £'000 | 31 October 2000 £'000 |
|--|-----------------------------|-----------------------------|
| E D & F Man Treasury Management plc | 5,147 | 432 |
| Greencore Group plc | <u>(112)</u> | <u>(253)</u> |

In addition, during the year the Company made a loan to Agman Holdings Limited of £1,066,666 and to Greencore Group plc of £533,334, both loans were outstanding at 31 October 2001.