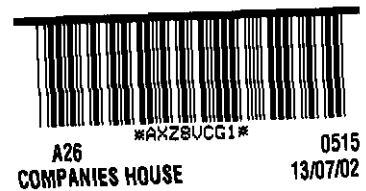


Panfoods Co. Limited

**Directors' report and financial
statements**

Registered number 1961948

Year End Date 31 December 2001



Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the auditors' to the members of Panfoods Co. Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6 - 12

Directors' report

The directors present their annual report and the audited financial statements for the 12 months to 31 December 2001.

Principal activities

The company is engaged, as sole distributor for two Brazilian soluble coffee exporters, in the worldwide sale and distribution of soluble coffee and associated products. The company continued trading in coffee beans during the year. The directors do not foresee any change in the company's activities in the near future.

Financial matters

The results for the year are given in the profit and loss account on page 4. The directors do not propose to pay any dividends during the year (2000: \$NIL).

Fixed assets

Information relating to changes in fixed assets is in note 9 to the financial statements.

Directors

The directors during the year were as follows:

R Davis
I Sakaguchi (appointed on 16 April 2001)
Y Sato (resigned on 2 April 2001)
J Gallagher
T Miki

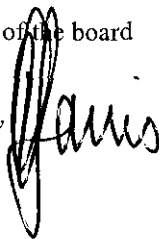
The directors who held office at the end of the year had no interest in the shares of the company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

R Davis
Secretary



Ibex House
42-46 Minorities
London
EC3N 1DY

5 February 2002

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are 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 directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors, having prepared the financial statements, note that the Auditors are required by the Companies Act 1985, to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of Panfoods Co. Limited

We have audited the financial statements on pages 4 to 12.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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 company'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 the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditor

5 February 2002

Profit and loss account

For the year ended 31 December 2001

	<i>Note</i>	2001 \$	2000 \$
Turnover	2	70,274,767	85,609,534
Cost of sales		(67,436,934)	(83,113,287)
Gross profit		<hr/> 2,837,833	<hr/> 2,496,247
Administrative expenses	3,5	(2,413,489)	(2,266,189)
Operating profit		<hr/> 424,344	<hr/> 230,058
Other interest receivable and similar income	6	208,253	299,959
Interest payable and similar charges	7	(1,643)	(1,426)
Profit on ordinary activities before taxation	4	<hr/> 630,954	<hr/> 528,591
Tax on profit on ordinary activities	8	(193,837)	(159,260)
Retained profit for the financial year	15,16	<hr/> <hr/> 437,117	<hr/> <hr/> 369,331

There are no recognised gains and losses other than those disclosed in the profit and loss account.

All profit and loss items relate to continuing operations.

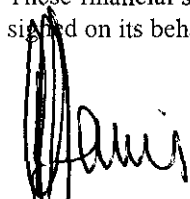
Balance sheet

at 31 December 2001

	Note	2001	2000
		\$	\$
Fixed assets			
Tangible assets	9	167,066	90,699
Investment	10	642,299	642,299
		<hr/>	<hr/>
		809,365	732,998
Current assets			
Stocks	11	3,206,597	2,618,724
Debtors	12	7,587,549	10,265,234
Cash at bank and in hand		3,011,054	2,066,192
		<hr/>	<hr/>
		13,805,200	14,950,150
Creditors: amounts falling due within one year	13	(9,188,782)	(10,694,481)
		<hr/>	<hr/>
Net current assets		4,616,418	4,255,668
		<hr/>	<hr/>
Net assets		5,425,783	4,988,666
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	2,000,000	2,000,000
Share premium account	15	46,730	46,730
Capital Reserve	15	781,011	-
Profit and loss account	15	2,598,042	2,941,936
		<hr/>	<hr/>
	15	5,425,783	4,988,666
		<hr/>	<hr/>

These financial statements were approved by the board of directors on
signed on its behalf by:

5 February 2002 and were



R Davis
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Fixed assets and depreciation

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

Office furniture, fittings and equipment	-	5 years
Motor vehicles	-	4 years

Investments

The fixed asset investment is stated at cost less any permanent diminution in value.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials and goods for resale the average purchase price is used.

Turnover and cost of sales

Turnover represents the amounts (excluding value added tax) received and receivable for goods and services supplied to customers. Turnover is recognised on the date of shipment to customers.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the beginning of the month in which the transaction took place. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and the gains or losses on translation are included in the profit and loss account.

Pensions

Amounts payable in respect of employer's contributions to the company's defined contribution pension scheme are recognised in Administrative Expenses as they become payable.

Cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that more than 90% of the voting rights are controlled within the group and a consolidated cash flow statement is included in the ultimate parent company's financial statements which are publicly available.

Related party transactions

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose related party transactions within the group on the grounds that more than 90% of the voting rights are controlled within the group and the consolidated financial statements of the ultimate parent company are publicly available.

Notes (continued)

2 Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit before taxation is derived from the sale of coffee. Turnover is analysed by geographical market below:

	2001	2000
	\$	\$
United Kingdom	1,566,486	374,406
Rest of Europe including Russia	23,795,421	35,555,509
North America	7,924,115	11,603,842
Japan	28,127,747	28,979,188
Australia	4,274,182	4,538,958
Other	4,586,816	4,557,631
	<hr/> 70,274,767 <hr/>	<hr/> 85,609,534 <hr/>

3 Staff numbers and costs

The average number of persons employed by the company in London (including directors) during the year was 11 (2000:10).

The aggregate payroll costs of these persons were as follows:

	2001	2000
	\$	\$
Wages and salaries	623,639	556,144
Social security costs	66,981	60,949
Pension costs	46,422	50,429
	<hr/> 737,042 <hr/>	<hr/> 667,522 <hr/>

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge for the period above represents contributions payable by the company to the fund and amounts payable in respect of other pension arrangements.

Notes (continued)

4 Profit on ordinary activities before taxation

	2001 \$	2000 \$
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	36,655	21,393
Auditors' remuneration		
- audit fees	12,802	12,306
- other services	32,476	12,438
Exchange losses	8,757	9,916
Loss/(Profit) on sale of fixed assets	517	(1,189)
	<hr/>	<hr/>

5 Remuneration of directors

	2001 \$	2000 \$
Directors' emoluments	292,959	291,675
Contributions to money purchase scheme	31,799	31,377
	<hr/>	<hr/>
	324,758	323,052
	<hr/>	<hr/>

The aggregate of emoluments receivable by the highest paid directors was \$152,303 (2000: \$147,212) and pension contributions of \$16,109 (2000: \$15,636) were made to a money purchase scheme on his behalf.

Retirement benefits are accrued for 2 (2000:2) directors under a money purchase scheme.

6 Other interest receivable and similar income

	2001 \$	2000 \$
Bank interest from short term deposits	145,384	215,005
Income from group undertakings	62,869	80,954
	<hr/>	<hr/>
	208,253	299,959
	<hr/>	<hr/>

Notes (continued)

7 Interest payable and similar charges

	2001	2000
	\$	\$
Interest on bank loans and overdrafts	1,643	1,426

8 Taxation

	2001	2000
	\$	\$
UK Corporation tax at 30% on the profit for the year on ordinary activities	196,291	160,887
Overprovision in respect of prior years	(2,454)	(1,627)
	<u>193,837</u>	<u>159,260</u>

9 Tangible fixed assets

	Office fixtures, fittings and equipment \$	Motor vehicles \$	Total \$
Cost			
At 31 December 2000	120,494	42,216	162,710
Additions	83,515	30,024	113,539
Disposals	(4,618)	-	(4,618)
	<u>199,391</u>	<u>72,240</u>	<u>271,631</u>
At 31 December 2001			
Depreciation			
At 31 December 2000	69,372	2,639	72,011
Charge for the year	19,846	16,809	36,655
Disposals	(4,101)	-	(4,101)
	<u>85,117</u>	<u>19,448</u>	<u>104,565</u>
At 31 December 2001			
Net book value			
At 31 December 2001	<u>114,274</u>	<u>52,792</u>	<u>167,066</u>
At 31 December 2000	<u>51,122</u>	<u>39,577</u>	<u>90,699</u>

Notes *(continued)*

10 Fixed asset investment

The company has a 16.1% holding in a group company Exportadora e Importadora Marubeni Colorado Ltd., (1,344,491 quotes of R\$1 each) incorporated in Brazil.

	2001	2000
	\$	\$
<i>Cost</i>		
At 31 December 2001	642,299	642,299

11 Stocks

	2001	2000
	\$	\$
Raw materials and goods for resale	3,206,597	2,618,724

12 Debtors

	2001	2000
	\$	\$
Trade debtors	3,543,978	4,567,903
Amounts owed by group undertakings	3,178,816	5,297,770
Other debtors	51,721	38,184
Prepayments and accrued income	96,859	45,276
Deposits	716,175	316,101
	7,587,549	10,265,234

13 Creditors: amounts falling due within one year

	2000	2000
	\$	\$
Trade creditors	322,257	238,198
Amounts owed to group undertakings	7,833,329	9,786,812
Other creditors including taxation and social security:		
Corporation tax	131,890	124,864
Other taxes and social security	53,800	36,614
Accruals and deferred income	847,506	507,993
	9,188,782	10,694,481

Notes (continued)

14 Called up share capital

	2001 \$	2000 \$
<i>Authorised</i>		
Ordinary shares of \$1 each	2,000,000	2,000,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of \$1 each	2,000,000	2,000,000

15 Capital and reserves

	Share Capital \$	Share Premium \$	Capital Reserve \$	Profit and Loss Account \$	Total \$
At 31 December 2000	2,000,000	46,730	-	2,941,936	4,988,666
Retained profit for the year	-	-	-	437,117	437,117
Transfer	-	-	781,011	(781,011)	-
At 31 December 2001	2,000,000	46,730	781,011	2,598,042	5,425,783

16 Reconciliation of movements in shareholders' funds

	2001 \$	2000 \$
At 31 December 2000	4,988,666	4,619,336
Retained profit for the financial year	437,117	369,330
At 31 December 2001	5,425,783	4,988,666

Notes *(continued)*

17 Commitments

There are no capital commitments authorised or contracted for.

The company is committed to rent and service charges payments of approximately \$44,000 per annum (commenced March 1998) for the period to June 2002.

18 Related party transactions

There were no transactions with related parties outside the group.

19 Ultimate parent company

These financial statements are included in the consolidated financial statements of Cia Iguacu de Cafe Soluvel, incorporated in Brazil.

The ultimate parent company is Marubeni Corporation, which is incorporated in Japan. The group's accounts are available to the public at Marubeni Corporation's registered office 5-7 Hommachi-2 Chome, Chuo-ku, Osaka, Japan.