

LOUIS DREYFUS TRADING LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31 DECEMBER 2001



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LOUIS DREYFUS TRADING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors submit their annual report and the audited accounts for the year ended 31 December 2001.

RESULTS AND DIVIDENDS

The profit for the year after taxation was \$3,170,388 (2000 loss - \$1,360,433).

The directors do not recommend the payment of a dividend in 2001 (2000 - \$2,000,000).

PRINCIPAL ACTIVITIES

The principal activity of the company is commodity trading.

REVIEW OF THE BUSINESS

The company had a good year with respect to the Coffee, Rice and newly trading Alcohol divisions and was less successful in the Sugar division. The lack of profitability in the Grain division resulted in the decision to cease trading this commodity from the UK.

FUTURE DEVELOPMENTS

It is the directors' intention to continue the development of the business taking into account prevailing market conditions.

FIXED ASSETS

The changes to tangible fixed assets and investments are summarised in notes 8 and 9.

DIRECTORS

The directors in office during the year and up to the date of this report were:

P.H. Akroyd	
P. Belloin	(Resigned 1.1.2002)
F. Blum	(Resigned 1.1.2002)
L.R.E. Bouvier	
R.L. Caperton	
M. Courtenay	(Resigned 1.1.2002)
G.C.V. Coxen	
J. Danilczuk	(Resigned 1.1.2002)
G.J. Gateff	(Resigned 1.1.2002)
B. Laferriere	(Appointed 1.1.2002)
A. Maillot Milan	
M.P. Malchere	(Appointed 1.1.2002)
P. Mann	(Appointed 1.1.2002)
I.S. McIntosh	
D.S. O'Hayon	(Resigned 1.1.2002)
N. Pardo	(Appointed 1.1.2002)
J.P. Samuel	
R. Tucker	

None of the directors had a beneficial interest in the shares of the company or in any other group company registered in the United Kingdom.

LOUIS DREYFUS TRADING LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the company purchased and maintained liability insurance for its directors and officers, as permitted by section 310(3) of the Companies Act 1985.

AUDITORS

A resolution to reappoint Constantin will be put to the members at the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the financial year end and of the profit and loss of the company for that period. The directors are responsible for ensuring that applicable accounting standards have been followed, and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts. It is also the responsibility of the directors to prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

By Order of the Board

A. M. Payne

Secretary

18th April, 2002

Registered company number: 1008779



AUDITORS' REPORT TO THE SHAREHOLDERS OF
LOUIS DREYFUS TRADING LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LOUIS
DREYFUS TRADING LIMITED**

We have audited the financial statements of Louis Dreyfus Trading Limited for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and 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 law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing 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 company 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 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 accounts.

Opinion

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

CONSTANTIN


Registered Auditor

18th April, 2002

LOUIS DREYFUS TRADING LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>NOTES</u>	<u>2001</u>	<u>2000</u>
		\$'000	\$'000
TURNOVER	1	1,055,370	872,017
COST OF SALES		<u>(1,025,032)</u>	<u>(839,003)</u>
GROSS PROFIT		30,338	33,014
Administrative expenses		(18,387)	(15,182)
Other operating income		361	(131)
OPERATING PROFIT	2	<u>12,312</u>	<u>17,701</u>
Exceptional items (non operating)	3	-	(4,973)
Interest receivable and similar income	4	9,550	10,016
Interest payable and similar charges	5	<u>(16,588)</u>	<u>(21,447)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,274	1,297
Tax on profit on ordinary activities	7	<u>(2,104)</u>	<u>(2,657)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	16	3,170	(1,360)
Dividends		<u>-</u>	<u>(2,000)</u>
TRANSFER TO/(FROM) RESERVES		<u>3,170</u>	<u>(3,360)</u>

There are no acquisitions or discontinued operations in the current or preceding year.

There are no recognised gains and losses other than the profit for the year.

All amounts relate to continuing activities.

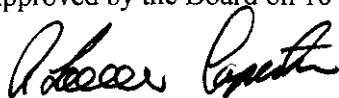
The notes on pages 6 to 14 form an integral part of these accounts.

LOUIS DREYFUS TRADING LIMITED

COMPANY BALANCE SHEET
AT 31 DECEMBER 2001

	<u>NOTES</u>	<u>2001</u>	<u>2000</u>
		\$'000	\$'000
FIXED ASSETS			
Tangible fixed assets	8	1,343	2,303
Investments	9	<u>534</u>	<u>548</u>
		<u>1,877</u>	<u>2,851</u>
CURRENT ASSETS			
Stock	10	61,898	49,586
Debtors	11	392,859	396,621
Cash at bank and in hand		<u>20,205</u>	<u>8,508</u>
		474,962	454,715
CREDITORS (amounts falling due within one year)	12	<u>(422,365)</u>	<u>(436,478)</u>
NET CURRENT ASSETS		52,597	18,237
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>54,474</u>	<u>21,088</u>
CREDITORS (amounts falling due after more than one year)	13	(5,000)	(5,000)
Provision for liabilities and charges	7	-	(1,284)
		<u>49,474</u>	<u>14,804</u>
CAPITAL AND RESERVES			
Called up share capital	15	42,942	11,442
Profit and loss account		<u>6,532</u>	<u>3,362</u>
SHAREHOLDERS' FUNDS	16	<u>49,474</u>	<u>14,804</u>

Approved by the Board on 18th April, 2002



R.L. Caperton
Director

The notes on pages 6 to 14 form an integral part of these accounts.

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2001

1. ACCOUNTING POLICIES

- i. Basis of accounting
The accounts are drawn up under the historical cost convention and in accordance with applicable Accounting Standards, except as noted in paragraph (iv) below.
- ii. Turnover
Turnover represents the amount receivable for goods and services supplied to customers on completion of a contract in respect of commodity trading, excluding value added tax. The nature of commodity trading is such that it is not possible to establish the geographical split of turnover by destination.
- iii. Forward contracts
Forward purchases and sales of commodities are valued at either quoted market prices or, if unavailable, directors' valuation at the balance sheet date and any profit or loss is recognised in the profit and loss account.
- iv. Traded commodities
Traded commodities are valued at market values at the balance sheet date. Although not in accordance with SSAP 9, the directors believe that this policy, which is internationally accepted for commodity trading groups, gives a fairer reflection of its commodity trading activities.
- v. Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation including provision for any permanent diminution in value. Depreciation rates are calculated so that assets are written down to estimated residual value in equal instalments over their expected useful lives which are as follows:

Freehold buildings	20 – 50 years
Leasehold property	Term of lease
Motor vehicles	4 years
Plant and Machinery	4 – 10 years
Fixtures and Fittings	4 – 10 years

Freehold Land is not depreciated.
- vi. Translation into dollars of non-dollar currency items in individual undertakings
Assets and liabilities denominated in currencies other than dollars at the balance sheet date are expressed in US dollars at the rate ruling on that date or if appropriate at a forward contract rate. Trading transactions are translated at the rate ruling on the settlement date and related gains and losses on exchange are recognised in the profit and loss account. The translation differences arising on non-dollar currency loans are taken to the profit and loss account.
- vii. Deferred taxation
The company provides for deferred taxation where in the opinion of the directors there is a reasonable probability that a liability for taxation will crystallise.
- viii. Investment
Investments and subsidiary companies are stated at the lower of cost or estimated realisable value. In the case of unlisted investments realisable value has been estimated by the directors. In the accounts of the company, investments in subsidiaries are shown at cost or directors' valuation, which is based upon the company's share of the book amounts of the net assets of the subsidiaries.
- ix. Pension costs
The cost of pension contributions is charged to the profit and loss account as explained in note 18.

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2001

2. OPERATING PROFIT

Operating profit for the year is stated after
charging/(crediting):

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Wages and salaries	11,545	6,519
Social security costs	1,014	772
Pension plan costs	876	948
Depreciation	1,210	1,148
Auditors' remuneration	105	106
Loss on sale of fixed assets	-	16
Exchange gain	<u>1,039</u>	<u>(1,550)</u>

3. EXCEPTIONAL ITEM

The company has taken no further reserve against the losses suffered by a subsidiary undertaking.
\$: nil (2000:\$4,973,398).

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Group undertakings	6,370	9,480
Bank and other	<u>3,180</u>	<u>536</u>
	<u>9,550</u>	<u>10,016</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Group undertakings	15,597	19,417
Banks and other borrowings repayable within five years	<u>991</u>	<u>2,030</u>
	<u>16,588</u>	<u>21,447</u>

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2001

6. DIRECTORS' EMOLUMENTS

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Emoluments	<u>2,762</u>	<u>2,657</u>

	<u>2001</u>	<u>2000</u>
Number of directors to whom retirement benefits are accruing under a defined benefits scheme	<u>4</u>	<u>4</u>

The emoluments excluding pension contributions of the highest paid director were \$1,381,623 (2000 - \$923,357).

7. TAXATION

The company is a close company.

The group taxation charge on the profit for the year is as follows:

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Corporation tax at 30% (2000: 30%)	2,502	71
Overseas taxation	923	-
Prior year corporation tax under provision	(70)	1,302
Deferred taxation	<u>(1,251)</u>	<u>1,284</u>
	<u>2,104</u>	<u>2,657</u>

No provision for the potential deferred tax asset arising as at 31 December 2001 has been made in respect of the following (2000 credit - \$1,284,000):

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Accelerated capital allowances	214	32
Timing differences on forward positions	<u>-</u>	<u>(1,316)</u>
	<u>214</u>	<u>(1,284)</u>

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS
AT DECEMBER 2001

8. TANGIBLE FIXED ASSETS

	<u>Freehold Land and Buildings</u>	<u>Short Leasehold Property</u>	<u>Motor Vehicles</u>	<u>Furniture & Fittings</u>	<u>Leasehold Improvements</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Cost</u>						
Balance at 1 January 2001	18	27	130	2,645	2,694	5,514
Additions	-	-	21	231	7	259
Disposals	-	-	(20)	(26)	-	(46)
Exchange adjustment	-	(3)	-	(4)	-	(7)
Balance at 31 December 2001	<u>18</u>	<u>24</u>	<u>131</u>	<u>2,846</u>	<u>2,701</u>	<u>5,720</u>
<u>Depreciation</u>						
Balance at 1 January 2001	(13)	(19)	(85)	(1,667)	(1,427)	(3,211)
Provision for the year	-	(1)	(22)	(547)	(640)	(1,210)
Released on disposal	-	-	20	18	-	38
Exchange adjustment	-	2	-	4	-	6
Balance at 31 December 2001	<u>(13)</u>	<u>(18)</u>	<u>(87)</u>	<u>(2,192)</u>	<u>(2,067)</u>	<u>(4,377)</u>
<u>Net book amounts</u>						
At 31 December 2001	<u>5</u>	<u>6</u>	<u>44</u>	<u>654</u>	<u>634</u>	<u>1,343</u>
At 31 December 2000	<u>5</u>	<u>8</u>	<u>45</u>	<u>978</u>	<u>1,267</u>	<u>2,303</u>

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2001

9. INVESTMENTS (included in fixed assets)

COMPANY	<u>Shares in Subsidiary Undertakings</u>	<u>Shares in significant holdings</u>	<u>Other unlisted investments</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2001	4	49	495	548
Disposals	-	-	-	-
Exchange adjustment	-	(1)	(13)	(14)
Balance at 31 December 2001	4	48	482	534

The subsidiary companies of Louis Dreyfus Trading Limited at 31 December 2001 are wholly owned, incorporated in England and the company holds 100% of the ordinary shares and are as follows:

Louis Dreyfus Sugar Limited (dormant)
International Trading Services (UK) Company Limited (commodity trading)
L.D.S. (Commodities) Limited (commodity trading)

All of the above subsidiaries are registered in Great Britain, except L.D.S. (Commodities) Limited which is registered in Israel.

The significant holdings of Louis Dreyfus Trading Limited at 31 December 2001 were as follows:

<u>Name of company</u>	<u>Country of Incorporation</u>	<u>Shares held</u>	<u>Activity</u>
BSF Seed Producers GB Ltd	England	50% ordinary shares	Seed producers
Kings Lynn Silos Ltd	England	33% convertible preferred ordinary shares	Ship loaders and storage of grains

The significant holdings have not been treated as associated undertakings as the company has participation in the financial and operating policy of the holdings, but not control of those policies.

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2001

10. STOCKS

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Traded commodity stocks	<u>61,898</u>	<u>49,586</u>

11. DEBTORS

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Trade debtors	245,070	271,828
Amounts owed by group undertakings	126,032	98,476
Other debtors	636	640
Prepayments and accrued income	<u>21,121</u>	<u>25,677</u>
	<u>392,859</u>	<u>396,621</u>

12. CREDITORS (amounts falling due within one year)

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Bank loans and overdrafts (see note 14)	15,168	30,759
Trade creditors	159,606	153,838
Amount owed to group undertakings	231,486	237,999
Other creditors	3,258	1,435
Accruals and deferred income	<u>12,847</u>	<u>12,447</u>
	<u>422,365</u>	<u>436,478</u>

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2001

13.	CREDITORS (amounts falling due after more than one year)				
			<u>2001</u>		<u>2000</u>
			\$'000		\$'000
	Amounts owed to parent undertaking		<u>5,000</u>		<u>5,000</u>
14.	BANK LOANS AND OVERDRAFTS (amounts falling due within one year)				
			<u>2001</u>		<u>2000</u>
			\$'000		\$'000
	Unsecured		<u>15,168</u>		<u>30,759</u>
15.	CALLED UP SHARE CAPITAL				
				Authorised	
			2001		2000
			\$000		\$000
	Ordinary shares of \$1 each		20,000		20,000
	5% cumulative redeemable preference shares of \$1 each		<u>31,500</u>		-
			<u>51,500</u>		<u>20,000</u>
			Allotted, called up and fully paid		
		2001	2000	2001	2000
		No.	No.	\$000	\$000
	Ordinary shares of \$1 each				
	5% cumulative redeemable preference shares of \$1 each	11,442,000	11,442,000	11,442	11,442
		31,500,000	-	<u>31,500</u>	-
				<u>42,942</u>	<u>11,442</u>

On 28th December 2001 31,500,000 new US\$ denominated non-voting, fixed dividend cumulative redeemable preference shares of 1 US\$ each were issued, allotted and fully paid. These shares were allotted at par and carry a fixed dividend of 5% per annum.

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2001

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2001</u>	<u>2000</u>
	\$'000	\$'000
Opening shareholders' funds	14,804	18,164
Preference shares issued	31,500	-
Profit/(Loss) attributable to shareholders for the year	3,170	(1,360)
Dividend paid	<u>-</u>	<u>(2,000)</u>
Closing shareholders' funds	<u>49,474</u>	<u>14,804</u>

17. COMMITMENTS

In the normal course of business the company has entered into forward contracts for the purchase and sale of commodities.

18. PENSION COMMITMENTS

During the year the company operated the Louis Dreyfus & Co. Limited Pension Fund which is a defined benefit scheme. Contributions were made to the fund in accordance with the Schedule of contributions. The most recent actuarial valuation of the fund was carried out at 1 January 2001 by an independent qualified actuary.

Financial assumptions		2001
Salary increases		3.50%
Pension increases (on pensions now being accrued)		2.50%
Discount rate		6.00%
RPI		2.50%
	2001	Expected rate of
	\$'000	return %
The assets of the Fund and expected return on assets		
Annuity contracts already purchased	24,433	6.00%
Clerical Medical Group Pensions Contract and other net assets	<u>19,121</u>	7.00%
	43,554	
Actuarial liabilities	<u>(51,502)</u>	
(Deficit)	<u>(7,948)</u>	
Related deferred tax asset	<u>2,384</u>	
Net pension liability (1)	<u>(5,564)</u>	

(1) The net pension liability is the deficit in the fund less the related deferred tax asset.

LOUIS DREYFUS TRADING LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 2001

19. CASH FLOW STATEMENT

No cashflow statement has been included as the holding company has prepared a consolidated cashflow statement in accordance with FRS1, Cash Flow Statements.

20. IMMEDIATE PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

The immediate parent undertaking is Louis Dreyfus Trading Holdings Limited, incorporated in the UK.

The ultimate holding company is SA Louis Dreyfus et Cie, incorporated in France.

21. NUMBER OF EMPLOYEES

	2001	2000
Commodity trading	105	136
Ship operating and agency	<u>-</u>	<u>1</u>
	<u>105</u>	<u>137</u>

22. GROUP ACCOUNTS

The largest and smallest groups for which group accounts are prepared and of which the company is a member are as follows:

	<u>Largest</u>	<u>Smallest</u>
Name	S A Louis Dreyfus et Cie	Louis Dreyfus & Co Ltd
Country of incorporation	France	United Kingdom
Address from where copies of the group accounts can be obtained.	87 Avenue de la Grande Armee, 75782 Paris.	Queensberry House 3 Old Burlington Street, London W1S 3LD.

The financial statements contain information about Louis Dreyfus Trading Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company has taken the exemption allowed under FRS2 from preparing group accounts on the grounds that it is included in the consolidation of another group company within the European Union.

Exemption has been taken from the disclosures required by FRS8, Related Party Disclosures, on the grounds that 90% or more of the voting rights are controlled within the group and the consolidated accounts in which the subsidiary is included are publicly available.