

Financial information on James Budgett Sugars Ltd

1. This appendix provides further financial information on JBS, including financial performance and margins, and details of recent customer gains and losses.

Company history

2. JBS, a supplier of sugar since 1857, remained in private ownership until 1980 when it became a wholly owned subsidiary of Man Group Plc (Man), a global merchant in agricultural products and one of the world's largest sugar traders. In 1989, Irish Sugar Plc, a member of Greencore, bought a 33.33 per cent interest in JBS.
3. In 1999, Man decided to separate its agricultural and financial products businesses and the agricultural business, which included JBS, was taken back into private ownership by its management under the name ED&F Man Holdings Ltd.

Principal activities

4. As well as purchasing sugar from the two UK producers, British Sugar and Tate & Lyle, JBS imports refined sugars from other producers in the EU and direct consumption raw cane sugars from the ACP 'sugar protocol' countries. The ACP imports come via ED&F Man from Barbados. JBS distributes sugar throughout Great Britain to manufacturers of food, soft drinks, pharmaceuticals and animal foods.
5. JBS operates a processing plant at Ledbury, Gloucestershire, producing a range of speciality sugars milled from cane sugar for the pharmaceutical industry. These are produced under its 'Bextra' brand label. JBS also packs spray dried glucose and granulated sugar under contract for [X] at this site.

Financial information

6. The financial performance of JBS for the six periods up to 24 October 2004 and the balance sheet at 24 October 2004 are shown in Tables 1 and 2.¹

¹After the management buyout in 2000, ED&F Man changed its accounting reference date from 31 March to 31 October. Accordingly, JBS also changed its accounting reference date to 31 October. JBS has now aligned its financial year end with the NBF group and will produce financial accounts for the 17-month accounting period ending 31 March 2005. However, management accounts to the period ending 24 October 2004 were provided by JBS.

TABLE 1 JBS: financial summary for the six periods up to 24 October 2004

	£'000					
	Year ending 31 March 2000	7 months ending 31 October 2000	Year ending 31 October			Period ending 24 Oct 2004
			2001	2002	2003	
Turnover						
UK & Ireland	149,531	81,296	122,780	122,679	119,133	*
Other EU countries	5,268	4,579	6,137	7,898	9,213	*
Countries outside the EU	<u>571</u>	<u>219</u>	<u>2,585</u>	<u>5,033</u>	<u>4,227</u>	*
	155,370	86,094	131,502	135,609	132,573	
Cost of sales	<u>-149,524</u>	<u>-82,465</u>	<u>-125,137</u>	<u>-129,423</u>	<u>-126,374</u>	
Gross profit	5,846	3,629	6,365	6,186	6,199	
Administrative expenses	<u>-2,270</u>	<u>-1,266</u>	<u>-2,276</u>	<u>-2,383</u>	<u>-2,142</u>	
Operating profits	3,576	2,363	4,089	3,803	4,057	
Net interest	<u>156</u>	<u>-87</u>	<u>92</u>	<u>154</u>	<u>234</u>	✂
Profit on ordinary activities before tax	3,732	2,276	4,181	3,957	4,291	
Tax	<u>-917</u>	<u>-673</u>	<u>-1,360</u>	<u>-1,622</u>	<u>-961</u>	
Profit on ordinary activities after tax	<u>2,815</u>	<u>1,603</u>	<u>2,821</u>	<u>2,335</u>	<u>3,330</u>	
Gross margin %	4.2	4.8	4.6	4.7	4.5	
Operating profit margin %	2.6	3.2	2.9	3.2	3.1	

Source: JBS statutory accounts (1999–2003) and management accounts (2004).

*Segmental analysis was not available.

TABLE 2 JBS: balance sheet as at 24 October 2004

	£'000
	Period ending 24 Oct 2004
Fixed assets	
Current assets	
Debtors	
Stocks	
Napier Brown	
Current liabilities	
Cash and bank	
Creditors	✂
Net current assets	
Net assets	
Shareholders funds	
Opening equity	
Loss b/f	
Retained profit for the year	

Source: JBS management accounts.

7. These figures include turnover in respect of Treelinks, a fruit packing and processing business which was sold in April 2003, and turnover originating out of Aruba in the Caribbean which was handled by JBS on behalf of Broadhurst Sugars, a subsidiary of ED&F Man. Broadhurst Sugars was transferred back to ED&F Man in November 2003. The figures have been recalculated in Table 3 to show the financial performance of the business sold to NBF.²

²See footnote 1 to paragraph 6.

Provision of credit

14. JBS has told us that [REDACTED].

15. An ageing analysis of JBS trade debtors over the last four years is shown in Table 5 below.

TABLE 5 Ageing analysis

	Total £'000	0-14 days %	14-28 days %	28-42 days %	42-56 days %	56+ days %
31-Oct-01	14,566	[REDACTED]				
31-Oct-02	14,164					
31-Oct-03	15,663					
24-Oct-04	12,224					

Source: JBS.

16. [REDACTED]