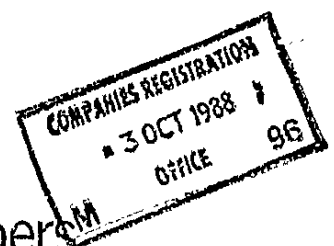


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GENERAL FOODS LIMITED

AND ITS SUBSIDIARIES

28th November 1987



Coopers
& Lybrand

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE 52 WEEK PERIOD
ENDED 28 NOVEMBER 1987.

The directors present their report and the consolidated financial statements of the group for the period ended 28 November 1987, which are to be presented at the annual general meeting of the company.

SUBSIDIARIES

The company's principal operating subsidiaries in the period have been Coffee Hag (UK) Limited, a company engaged in the importation and sale of foodstuffs and decaffeinated coffee, and Maxpax (UK) Limited, a company which is engaged in the purchase and modification of vending machines for sale. During the period the company acquired the Kenco Coffee Company Limited incorporated in the UK and SICMA SA incorporated in France.

REVIEW OF THE BUSINESS

Volumes increased over the previous period reflecting good performance on established franchises and the benefits of strategic acquisitions made during the period. The company continued to support its key franchises through increased advertising, trade support and consumer activity. In spite of intensified competition coffee margins were satisfactory mainly due to more favourable cost structures. The company plans to continue investing in quality improvements and efficiency of production of our principal coffee brands which will consolidate the strong earnings growth seen within the group this period.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation of the group for the period amounted to £10,467,000 (November 1986 £7,854,000).

The directors do not propose a dividend.

The retained profit of £10,467,000 (November 1986 net loss after dividend (£13,446,000)) has been transferred to reserves.

RESEARCH AND DEVELOPMENT

Research and development activities during 1987 continued to be focussed on new product development and improvements to established products and processes.

FUTURE DEVELOPMENTS

The group plans to continue as a UK based manufacturer of coffees, custards and desserts marketed under the well established Maxwell House and Bird's trade marks, and as a leading vending company under the Maxpax trade mark. The acquisition of the Kenco Coffee Company Limited in January 1987 will increase the group's activity in the roast and ground sector of the UK coffee market. The acquisition of SICMA extends the group's beverage vending activity into France.

DIRECTORS AND THEIR INTERESTS

The following were directors of the company during the period:

RVJ Cadbury	(Managing Director)
MAE Guest	(Resigned September 24th 1987)
RJD Halliday	
CH Harmer	
P Humpherson	(Appointed December 1st 1986)
JM Keenan (USA)	(Resigned as Chairman June 6th 1987)
DA Lacy	
NS McCluskey	
WJ Nightingale	
NP Ouellette (USA)	
TP Park (USA)	(Resigned February 1st 1987)
ER Shames (USA)	(Resigned February 27th 1987)
AM Shaver (USA)	(Resigned August 12th 1987)
DE Soffe	(Chairman from June 6th 1987)
RJS Bell	(Appointed February 1st 1987)
RL Seelert (USA)	(Appointed February 27th 1987)
TE McIntyre (USA)	(Appointed August 12th 1987)
NJ Fennell	(Appointed October 30th 1987)
RD Killick	(Appointed October 30th 1987)

Under the articles of association of the company, all directors except the managing director will retire at the annual general meeting, and all are eligible for re-election.

There are no directors' interests which fall to be declared under the Companies Acts and Orders made thereunder.

MARKET VALUE OF LAND AND BUILDINGS

The directors estimate that the market value of land and buildings included in the consolidated accounts at a net book value of £5,728,000 (November 1986 - £5,147,000) is approximately £17,900,000 (November 1986 - £16,400,000).

TANGIBLE FIXED ASSETS

Changes in tangible fixed assets are set out in Note 8 to the financial statements.

EMPLOYMENT POLICIES AND INVOLVEMENT

The group adopts a policy of non-discrimination in the employment of disabled persons and continuity of employment of persons who become disabled. Policies related to training, career development and succession are applied equally to disabled and able-bodied employees.

The group believes in and supports the development of a working environment which encourages employee involvement in the business. Information about the group and its business is provided to all employees on matters likely to be of concern to them in meetings, a company newspaper, an annual employee report and by other traditional communications. Trade union representatives and other employee groups regularly receive information about the business.

There are formal agreements with five trade unions permitting negotiation, discussion and consultation. Joint consultative committees discuss safety and pension matters. The field sales-force views are sought and taken into consideration through a sales consultative committee. Ad hoc consultative working parties consider particular issues.

The group actively promotes an employee suggestion scheme and a general manager's award programme. Both are open to all employees.

DONATIONS

During the period, the group has made donations for charitable purposes amounting to £20,000 (November 1986 £46,500). No donations were made for political purposes.

AUDITORS

A resolution to re-appoint the auditors Coopers & Lybrand will be proposed at the Annual General Meeting.

By Order of the Board

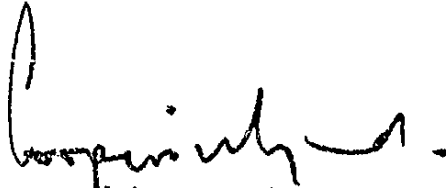
Company Secretary

6th January 1988

AUDITORS' REPORT TO THE MEMBERS OF
GENERAL FOODS LIMITED

We have audited the accounts on pages 5 to 19 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 November 1987 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

A handwritten signature in dark ink, appearing to be 'C. J. Smith', written over the printed name of the Chartered Accountants.

Chartered Accountants
London, 6 January 1988

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEK PERIOD ENDED 28 NOVEMBER 1987

	Notes	52 Week Period Ended 28th November 1987		52 Week Period Ended 29th November 1986	
		£'000	£'000	£'000	£'000
TURNOVER	1 & 2		257 260		238,632
COST OF SALES			(214,673)		(209,094)
GROSS PROFIT			42,587		29,538
Distribution costs		(15,024)		(11,776)	
Administrative expenses		(8,398)		(6,083)	
Other Operating Income		147		156	
			(23,275)		(17,703)
OPERATING PROFIT			19,312		11,835
Interest Receivable		409		1,839	
Interest Payable		(4,362)		(2,171)	
			(3,953)		(322)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3		15,359		11,503
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5		(4,892)		(3,649)
PROFIT AFTER TAXATION			10,467		7,854
DIVIDEND PAID			-		(21,300)
RETAINED PROFIT	17		10,467		(13,446)

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 28 NOVEMBER 1987

	Notes	November 1987		November 1986	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	55,305		41,003	
Intangible assets	11	5,231		-	
Investments		-		927	
			60,536		41,930
CURRENT ASSETS					
Stocks	12	25,896		25,595	
Debtors	13	58,691		45,104	
Cash at bank and in hand		1,856		1,473	
			86,443		72,172
CREDITORS: amounts falling due within one year	14	71,749		49,258	
NET CURRENT ASSETS			14,694		22,914
TOTAL ASSETS LESS CURRENT LIABILITIES			75,230		64,844
CREDITORS: amounts falling due after more than one year	15		19,383		19,474
NET ASSETS			55,847		45,370
CAPITAL AND RESERVES					
Called up share capital	16		75		75
Share premium account	17		1,317		1,317
Other reserves	17		141		131
Profit and loss account	17		54,314		43,847
CAPITAL AND RESERVES			55,847		45,370

DIRECTORS

6th January 1988

GENERAL FOODS LIMITED

BALANCE SHEET AT 28 NOVEMBER 1987

	Notes	November 1987		November 1986	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		44,860		35,047
Investments in group companies	10		15,021		7,255
Other fixed asset investments	10		-		927
			59,881		43,229
CURRENT ASSETS					
Stocks	12	20,534		23,182	
Debtors	13	64,663		46,084	
Cash at bank and in hand		<u>1,823</u>		<u>1,466</u>	
		87,020		70,732	
CREDITORS: amounts falling due within one year	14	<u>88,037</u>		<u>56,649</u>	
NET CURRENT ASSETS			(1,017)		14,083
TOTAL ASSETS LESS CURRENT LIABILITIES			58,864		57,312
CREDITORS: amounts falling due after more than one year	15		<u>16,308</u>		<u>18,540</u>
NET ASSETS			<u>42,556</u>		<u>38,772</u>
CAPITAL AND RESERVES					
Called up share capital	16		75		75
Share premium account	17		1,317		1,317
Profit and loss account	17		<u>41,164</u>		<u>37,380</u>
CAPITAL AND RESERVES			<u>42,556</u>		<u>38,772</u>

DIRECTORS

R. S. L. S. L.
H. S. L. S. L.
 6th January 1988

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD ENDED 28 NOVEMBER 1987

	November 1987		November 1986	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
Profit on ordinary activities before taxation		15,359		11,503
Adjustment for items not involving the movement of funds:				
Depreciation		4,695		3,619
Loss on sale of fixed assets		293		390
Amortisation of goodwill		334		-
Balance sheet translation		10		-
		<hr/>		<hr/>
TOTAL GENERATED FROM OPERATIONS		20,691		15,512
FUNDS FROM OTHER SOURCES				
Sale of tangible fixed assets		15		26
Repayment of ACT		1,037		-
Repayment of loan		-		950
		<hr/>		<hr/>
		21,743		16,488
APPLICATION OF FUNDS				
Total goodwill purchased	(5,565)		-	
Prepaid last year	927		-	
Purchase of goodwill on acquisition of subsidiaries	(4,638)		-	
Purchase of tangible fixed assets	(19,305)		(10,682)	
Taxation paid	(9,559)		(5,853)	
Repayment of loans	(2,004)		-	
Dividends paid	-		(21,300)	
Acquisition prepayments	-		(927)	
		<hr/>		<hr/>
		(35,506)		(38,762)
		<hr/>		<hr/>
		(13,763)		(22,274)
		<hr/>		<hr/>
REPRESENTED BY:				
Increase/(Decrease) in working capital				
Stocks	301		3,874	
Debtors	8,510		10,893	
Creditors	(37,486)		(22,775)	
	<hr/>		<hr/>	
		(28,675)		(8,008)
		<hr/>		<hr/>
Increase (decrease) in net liquid funds		14,912		(14,266)
		<hr/>		<hr/>
		(13,763)		(22,274)
		<hr/>		<hr/>

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

1. ACCOUNTING POLICIES

(1) Turnover

Turnover comprises the selling value, after deduction of any allowances and taxes, of goods sold as a principal in the ordinary course of business.

(2) Depreciation

Fixed assets are stated at cost less depreciation which is provided on a straight-line basis over the estimated useful lives of the assets as follows:-

	<u>Estimated useful life</u>
Buildings	25 years to 40 years
Machinery and equipment	3 years to 15 years
Fork Lift trucks	5 years to 8 years
Computer hardware	5 years to 10 years
Research equipment	5 years to 15 years
Capitalised leases	the life of the lease

(3) Stocks

Inventories are stated at the lower of cost, including an appropriate share of manufacturing overheads, and net realisable value.

(4) Deferred taxation

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise.

(5) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at exchange rates in operation when the transaction occurred. Exchange gains and losses on settled transactions are reported in the profit and loss account. Assets and liabilities in foreign currencies have been expressed in sterling at the rates ruling at the end of the period and any gains or losses reported in the profit and loss accounts.

(6) Research and development costs

All research and development costs are expensed as incurred.

(7) Basis of consolidation

The financial statements represent a consolidation of the statements of General Foods Limited and its operating subsidiaries, Coffee Hag (UK) Limited, Maxpax (UK) Limited, The Kenco Coffee Company Limited and SICMA SA (incorporated in France).

(8) Goodwill

Goodwill arises where the purchase consideration exceeds the value of the underlying net tangible assets. Goodwill is being amortised over its estimated useful life (between 7 and 40 years) from the date of acquisition.

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

2. SEGMENT INFORMATION

The geographical analysis of the group's turnover is as follows:

	<u>November</u> <u>1987</u> <u>£'000</u>	<u>November</u> <u>1986</u> <u>£'000</u>
United Kingdom	246,092	227,416
Europe	7,510	7,847
Others	3,658	3,369
	<hr/>	<hr/>
	257,260	238,632
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3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>November</u> <u>1987</u> <u>£'000</u>	<u>November</u> <u>1986</u> <u>£'000</u>
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Wages and salaries	27,200	23,981
Social security costs	2,273	1,897
Other pension costs	3,278	2,456
Depreciation (Note 8)	4,695	3,619
Directors' emoluments (Note 4)	725	542
Hire of equipment and vehicles	2,269	1,921
Auditors' remuneration	60	55
Interest payable on bank overdrafts and other loans wholly repayable within five years	1,247	210
Interest payable on loans from group companies wholly repayable within five years	3,115	1,961
Bank and other interest receivable	(409)	(1,839)

GENERAL PAPER LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 29 NOVEMBER 1987

4. EMOLUMENTS OF THE DIRECTORS

The emoluments of the Chairman, who was also the highest paid director, were £130,886 (November 1986 - £95,191) of which £65,443 was received whilst Chairman. The former Chairman received £Nil (November 1986 - £Nil).

Emoluments paid to other directors, excluding pension contributions, fell within the following ranges per annum.

	November 1987	November 1986
£ 0 - £ 5,000	7	4
£ 25,001 - £ 30,000	1	-
£ 35,001 - £ 40,000	1	-
£ 40,001 - £ 45,000	1	-
£ 45,001 - £ 50,000	2	2
£ 50,001 - £ 55,000	-	2
£ 55,001 - £ 60,000	3	2
£ 60,001 - £ 65,000	-	1
£ 65,001 - £ 70,000	-	1
£ 70,001 - £ 75,000	1	-
£ 75,001 - £ 80,000	1	-

Emoluments paid to other employees in excess of £30,000, (excluding pension contributions), fell within the following ranges per annum.

£30,000 - £ 35,000	7	10
£35,001 - £ 40,000	7	1
£40,001 - £ 45,000	1	1

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

November 1987	November 1986
£1,250	£1,110

Taxation on the profit on ordinary activities for the year:

UK corporation tax at 35.0% (November 1986 36.7%)	4,622	3,752
Foreign Tax	220	-
Prior year provisions no longer required	-	1,110
	<hr/> 4,842	<hr/> 4,862

The charge for taxation on the profit on ordinary activities for the year was reduced by £220,000 (November 1986 - £220,000) in respect of accelerated capital allowances of £1,275,000 (November 1986 - £1,275,000). No action is deferred taxation has been provided.

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

6. POTENTIAL DEFERRED TAXATION

Provision for deferred taxation arising from the reversal of timing differences amounting to £165,000 (1986 - Nil) has only been made to the extent that these are likely to materialize. The potential amount of deferred taxation not provided where no actual liability is expected to arise in the foreseeable future is as follows:-

	Group		Company	
	November 1987 £'000	November 1986 £'000	November 1987 £'000	November 1986 £'000
Accelerated capital allowances	11,181	10,325	9,749	9,054
Other timing differences	(395)	(339)	(391)	(335)
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	10,786	9,986	9,358	8,719
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7. GENERAL FOODS LIMITED PROFIT AND LOSS ACCOUNT

General Foods Limited has not presented its own profit and loss account as permitted by Section 228(7) of the Companies Act 1985. The amount of profit after taxation for the financial year dealt with in the accounts of the holding company is £3,784,000 (November 1986 - £4,624,000).

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

8. TANGIBLE ASSETS - GROUP

COST	Freehold land and buildings £'000	Plant and equipment £'000	Construction work in progress £'000	Motor Vehicles leases £'000	Total £'000
At 29 November 1986	9,060	45,970	8,333	-	63,363
Companies acquired	553	4,144	-	99	4,796
Additions	336	545	16,404	-	17,285
Disposals	(2)	(2,678)	-	(7)	(2,687)
Transfers	65	7,597	(7,662)	-	-
Balance sheet translation	(30)	(56)	-	-	(86)
At 28 November 1987	9,982	55,522	17,075	92	82,671
DEPRECIATION					
At 29 November 1986	3,913	18,447	-	-	22,360
Companies acquired	34	2,635	-	48	2,717
Charge for period	309	4,369	-	17	4,695
Relating to disposals	-	(2,373)	-	(6)	(2,379)
Balance sheet translation	(2)	(25)	-	-	(27)
At 28 November 1987	4,254	23,053	-	59	27,366
NET BOOK AMOUNT					
At 28 November 1987	5,728	32,469	17,075	33	55,305
At 29 November 1986	5,147	27,523	8,333	-	41,003

Plant and equipment includes £128,000 in respect of a fully depreciated capital lease.

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

8. TANGIBLE ASSETS - COMPANY
CONTINUED

COST	Plant and equipment £'000	Construction work in progress £'000	Capitalised leases £'000	Total £'000
At 29 November 1986	45,842	7,524	128	53,494
Additions	-	14,018	-	14,018
Disposals	(2,419)	-	-	(2,419)
Transfers	7,502	(7,502)	-	-
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At 28 November 1987	50,925	14,040	128	65,093
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 29 November 1986	18,319	-	128	18,447
Charge for period	3,937	-	-	3,937
Relating to disposals	(2,151)	-	-	(2,151)
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At 28 November 1987	20,105	-	128	20,233
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK AMOUNT				
At 28 November 1987	30,820	14,040	-	44,860
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 November 1986	27,523	7,524	-	35,047
	<hr/>	<hr/>	<hr/>	<hr/>

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

9. CAPITAL COMMITMENTS

	<u>Group and Company</u>	
	<u>November 1987</u>	<u>November 1986</u>
	£'000	£'000
Future capital expenditure contracted for but not yet provided	<u>1,690</u>	<u>3,992</u>
Authorised by the directors but not contracted for	<u>9,077</u>	<u>12,462</u>

10. INVESTMENTS INCLUDED IN FIXED ASSETS - COMPANY

Investments in group companies

	<u>Cost</u> £'000	<u>Provision</u> £'000	<u>Net Book Amount</u> £'000	<u>Loans to Group Companies</u> £'000	<u>Total</u> £'000
At 29 November 1986	317	(100)	217	7,038	7,255
Acquisitions	5,629	(98)	5,531	-	5,531
Net advances	-	-	-	2,235	2,235
	<u>5,946</u>	<u>(198)</u>	<u>5,748</u>	<u>9,273</u>	<u>15,021</u>
At 28 November 1987	5,946	(198)	5,748	9,273	15,021

The company's operating subsidiaries which are wholly-owned are Coffee Hag (UK) Limited, Maxpax (UK) Limited, and acquired in January 1987, the Kenco Coffee Company Limited and SICMA S.A. incorporated in France. The company's non-operating subsidiaries are General Foods (Pension Trustees) Limited and Alfred Bird & Sons (Pension Trustees) Limited, both of which are also wholly-owned. Neither company has traded during the period and they have not been consolidated. Provisions are as follows:

	<u>November 1987</u> £'000	<u>November 1986</u> £'000
Goodwill amortization	98	-
Accumulated deficits - dormant companies	<u>100</u>	<u>100</u>
	<u>198</u>	<u>100</u>

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

	November <u>1987</u> £'000	November <u>1986</u> £'000
11. INTANGIBLE ASSETS IN FIXED ASSETS - GROUP		
Goodwill at cost	5565	-
Amortization for the period	(334)	-
	<hr/>	<hr/>
Net book amount	5231	-
	<hr/>	<hr/>

12. STOCKS

	Group		Company	
	November <u>1987</u> £'000	November <u>1986</u> £'000	November <u>1987</u> £'000	November <u>1986</u> £'000
Raw materials and consumables	8,070	7,403	6,715	7,336
Work in progress	1,579	1,842	1,527	1,842
Finished goods and goods for resale	14,244	14,878	10,289	12,532
Payments on account	2,003	1,472	2,003	1,472
	<hr/>	<hr/>	<hr/>	<hr/>
	25,896	25,595	20,534	23,182
	<hr/>	<hr/>	<hr/>	<hr/>

13. DEBTORS

	Group		Company	
	November <u>1987</u> £'000	November <u>1986</u> £'000	November <u>1987</u> £'000	November <u>1986</u> £'000
Trade debtors	35,258	29,170	34,145	29,170
Amounts owed by group companies	-	-	7,326	994
Amounts owed by related companies	14,274	12,097	14,274	12,097
Other debtors	8,245	2,789	8,245	2,775
Prepayment and accrued income	914	1,048	673	1,048
	<hr/>	<hr/>	<hr/>	<hr/>
	58,691	45,104	64,663	46,084
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts owed by related companies for both the group and company include £12,907,000 falling due after more than one year.

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

14. CREDITORS (amounts falling due within one year)

	Group		Company	
	November 1987 £'000	November 1986 £'000	November 1987 £'000	November 1986 £'000
Trade creditors	17,229	14,181	14,666	13,707
Short term loans	471	15,000	452	15,000
Amounts owed to group companies	-	-	24,449	9,397
Amounts owed to other related companies	29,971	1,061	27,421	738
Taxation and social security	3,820	4,165	1,059	2,968
Accruals and deferred income	20,258	14,851	19,990	14,839
	<hr/>	<hr/>	<hr/>	<hr/>
	71,749	49,258	88,037	56,649
	<hr/>	<hr/>	<hr/>	<hr/>

15. CREDITORS (amounts falling due after more than one year)

	Group		Company	
	November 1987 £'000	November 1986 £'000	November 1987 £'000	November 1986 £'000
Loans from fellow subsidiaries	15,165	18,540	15,003	18,540
Taxation	2,847	934	-	-
Bank Loans	1,371	-	1,305	-
	<hr/>	<hr/>	<hr/>	<hr/>
	19,383	19,474	16,308	18,540
	<hr/>	<hr/>	<hr/>	<hr/>

Loans from fellow subsidiaries include:-

- £3,000 of no fixed term and non interest bearing.
- £15,000,000 repayable on 7 February 1990 interest fixed at 11 1/4% per annum.

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

16 CALLED UP SHARE CAPITAL

Ordinary shares of £1 each

	November 1987 £'000	November 1986 £'000
Authorised	410	410
Alotted and fully paid	75	75

17 RESERVES

	Group		
	Share Premium Account £'000	Profit & Loss Account £'000	Other Reserves £'000
At the beginning of the year	1,317	43,847	131
Balance sheet translation SICMA	-	-	10
Profit for the year	-	10,467	-
At the end of the year	1,317	54,314	141
	Company		
	Share Premium Account £'000	Profit & Loss Account £'000	Total £'000
At the beginning of the year	1,317	37,380	38,697
Profit for the year	-	3,784	3,784
At the end of the year	1,317	41,164	42,481

Other reserves arise on consolidation of Coffee Hag (UK) Limited and from balance sheet translation and are not distributable.

GENERAL FOODS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE ACCOUNTS - 28 NOVEMBER 1987

18 PENSION COMMITMENTS

The group has established contributory pension plans which provide retirement benefits for all employees. The group's policy is to fund current service cost and amortise unfunded liabilities for back service benefits over varying periods of up to 30 years.

An independent actuarial valuation at 1 July 1987 disclosed that the market value of assets exceeded the value of benefits for which the trustees would have been liable had all members left service on that date.

19. EMPLOYEES

The average number of persons employed by the group during the year was:

	November <u>1987</u>	November <u>1986</u>
United Kingdom	1948	1801

20. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Philip Morris Companies Inc., incorporated in the United States of America.