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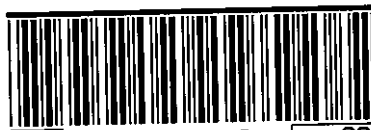
Registered no. 602013

**B.E. INTERNATIONAL FOODS LIMITED
GROUP OF COMPANIES**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

**LUBBOCK FINE
Chartered Accountants
Russell Bedford House
City Forum
250 City Road
London EC1V 2QQ**



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COMPANIES HOUSE 05/07/96

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

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**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

DIRECTORS AND ADVISERS

Directors

Raymond Chattwell (Chairman)
Antony Chattwell
Yash Mayor
Rod Garland
John Brennan
Lesley Campbell
Roger Maskew
Keith Stott
Lionel Zinsou
Richard Burdon
Emanuel de la Beaume
Geoffroy Pinoncely

Secretary

Rod Garland

Registered Office

Grafton House
Stockingswater Lane
Enfield
Middlesex EN3 7JZ

Registered Number

602013 (England and Wales)

Auditors

Lubbock Fine
Chartered Accountants
Russell Bedford House
City Forum
250 City Road
London EC1V 2QQ

Price Waterhouse
Chartered Accountants
Southgate House
61 Millstone Lane
Leicester LE1 5QA

Principal Bankers

Midland Bank Plc
Bank of China
Bangkok Bank Limited
Barclays Bank Plc
Hong Kong Bank
Sparkasse Rhein-Nahe

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995

Financial Statements

The directors present their report and financial statements for the year ended 31 December 1995.

Principal Activity

The principal activity of the company and its subsidiaries ('the group') is that of food importation, processing and distribution.

Results

The profit of the group after tax was £1,704,000 (1994 - £2,337,000) details of which are given in the attached financial statements.

Review of the Year

Group sales increased satisfactorily during the year, with all subsidiaries expanding market share.

During the year the Group invested substantial resources, both financial and human in Marketing and Advertising in order to support its continued expansion into new markets and product ranges.

Performance in the current year is fully expected to exceed last year.

On the 18 May 1995 the Group disposed of its interest in the shares of J. Van Smirren Limited and Thameside Shellfish Company Limited.

On the 26 October 1995 the company became a 70% owned subsidiary of Groupe Danone SA, a company incorporated in France.

Dividends and Reserves

In line with the company's policy of retaining profits for expansion, the directors do not recommend payment of a dividend for the year ended 31 December 1995.

If this recommendation is approved £1,704,000 will be added to reserves.

Fixed Assets

Changes in fixed assets are shown in the notes to the financial statements.

The directors are of the opinion that there is no significant difference between the market value of land and buildings and the value at which interests therein are included in the financial statements. These assets were last revalued in 1988.

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONT)

Directors' Interests

The members of the board during the year, together with details of their interests, as defined in the Companies Act 1985, in the shares of the company were:

	1995	1994
Raymond Chattwell	120,000	260,000
Antony Chattwell	120,000	240,000
Barrie Grainge	-	-
Yash Mayor	-	-
Rod Garland	-	-
John Brennan	-	-
Lesley Campbell	-	-
Roger Maskew	-	-
Keith Stott	-	-
Lionel Zinsou	-	-
Richard Burdon	-	-
Emanuel de la Beaume	-	-
Robin P Walker	-	-
Geoffroy Pinoncely	-	-

Barrie Grainge resigned as a director on 25 February 1995 and Robin P Walker resigned from the board on 31 March 1996.

None of the directors had any interest in the shares of the holding company during the year.

Trusts

At 31 December 1995 60,000 shares of the company were held in trust for the children of one of the directors. A partner of Lubbock Fine was one of the trustees of these settlements.

Auditors

The joint auditors, Lubbock Fine and Price Waterhouse, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONT)

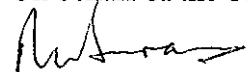
Statement Of Directors' Responsibilities

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss, total recognised gains or losses and cash flows of the company and the group for that period.

The directors confirm that appropriate accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 1995. The directors also confirm that the financial statements have been prepared on a going concern basis and that applicable accounting standards have been followed.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company and the group, and for taking reasonable steps to prevent and detect fraud and other irregularities

On behalf of the board



.....Director

Date 19th April 1996

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
B.E. INTERNATIONAL FOODS LIMITED**

We have audited the financial statements on pages 6 to 31 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 11 and 12.

Respective Responsibilities Of Directors And Auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

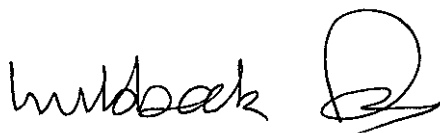
Basis Of Opinion

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 and 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 an 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 the group at 31 December 1995 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Lubbock Fine
Chartered Accountants
Registered Auditors
London

Date 19 April 1996



Price Waterhouse
Chartered Accountants
Registered Auditors
Leicester

Date 19 April 1996

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 1995**

	Notes	1995 £000	1994 £000
Turnover from continuing operations	2	69,975	61,300
Cost of sales		(54,411)	(48,126)
Gross profit from continuing operations		15,564	13,174
Selling and distribution costs		(7,720)	(5,517)
Administrative expenses		(3,961)	(2,957)
Trading profit		3,883	4,700
Other operating income		118	179
Operating profit from continuing operations		4,001	4,879
Profit on disposal of subsidiary company	31(e)	201	-
Profit on sale of fixed assets		4	29
Provision against investments		-	50
Share of profit of associated undertaking		53	58
Profit On Ordinary Activities Before Interest		4,259	5,016
Interest receivable and similar income	3	20	9
Interest payable and similar charges	4	(1,608)	(1,169)
Profit On Ordinary Activities Before Taxation	5	2,671	3,856
Taxation	7	(828)	(1,223)
Profit For The Financial Year		1,843	2,633
Profit attributable to minority interest	8	(139)	(296)
Retained Profit For The Year		1,704	2,337

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE
YEAR ENDED 31 DECEMBER 1995**

	1995	1994
	£000	£000
Profit for the financial year	1,704	2,337
Currency translation adjustment on consolidation	70	42
Goodwill	83	(1,305)
Total recognised gains and losses for the year	<u>1,857</u>	<u>1,074</u>

The total recognised gains and losses for the year are all in respect of continuing operations

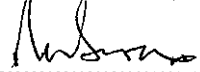
**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1995

	Notes	1995 £000	1994 £000
Fixed Assets			
Tangible assets	9	10,078	9,796
Intangible assets	10	60	63
Investments	11	127	89
		<u>10,265</u>	<u>9,948</u>
Current Assets			
Stocks	12	12,177	9,963
Debtors	13	16,144	13,864
Cash at bank and in hand		2,524	6,302
		<u>30,845</u>	<u>30,129</u>
Creditors			
Amounts falling due within one year	14	(29,020)	(29,745)
Net Current Assets		<u>1,825</u>	<u>384</u>
Total Assets Less Current Liabilities		12,090	10,332
Creditors			
Amounts falling due after more than one year	15	(708)	(935)
Provisions For Liabilities And Charges	18	(208)	(132)
Net Assets		<u>11,174</u>	<u>9,265</u>
Capital And Reserves			
Called up share capital	19	1,000	1,000
Revaluation reserve	21	1,248	1,248
Profit and loss account	21	7,723	5,866
Shareholders' funds	20	<u>9,971</u>	<u>8,114</u>
Minority interests	23	1,203	1,151
		<u>11,174</u>	<u>9,265</u>

Shareholders' funds are all in respect of equity interests

On behalf of the board



Director

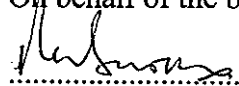
Date 19th April 1996

B.E. INTERNATIONAL FOODS LIMITED
COMPANY BALANCE SHEET AT 31 DECEMBER 1995

	Notes	1995 £000	1994 £000
Fixed Assets			
Tangible assets	9	7,291	6,644
Intangible assets	10	60	63
Investments	11	1,939	1,926
		<u>9,290</u>	<u>8,633</u>
Current Assets			
Stocks	12	7,154	6,882
Debtors	13	14,600	12,516
Cash at bank and in hand		2,171	5,690
		<u>23,925</u>	<u>25,088</u>
Creditors			
Amounts falling due within one year	14	(23,013)	(24,757)
Net Current Assets		<u>912</u>	<u>331</u>
Total Assets Less Current Liabilities		10,202	8,964
Creditors			
Amounts falling due after more than one year	15	(630)	(667)
Provision For Liabilities And Charges	18	(208)	(90)
Net Assets		<u>9,364</u>	<u>8,207</u>
Capital And Reserves			
Called up share capital	19	1,000	1,000
Revaluation reserve	21	1,456	1,248
Profit and loss account	21	6,908	5,959
Shareholders' funds		<u>9,364</u>	<u>8,207</u>

Shareholders' funds are all in respect of equity interests

On behalf of the board


.....

Director

Date 1912 April 1996

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31 DECEMBER 1995**

	Notes	£000	1995 £000	1994 £000
Net Cash Inflow(Outflow) From Operating Activities	31a		(293)	2,849
Returns On Investments And Servicing Of Finance				
Interest received		20	9	
Interest paid		(1,556)	(1,105)	
Interest element of finance lease payments		(52)	(64)	
Net Cash Outflow From Returns On Investments and Servicing of Finance			(1,588)	(1,160)
			(1,881)	1,689
Taxation				
UK corporation tax paid		(142)	(537)	
Overseas tax paid		(388)	(371)	
			(530)	(908)
			(2,411)	781
Investing Activities				
Purchase of tangible fixed assets		(1,011)	(2,900)	
Purchase of intangible fixed assets		-	(65)	
Purchase of shares in participating interest		-	(2)	
Purchase of subsidiary undertakings (net of cash and cash equivalents - see note 31g)		(167)	(1,486)	
Sale of subsidiary undertakings (net of cash and cash equivalents - see note 31f)		344	-	
Sale of plant and machinery and motor vehicles		302	164	
Grants received		10	-	
Net Cash Outflow From Investing Activities			(522)	(4,289)
Net Cash Outflow Before Financing			(2,933)	(3,508)
Financing				
New loans		(2,688)	(385)	
Inception of finance lease and hire purchase contracts		(287)	(387)	
Repayment of amounts borrowed		300	93	
Capital element of finance lease and hire purchase contracts		295	324	
Net Cash Outflow From Financing			(2,380)	(355)
Decrease In Cash And Cash Equivalents			(553)	(3,153)
			(2,933)	(3,508)

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

1. Accounting Policies

Accounting Convention

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain fixed assets at valuation and in accordance with applicable accounting standards.

Basis Of Consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary companies made up to 31 December 1995, together with the group share of the results of its related company.

A separate profit and loss account dealing with the results of the company only has not been presented as permitted under section 230 of the Companies Act 1985.

Goodwill

Goodwill represents the excess of the cost of investment in subsidiary companies over the fair value of the net assets required. Goodwill is written off directly to reserves.

Trade Marks

Purchased trade marks are capitalised and amortised over their estimated economic life.

Foreign Currencies

- i) Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances are translated into sterling at the exchange rate ruling on the balance sheet date unless covered by forward currency contracts in which case conversion is at the forward rate.
- ii) The results of overseas subsidiary undertakings are translated into sterling at the closing rate of exchange. Assets and liabilities are also translated at the exchange rate ruling at the balance sheet date. Exchange differences are dealt with through reserves.

Hire Purchase

Hire purchase payments have been accounted for on the basis that each of the instalments is a fixed amount of capital and interest, the interest being charged against operating profit.

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTD)**

1. Accounting Policies (Continued)

Leased Assets and Rental Transactions

- i) Assets held under finance leases are treated as tangible fixed assets; depreciation is provided accordingly and the deemed capital element of future rentals is included in creditors. Deemed interest, calculated on a reducing balance basis is charged to operating profit as interest payable over the period of the lease.
- ii) Operating lease and rental costs are charged to operating profit as they arise.

Depreciation

Depreciation has been provided to write off tangible fixed assets over their estimated useful lives at the following rates:

Freehold buildings	- 2% straight line
Leasehold buildings	- 10% straight line
Plant, fixtures and equipment	- 10% to 20% reducing balance
Motor vehicles	- 15% to 20% straight line or 25% reducing balance

Stock And Work In Progress

Stock and work in progress are valued at the lower of actual cost (including an addition where appropriate for overhead expenses) and net realisable value.

Deferred Taxation

Deferred taxation is provided to the extent that the directors consider there is a reasonable probability that a liability may crystallise in the foreseeable future.

Pension Scheme

Pension scheme contributions are charged to operating profits as they arise.

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTD)**

2. Turnover And Profits

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities, after deduction of trade discounts, value added tax and any other taxes based on turnover.

Turnover is analysed by markets as follows:

	1995	1994
	£000	£000
United Kingdom	39,871	38,526
Northern Europe	28,867	22,506
Far East	999	151
Other	238	117
	<u>69,975</u>	<u>61,300</u>

Results and net assets by geographical markets are not disclosed as, in the opinion of the directors, it would be seriously prejudicial to the interests of the group.

3. Interest Receivable And Similar Income

	1995	1994
	£000	£000
Interest on bank deposits	<u>20</u>	<u>9</u>

4. Interest Payable and Similar Charges

	1995	1994
	£000	£000
On bank loans and overdrafts and other loans repayable within 5 years not by instalments	1,525	1,091
On finance leases and hire purchase contracts repayable within 5 years by instalments	52	64
Other interest	31	14
	<u>1,608</u>	<u>1,169</u>

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTD)**

5. Profit On Ordinary Activities Before Taxation

Profit is stated after charging or crediting:	1995 £000	1994 £000
Government grants (and assistance)	(3)	(2)
Directors' remuneration as executives	721	692
Directors' pension contributions	17	16
Auditors' remuneration	90	80
Remuneration to auditors for other services	59	47
Hire of plant and machinery - operating leases	258	241
Depreciation - owned assets	474	389
Depreciation - leased assets:		
Fixtures and fittings	31	25
Motor vehicles	84	68
Amortisation of trade marks	3	2

Directors' remuneration

Directors' fees and remuneration, excluding pension contributions, is as follows:

	1995 £000	1994 £000
Chairman	151	154
Highest paid director	166	168

Other directors' remuneration is within the following bands:	Number	Number
Nil	5	5
£50,001 - £55,000	1	5
£55,001 - £60,000	4	2
£60,001 - £65,000	1	-
£65,001 - £70,000	1	-

An ex-gratia payment of £30,000 was paid to Barrie Grainge on his resignation.

Particulars of employees

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

	1995	1994
Administration	60	60
Selling and distribution	95	95
Production	52	54
	<u>207</u>	<u>209</u>
 Their total remuneration was:	 £000	 £000
Wages and salaries	4,233	3,608
Social security costs	469	244
Other pension costs	64	45
	<u>4,766</u>	<u>3,897</u>

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTD)**

5. Profit On Ordinary Activities Before Taxation (continued)

Parent Company Profit For The Year/Period

Of the consolidated profit, £949,000 (1994 - £1,677,000) has been dealt with in the financial statements of the parent company.

6. Historical Cost Profits And Losses	1995 £000	1994 £000
Reported profit on ordinary activities before taxation	2,671	3,856
Difference between the historical cost depreciation charge and the actual depreciation charge for the year/period calculated on the revalued amount	2	2
Historical cost profit on ordinary activities before taxation	<u>2,673</u>	<u>3,858</u>
Historical cost profit for the year/period retained after taxation, minority interests, extraordinary items and dividends	<u>1,706</u>	<u>2,338</u>
 7. Taxation	 1995 £000	 1994 £000
UK Corporation tax at 33%	665	865
Tax on share of related company profits	13	14
Overseas tax	242	395
Transfer to deferred tax	68	6
	<u>988</u>	<u>1,280</u>
Prior period adjustments	(160)	(57)
	<u>828</u>	<u>1,223</u>
 8. Profit Attributable To Minority Interests	 1995 £000	 1994 £000
Profit attributable to minority interests	<u>139</u>	<u>296</u>

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTD)**

9. Tangible Fixed Assets					
Group	Freehold Land and Buildings £000	Short Leasehold Land and Buildings £000	Fixtures, Fittings and Equipment £000	Motor Vehicles £000	Total £000
Cost or valuation					
At 1 January 1995	8,268	39	2,954	699	11,960
Additions	54	-	663	294	1,011
Disposals	-	(10)	(437)	(183)	(630)
Difference on exchange	203	-	65	13	281
At 31 December 1995	<u>8,525</u>	<u>29</u>	<u>3,245</u>	<u>823</u>	<u>12,622</u>
Depreciation					
At 1 January 1995	393	29	1,496	246	2,164
Provision for the year	110	-	323	156	589
Disposals	-	-	(153)	(95)	(248)
Difference on exchange	-	-	32	7	39
At 31 December 1995	<u>503</u>	<u>29</u>	<u>1,698</u>	<u>314</u>	<u>2,544</u>
Net Book Value					
At 31 December 1995	<u>8,022</u>	<u>-</u>	<u>1,547</u>	<u>509</u>	<u>10,078</u>
Net Book Value					
At 31 December 1994	<u>7,875</u>	<u>10</u>	<u>1,458</u>	<u>453</u>	<u>9,796</u>

Included in tangible fixed assets are the following, which are held under finance leases or hire purchase contracts.

	Fixtures, Fittings and Equipment £000	Motor Vehicle £000	Total £000
Cost			
At 31 December 1995	254	420	674
At 31 December 1994	<u>310</u>	<u>345</u>	<u>655</u>
Depreciation			
At 31 December 1995	110	120	230
At 31 December 1994	<u>153</u>	<u>100</u>	<u>253</u>
Net Book Value			
At 31 December 1995	<u>144</u>	<u>300</u>	<u>444</u>
Net Book Value			
At 31 December 1994	<u>157</u>	<u>245</u>	<u>402</u>

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTD)**

9. Tangible Fixed Assets

Group (continued)

The cost or valuation figure for land and buildings include:

	Freehold	Leasehold	Freehold	Leasehold
	1995	1995	1994	1994
	£000	£000	£000	£000
Valuation made in 1988	4,500	-	4,500	-
Stated at historical cost	4,025	29	3,768	39
	<u>8,525</u>	<u>29</u>	<u>8,268</u>	<u>39</u>

If the properties had not been revalued, they would have been included at the following amounts:

	Freehold	Leasehold	Freehold	Leasehold
	1995	1995	1994	1994
	£000	£000	£000	£000
Cost	7,293	29	7,036	39
Depreciation	(544)	(29)	(432)	(29)
Net Book Value	<u>6,749</u>	<u>-</u>	<u>6,604</u>	<u>10</u>

Company	Lease	Freehold	Fixtures,	Motor	
	-hold	Land and	Fittings and	Vehicles	Total
	£	Buildings	Equipment	£000	£000
Cost Or Valuation		£000	£000		
At 1 January 1995	-	5,884	1,457	440	7,781
Additions	-	20	351	258	629
Transfers	29	72	544	95	740
Revaluation	-	208	-	-	208
Disposals	-	-	(30)	(168)	(198)
At 31 December 1995	<u>29</u>	<u>6,184</u>	<u>2,322</u>	<u>625</u>	<u>9,160</u>
Depreciation					
At 1 January 1995	-	328	696	113	1,137
Provision for the year	-	66	140	117	323
Transfers	29	61	356	68	514
Disposals	-	-	(18)	(87)	(105)
At 31 December 1995	<u>29</u>	<u>455</u>	<u>1,174</u>	<u>211</u>	<u>1,869</u>
Net Book Value					
At 31 December 1995	<u>-</u>	<u>5,729</u>	<u>1,148</u>	<u>414</u>	<u>7,291</u>
Net Book Value					
At 31 December 1994	<u>-</u>	<u>5,556</u>	<u>761</u>	<u>327</u>	<u>6,644</u>

**B.E. INTERNATIONAL FOODS LIMITED
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTD)**

9. Tangible Fixed Assets

Company (continued)

Included in tangible fixed assets are the following, which are held under finance leases or hire purchases contracts.

	Freehold Land and Buildings	Fixtures, Fittings and Equipment	Motor Vehicles	Total
Cost	£000	£000	£000	£000
At 31 December 1995	25	120	411	556
At 31 December 1994	25	256	246	527
Depreciation				
At 31 December 1995	-	67	115	182
At 31 December 1994	-	138	68	206
Net Book Value				
At 31 December 1995	25	53	296	374
Net Book Value				
At 31 December 1994	25	118	178	321

The cost or valuation figure for land and buildings include:	1995	1994
	£000	£000
Valuation made in 1988	4,500	4,500
Revaluation during year	208	-
Stated at historical cost	1,476	1,384
	<u>6,184</u>	<u>5,884</u>

The revaluation during the year is in respect of a property transferred from a subsidiary company at a value of £1 and is to restate the property at its original cost.

If the properties had not been revalued, they would have been included at the following amounts:

	Freehold	Leasehold	Freehold	Leasehold
	1995	1995	1994	1994
	£000	£000	£000	£000
Cost	4,952	29	4,652	-
Depreciation	(495)	(29)	(367)	-
Net Book Value	<u>4,457</u>	<u>-</u>	<u>4,285</u>	<u>-</u>

**B.E. INTERNATIONAL FOODS LIMITED
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10. Intangible Assets - Group And Company	1995 £000	1994 £000
Trade marks		
Cost at 1 January 1995	65	-
Additions during the year	-	65
	<u>65</u>	<u>65</u>
Amortisation at 1 January 1995	2	-
Amortisation for the year	3	2
	<u>5</u>	<u>2</u>
Net Book Value At 31 December 1995	<u><u>60</u></u>	<u><u>63</u></u>

The above relates to the purchase of the Green Dragon trade mark the cost of which is being amortised over its expected economic life of 20 years on a straight line basis

11. Fixed Asset Investments	1995 £000	1994 £000
Group		
Investment in associated undertakings		
Cost		
At 1 January 1995	52	50
Additions	-	2
Company now consolidated	(2)	-
At 31 December 1995	<u>50</u>	<u>52</u>
Provision		
At 1 January 1995	-	50
Provision written back	-	(50)
At 31 December 1995	<u>-</u>	<u>-</u>
Share of increase in net assets of associated undertakings	<u>77</u>	<u>37</u>
Net Book Value		
At 31 December 1995	<u><u>127</u></u>	<u><u>89</u></u>

During the year the company acquired the remaining 50% holding in Premier Spices Limited (formerly Triton Spices Limited), a company involved in the importation and distribution of bulk spices.

The company has a 50% holding in Southern Oil Products (London) Limited. The accounting reference date of this company is 31 May and accordingly audited accounts have not been prepared for the period ended 31 December 1995. Based on management accounts the profit after tax of Southern Oil Products (London) Limited and its subsidiary undertaking was £79,334 (1994 - £197,070) and at 31 December 1995 this company had consolidated net assets of £254,686 (1994 - £185,703).

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11. Fixed Asset Investment (continued)

Company	Shares in Group Undertakings £000	Shares in Associated Undertakings £000	Total £000
Cost			
At 1 January 1995	2,296	52	2,348
Additions	13	-	13
Transfers	2	(2)	-
At 31 December 1995	2,311	50	2,361
Amounts Written Off			
At 1 January 1995 and 31 December 1995	422	-	422
Net Book Value			
At 31 December 1995	1,889	50	1,939
Net Book Value			
At 31 December 1994	1,874	52	1,926

The company has a beneficial interest in more than 10% of the issued share capital of the following companies:

Name	Nature of Business	Registration or Incorporation	Shares held Class And Percentage
Premier Foods (Holdings) Limited	Food importers and distributors	England	Ordinary 100% Direct
B.E. International Foods GmbH	Food importers and distributors	Germany	Ordinary 60% Direct
B.E. International Foods BV	Food importers and exporters	Holland	Ordinary 57% Direct
B.E. International (H.K.) Limited	Food importers and exporters	Hong Kong	Ordinary 55% Direct
Southern Oil Products (London) Limited	Processors and packers of edible oils and fats	England	Ordinary 50% Direct
S.O.P. (Edibles) Limited	Processors and packers of edible oils and fats	England	Ordinary 50% Indirect
Premier Spices Limited (formerly Triton Spices Limited)	Importation and distribution of bulk spices	England	Ordinary 100% Indirect

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**11. Fixed Asset Investments
Company (continued)**

B.E. International Foods GmbH

On 28 January 1994 the company entered into an agreement to acquire 60% of the issued share capital of B.E. International Foods GmbH a company incorporated in Germany

Under the agreement the consideration for the shares is payable as follows:

On completion for 40% of the issued shares	DM 2,400,000
During the year ended 31 December 1999 for the remaining 20% of the issued shares	DM 600,000
	or the average post tax profits for the three years ending 31 December 1996, 31 December 1997 and 31 December 1998 adjusted by a price-earnings ratio of 12 whichever is the greater

The cost of the investment included in the financial statements is made up as follows:

	£000
Purchase consideration and costs of acquisition paid	1,068
Estimate of deferred consideration	500
	<u>1,568</u>

Under the purchase agreement the minority shareholders have the right to offer their remaining shares to the company at any time during the period 1 January 2001 to 31 December 2005 and the company is obliged to purchase the shares at an agreed price of 12 times the average profits of B.E. International GmbH for the two preceding years.

The company is also under an obligation to acquire the shares of the minority shareholders in the event of their death. The purchase consideration to be calculated as above.

J. Van Smirren Limited

On 18th May 1995 the company sold its 100% shareholding in J. Van Smirren Limited together with that company's interest in Thameside Shellfish Company Limited to Wirral Seafoods Limited for £425,000. Under the sale agreement B E International Foods Limited retained the majority of the assets and liabilities of the company together with the business of frozen foods and spice distribution.

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12. Stocks	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Raw materials and consumables	1,057	753	1,057	676
Finished goods and goods for resale	11,120	9,210	6,097	6,206
	<u>12,177</u>	<u>9,963</u>	<u>7,154</u>	<u>6,882</u>
13. Debtors	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Trade debtors	13,676	11,768	7,915	6,999
Amounts owed by group company undertakings	-	-	4,598	3,683
Amounts owed by participating interest	-	31	-	31
Other debtors	1,871	1,640	1,493	1,499
Directors' loans	90	-	90	-
Prepayments and accrued income	507	425	504	304
	<u>16,144</u>	<u>13,864</u>	<u>14,600</u>	<u>12,516</u>

Other debtors include £1,383,000 (1994 - £1,383,000) due from companies in which certain directors are interested.

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14. Creditors - Amounts Due Within One Year

	Group		Company	
	1995	1994	1995	1994
	£000	£000	£000	£000
Loans	20	33	7	21
Bank loans and overdrafts	11,744	12,396	7,776	11,387
Trade creditors	5,356	7,942	3,226	4,284
Bills of exchange payable	8,000	7,000	8,000	7,000
Amounts owed to group company undertakings	847	-	1,636	579
Amounts owed to participating interests	6	9	6	9
Amounts due under finance leases and hire purchase contracts	270	256	235	208
Other creditors	287	646	-	-
Corporation tax	1,539	1,008	1,514	1,004
Social security and other taxes	278	81	81	62
Accruals and deferred income	673	374	532	203
	<u>29,020</u>	<u>29,745</u>	<u>23,013</u>	<u>24,757</u>

Certain items included in trade creditors are secured in favour of suppliers by reservation of title arrangements.

15. Creditors - Amounts Due After One Year

	Group		Company	
	1995	1994	1995	1994
	£000	£000	£000	£000
Loans	39	7	-	7
Bank loans	-	232	-	-
Amounts due under finance leases and hire purchase contracts	169	196	130	160
Deferred consideration	500	500	500	500
	<u>708</u>	<u>935</u>	<u>630</u>	<u>667</u>

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16. Loans, Bank Loans and Overdrafts	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Amount due within one year	11,764	12,429	7,783	11,408
Between one and five years	39	239	-	7
	<u>11,803</u>	<u>12,668</u>	<u>7,783</u>	<u>11,415</u>

£2,740,000 included in bank loans (1994 - £326,000) are secured over certain assets of the group.

The loans are repayable by instalments with interest charged at 9% per annum.

17. Lease Payments and Hire Purchase	Group		Company	
	1995 £000	1994 £000	1995 £000	1994 £000
Amounts due under finance leases and hire purchase are as follows:				
Within one year	270	256	235	208
Between one and five years	169	196	130	160
	<u>439</u>	<u>452</u>	<u>365</u>	<u>368</u>

18. Provisions For Liabilities And Charges	Deferred Taxation		Grants	Total
	£000	£000		
Group				
At 1 January 1995	89	43		132
Grants received during the year	-	10		10
Transfer (to)from profit and loss account	69	(3)		66
At 31 December 1995	<u>158</u>	<u>50</u>		<u>208</u>
Company				
At 1 January 1995	90	-		90
Grants transferred from subsidiary undertaking	-	42		42
Grants received during the year	-	10		10
Transfer (to)from profit and loss account	68	(2)		66
At 31 December 1995	<u>158</u>	<u>50</u>		<u>208</u>

**B.E. INTERNATIONAL FOODS LIMITED
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18. Provisions For Liabilities And Charges (continued)

Deferred Taxation

The balance at 31 December 1995 is made up as follows:

	Provided		Potential	
	1995	1994	1995	1994
Group	£000	£000	£000	£000
Accelerated capital allowances	158	131	158	145
Property revaluations and disposals	-	-	10	53
Tax losses	-	(42)	-	(42)
	<u>158</u>	<u>89</u>	<u>168</u>	<u>156</u>
Company				
Accelerated capital allowances	158	90	158	89
Property revaluations and disposals	-	-	10	53
	<u>158</u>	<u>90</u>	<u>168</u>	<u>142</u>

19. Called Up Share Capital - Company	1995	1994
	£000	£000
Allotted And Fully Paid		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

20. Reconciliation of Movements In Shareholders' Funds	1995	1994
	£000	£000
Profit for the financial year	1,843	2,633
Other recognised profit relating to the financial year	70	42
Minority interest	(139)	(296)
Goodwill written back on sale of subsidiary company	128	-
Goodwill written off	(45)	(1,305)
Net additions to shareholders' funds	<u>1,857</u>	<u>1,074</u>
Opening shareholders' funds	8,114	7,040
Closing shareholders' funds	<u>9,971</u>	<u>8,114</u>

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21.	Reserves	Revaluation Reserve £000	Profit And Loss Account £000	Total £000
	Group			
	Balance at 1 January 1995	1,248	5,866	7,114
	Profit for the year	-	1,704	1,724
	Goodwill	-	83	83
	Currency translation adjustment on consolidation	-	70	70
	Balance at 31 December 1995	<u>1,248</u>	<u>7,723</u>	<u>8,991</u>
	Company			
	Balance at 1 January 1995	1,248	5,959	7,207
	Profit for the year	-	949	949
	Arising during year	208	-	208
	Balance at 31 December 1995	<u>1,456</u>	<u>6,908</u>	<u>8,364</u>
22.	Goodwill			£000
	The goodwill is made up as follows:			
	Purchase of subsidiaries (goodwill written off):			
	Thameside Shellfish Company Limited			(16)
	Premier Spices Limited			(16)
	B E International GmbH			(13)
				<u>(45)</u>
	Sale of subsidiaries (goodwill written back): 31(e)			
	J Van Smirren Limited			16
	Thameside Shellfish Company Limited			112
				<u>128</u>
				<u>83</u>

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23. Minority Interests	Net Assets £000
At 1 January 1995	1,151
Arising on disposal	(68)
Share of profits	139
Adjustment in respect of prior years	(19)
At 31 December 1995	<u>1,203</u>

The minority interests arise from minority shareholdings in B.E. International (H.K.) Limited, B.E. International Foods BV and B.E. International Foods GmbH.

24. Capital Commitments

There were no capital commitments at 31 December 1995 (1994 - Nil).

25. Financial Commitments - Leases

At 31 December 1995 the group had annual commitments under non-cancellable operating leases for plant and machinery which expire

	1995 £000	1994 £000
Between 2 and 5 years	<u>295</u>	<u>225</u>

26. Commitments On Behalf Of Group Company Undertakings

The company has entered into an unlimited multilateral guarantee in respect of all monies from time to time owing to the bankers of Premier Foods (Holdings) Limited, Premier Foods Limited, Bombay Emporium Limited and Cathay Foods Limited. At 31 December 1995 these balances amounted to £ Nil (1994 - £266,500).

The company has also entered into unlimited guarantees in respect of all monies owing to the bankers of B.E. International Foods BV, Premier Spices Limited (formerly Triton Spices Limited) and B.E. International Foods GmbH. At 31 December 1995 the balance amounted to £4,509,000 (1994 - £3,002,000).

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27. Pension Arrangements

Defined contribution schemes

The group maintains pension schemes for directors and certain staff. The schemes, which operate on a defined contribution money purchase basis, provide for the payment of the full contribution by the group. The assets of the schemes are held separately from those of the group in independently administered funds.

28. Transactions With Related Companies

During the year the company made trade purchases from S.O.P. Edibles Limited amounting to £263,043 (1994 - £225,059).

29. Transactions with Directors

The following loan was advanced during the year :

Name	Nature	Highest Balance £000	1995 £000	1994 £000
Keith Stott	Bridging loan for re-location	90	90	-
Antony Chattwell	Loan from B E International (H K) Limited	23	-	-

The loan to Keith Stott is interest free and repayable in full on the sale of the director's house. The loan is secured on the property concerned.

The loan to Antony Chattwell was unsecured and interest free.

30. Parent Undertaking

The immediate parent company is Danone Holdings (UK) Limited, a company registered in England and Wales. This company is not required to prepare consolidated statutory financial statements.

The ultimate parent undertaking, and the only undertaking to prepare consolidated financial statements including the company, is Groupe Danone SA, a company incorporated in France. Copies of the group financial statements may be obtained from the secretary at 7 Rue de Tehran, Paris, France.

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31. Notes To The Consolidated Cash Flow Statement

a) Reconciliation of operating profit to net cash inflow from operating activities

	1995 £000	1994 £000
Operating profit	4,001	4,879
Amortisation and depreciation charges	592	484
Profit on sale of tangible fixed assets	(4)	(29)
Grants	(3)	(2)
Adjustments to minority interest on acquisition of additional shares in subsidiary undertaking	-	(20)
Increase in stocks	(1,913)	(2,099)
Increase in debtors	(1,576)	(2,780)
(Decrease)Increase in creditors	(1,390)	2,416
Net cash (outflow)inflow from operating activities	(293)	2,849

b) Analysis of changes in cash and cash equivalents during the year

	1995 £000	1994 £000
Balance at 1 January 1995	(6,012)	(2,859)
Net cash outflow before adjustments for the effect of foreign exchange rate changes	(553)	(3,111)
Effect of foreign exchange rate changes	33	(42)
Balance at 31 December 1995	(6,532)	(6,012)

c) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	Balances		Changes in the year	
	1995 £000	1994 £000	1995 £000	1994 £000
Cash at bank and in hand	2,524	6,302	(3,778)	3,075
Bank overdrafts	(9,056)	(12,314)	3,258	(6,228)
	(6,532)	(6,012)	(520)	(3,153)

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31. Notes To The Consolidated Cash Flow Statement (continued)

d) Analysis of changes in financing during the year

	Share Capital (Including Premium)		Loans and Finance Lease Obligations	
	1995 £000	1994 £000	1995 £000	1994 £000
Balance at 1 January 1995	1,000	1,000	806	451
Cash outflow from financing	-	-	(595)	(417)
Inception of finance lease and hire purchase contracts	-	-	287	772
New loans during year	-	-	2,688	
Balance at 31 December 1995	<u>1,000</u>	<u>1,000</u>	<u>3,186</u>	<u>806</u>

e) Disposal of J. Van Smirren Limited And Thameside Shellfish Company Limited

	1995 £000
Net assets disposed	
Tangible fixed assets	84
Stocks	1
Debtors and prepayments	3
Cash at bank and in hand	48
Creditors and accruals	(5)
	<u>131</u>
Minority shareholders' interest	(68)
	<u>63</u>
Goodwill written back	128
	<u>191</u>
Profit on disposal	201
	<u>392</u>
Satisfied by cash	<u>392</u>

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31. Notes To The Consolidated Cash Flow Statement (continued)

f) Analysis of net inflow of cash equivalents in respect of the sale of J Van Smirren Limited and Thameside Shellfish Company Limited

	1995 £000
Cash consideration	392
Cash at bank and in hand disposed of	(48)
	<u>344</u>

g) Analysis of net outflow of cash equivalents in respect of the purchase of subsidiary undertakings

	1995	1994
	Thameside	
	Shellfish	
	Company	
	Limited	
	£000	
	£000	£000
Cash consideration	13	35
Cash at bank and in hand acquired	-	-
Bank overdraft of acquired subsidiary undertaking	-	119
	<u>13</u>	<u>119</u>
	<u>13</u>	<u>167</u>
	<u>13</u>	<u>1,486</u>

