

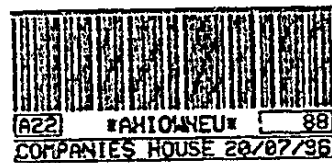
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REPORT AND ACCOUNTS

DEL MONTE FOODS INTERNATIONAL LIMITED

30 November 1995

(Registered Number 2455416)



## DEL MONTE FOODS INTERNATIONAL LIMITED

### COMPANY INFORMATION

#### DIRECTORS

W G Boustred (alternate director: M L S de Sousa Oliveira)  
P S Danowa  
J Fragis  
J Imerman  
S Imerman  
V S Imerman  
D H B Johnston  
H R Levin  
N F Oppenheimer (alternate director: C T Elphick)  
D Rankin (alternate director: K M Hosking)  
R S Robertson  
E Sola  
A J Trahar

#### SECRETARY

T J Hunt

#### REGISTERED OFFICE

Del Monte House  
London Road  
Staines  
Middlesex  
TW18 4JD

Telephone: 01784 447400

# DEL MONTE FOODS INTERNATIONAL LIMITED

## DIRECTORS' REPORT

The Directors are pleased to submit their report and the audited Group accounts of Del Monte Foods International Limited for the period from 1 December 1994 to 30 November 1995.

## PRINCIPAL ACTIVITIES

The Group processes pineapple, deciduous fruit, fruit beverages and tomato products which are marketed under the "Del Monte" name throughout Europe, parts of Africa and the Middle East. The Group also produces and markets other processed food products.

The Company acts as a holding company (see note 32 for details of subsidiary undertakings).

## RESULT AND DIVIDENDS

The Group's profit for the period before dividends was £8,453,000 (1994: £3,066,000) which has been transferred direct to reserves. Dividends of £nil (1994: nil) were paid during the period.

## DIRECTORS AND THEIR INTERESTS

The Directors in office during the period and up to the date of this report were as follows:

W G Boustred	
P S Danowa	
M L S de Sousa Oliveira	(alternate to W G Boustred)
C T Elphick	(alternate to H F Oppenheimer)
J Fragis	
K M Hosking	(alternate to D Rankin)
J Imerman	
S Imerman	
V S Imorman	
D H B Johnston	
H R Levin	
N F Oppenheimer	
D Rankin	
R S Robertson	
E Sola	
A J Trahar	

At 30 November 1995 no Director had any interest in the shares of group companies, other than interests in overseas parent companies.

Directors' liability insurance has been taken out by the Company under Section 310(3) of the Companies Act 1985 (as amended by the Companies Act 1989) for its Directors and certain other senior managers.

## DEL MONTE FOODS INTERNATIONAL LIMITED

### DIRECTORS' REPORT (continued)

#### FIXED ASSETS

Freehold and long leasehold properties are shown at cost less depreciation. In the opinion of the Directors there were no material differences between the book and market values of fixed assets. Changes in tangible fixed assets during the period are set out in note 9 of the accounts.

#### CHARITABLE AND POLITICAL CONTRIBUTIONS

Donations made by the Group for charitable purposes in the UK amounted to £8,000 (1994: £7,000). No political donations were made.

#### EMPLOYMENT POLICIES

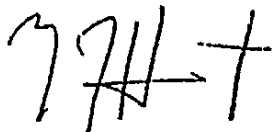
It is the policy of the Group that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled every practical effort is made to provide continued employment.

The Directors are committed to maintaining and developing communication and consultation procedures with employees, who in turn are encouraged to become aware of and involve themselves in the performance of their own company and of the Group as a whole. Consultation and involvement policies vary from country to country according to local customs, legal considerations and the size of the business.

#### AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution to reappoint Pannell Kerr Forster as auditors to the Company will be put to the Annual General Meeting.

By Order of the Board



T J Hunt  
Secretary

20 May 1996

## DEL MONTE FOODS INTERNATIONAL LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group at the end of the period and of the profit or loss of the Group for that period.

The Directors confirm that the financial statements have been prepared using suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The financial statements have been prepared on the going concern basis and following applicable UK accounting standards.

The Directors are responsible for maintaining proper accounting records, ensuring the financial statements comply with the Companies Act 1985, safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## AUDITORS' REPORT TO THE SHAREHOLDERS OF DEL MONTE FOODS INTERNATIONAL LIMITED

We have audited the financial statements on pages 6 to 29 which have been prepared under the accounting policies set out on pages 11 to 13.

Respective responsibilities of directors and auditors  
As described above 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. 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 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 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 affairs of the Company and of the Group as at 30 November 1995 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Pannell Kerr Forster*

Pannell Kerr Forster  
Chartered Accountants  
Registered Auditors

New Garden House  
79 Hatton Garden  
London EC1N 8JA

20 May 1996

## DEL MONTE FOODS INTERNATIONAL LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

		Year ended 30 November 1995 £'000	Year ended 30 November 1994 £'000
	Note		
TURNOVER	1,2	252,719	212,609
Cost of sales		(166,103)	(144,634)
GROSS PROFIT		<u>86,616</u>	<u>67,975</u>
Selling and marketing expenses		(34,664)	(32,011)
Distribution costs		(20,090)	(18,883)
Administrative expenses		(12,059)	(13,495)
Other operating (expenses)/income		(135)	3,803
Share of profit from interests in associated undertakings		1,369	20
OPERATING PROFIT	3	<u>21,037</u>	<u>7,409</u>
Profit on disposal of subsidiary undertakings	30	-	5,750
Loss on disposal of associate undertaking	10/30	(5,990)	
PROFIT BEFORE INTEREST		<u>15,047</u>	<u>13,159</u>
Interest receivable		1,882	1,271
Interest payable	4	(12,772)	(11,021)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>4,157</u>	<u>3,409</u>
Taxation	7	<u>4,270</u>	<u>(257)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>8,427</u>	<u>3,152</u>
Minority interests	20	26	(86)
RETAINED PROFIT FOR THE YEAR		<u>8,453</u> =====	<u>3,066</u> =====

All amounts relate to continuing operations.  
Movements on reserves are disclosed in note 19.

The notes on pages 11 to 29 form an integral part of these accounts.

## DEL MONTE FOODS INTERNATIONAL LIMITED

### GROUP BALANCE SHEET

As at 30 November 1995

	Note	1995 £'000	1995 £'000	1994 £'000	1994 £'000
<b>FIXED ASSETS</b>					
Intangible assets	8		77,818		77,818
Tangible assets	9		51,050		50,769
Investments	10		<u>          -</u>		<u>16,448</u>
			<u>128,868</u>		<u>145,035</u>
<b>CURRENT ASSETS</b>					
Stocks	11		55,806		56,016
Debtors before deduction of proceeds from factoring		88,352		65,087	
Less proceeds from debts factored without recourse		<u>(5,168)</u>		<u>(8,249)</u>	
Debtors	12		83,184		56,838
Cash at bank and in hand			9,140		3,282
			<u>148,130</u>		<u>116,136</u>
<b>CREDITORS - amounts falling due within one year</b>	13		<u>(159,338)</u>		<u>(121,671)</u>
<b>NET CURRENT (LIABILITIES)</b>			<u>(11,208)</u>		<u>(5,535)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			117,660		139,500
<b>CREDITORS</b>					
-amounts falling due after more than one year	14		(67,771)		(90,390)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16		<u>(5,204)</u>		<u>(4,813)</u>
			44,685		44,297
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		57,752		57,752
Share premium account	19		1,117		1,117
Goodwill reserve	19		(21,755)		(19,905)
Cumulative retranslation reserve	19		(29,997)		(22,395)
Profit and loss account	19		37,433		27,084
<b>EQUITY SHAREHOLDERS' FUNDS</b>			<u>44,550</u>		<u>43,653</u>
<b>MINORITY INTERESTS</b>	20		<u>135</u>		<u>644</u>
			44,685		44,297
			=====		=====

Approved by the Board on 20 May 1996 and signed on its behalf

  
J. Frangis

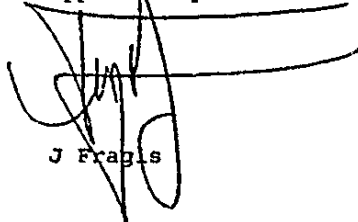
The Notes on pages 11 to 29 form an integral part of these accounts.

DEL MONTE FOODS INTERNATIONAL LIMITED

COMPANY BALANCE SHEET  
As at 30 November 1995

	Note	1995 £'000	1994 £'000
<b>FIXED ASSETS</b>			
Investments	10	<u>144,550</u>	<u>144,550</u>
<b>CURRENT ASSETS</b>			
Debtors	12	17,035	16,299
Cash at bank		-	750
<b>CREDITORS - amounts falling due within one year</b>	13	<u>(36,643)</u>	<u>(41,462)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(19,608)</u>	<u>(24,413)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		124,942	120,137
<b>CREDITORS - amounts falling due after more than one year</b>	14	<u>(67,753)</u>	<u>(62,108)</u>
		<u>57,189</u>	<u>58,029</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	57,752	57,752
Share premium account	19	1,117	1,117
Cumulative retranslation reserve	19	(7,503)	(7,503)
Profit and loss account	19	5,823	6,663
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>57,189</u>	<u>58,029</u>

Approved by the Board on 20 May 1996 and signed on its behalf

  
J Frangis

The notes on pages 11 to 29 form an integral part of these accounts.



DEL MONTE FOODS INTERNATIONAL LIMITED

GROUP CASH FLOW STATEMENT

	Year ended 30 November 1995 £'000	Year ended 30 November 1994 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES (note 26)	4,043	29,484
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,829	1,211
Interest paid	(9,571)	(9,154)
Dividends paid to minority shareholders in subsidiary undertakings	-	(94)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(7,742)	(8,037)
TAXATION		
Advance corporation tax paid	-	(3)
Overseas company taxes paid	(223)	(1,051)
Overseas withholding taxes paid	(46)	(61)
TAX PAID	(269)	(1,115)
INVESTING ACTIVITIES		
Disposal of associate to fellow subsidiary (note 30)	8,100	-
Disposal of subsidiaries to parent undertaking (note 31)	-	19,196
Purchase of tangible fixed assets	(7,141)	(6,213)
Disposal of tangible fixed assets	1,052	386
Purchase of minority interests	(434)	(322)
NET CASH INFLOW FROM INVESTING ACTIVITIES	1,577	13,047
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(2,391)	33,379
FINANCING (note 29)		
Long-term debt raised	(9,940)	(2,108)
Repayment of long-term debt	33,240	26,141
NET CASH OUTFLOW FROM FINANCING	23,300	24,033
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (note 27)	(25,691)	9,346
	(2,391)	33,379

The notes on pages 11 to 29 form an integral part of these accounts.

## DEL MONTE FOODS INTERNATIONAL LIMITED

## GROUP STATEMENT OF RECOGNISED GAINS AND LOSSES

	Year ended 30 November 1995 £'000	Year ended 30 November 1994 £'000
Profit for the year	8,453	3,066
Currency translation differences on foreign currency net investments	(5,706)	10,418
Total recognised gains and losses	2,747	13,484

## RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Year ended 30 November 1995 £'000	Year ended 30 November 1994 £'000
Profit for year	8,453	3,066
Currency translation differences on foreign currency net investments	(5,706)	10,418
Goodwill on disposal of associate	(1,864)	-
Goodwill in acquisition of minority shareholding	14	162
Movement in equity shareholders' funds	897	13,646
Opening equity shareholders' funds	43,653	30,007
Closing equity shareholders' funds	44,550	43,653

The notes on pages 11 to 29 form an integral part of these accounts.

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these accounts.

**Accounting basis**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

**Basis of consolidation**

The Group accounts consolidate the accounts of Del Monte Food International Limited and all its subsidiaries and equity account the results of associated undertakings up to 30 November 1995.

Companies in which the Group has an investment comprising an interest of not less than 20% in the voting capital and over which it exerts significant influence are defined as associated undertakings.

The Group accounting policies conform with UK accounting standards and, when necessary, adjustments are made in the accounts of overseas subsidiaries and associated undertakings in order to present the Group accounts on a consistent basis.

The results of businesses acquired or sold are included in the profit and loss account from the date of acquisition or to the date of disposal.

**Holding company's profit and loss account**

As the Company's results are included in the Group's profit and loss account and disclosed in note 19, a separate profit and loss account is not presented, as permitted by S230(1) of the Companies Act 1985.

**Goodwill**

Fair values are ascribed to tangible assets and liabilities of subsidiary undertakings at dates of acquisition and any surplus or deficiency between such values and the purchase consideration is dealt with through reserves. Subsequent adjustments are also dealt with through reserves. When a business is sold or discontinued any goodwill dealt with through reserves at the time the business was purchased is included in the calculation of profit or loss on disposal or closure.

**Foreign currencies**

Assets and liabilities denominated in foreign currencies are expressed in sterling at the rate of exchange ruling at the period end. Transactions during the period are recorded at rates of exchange in effect at the time of those transactions. Currency gains and losses on trading items are taken to profit and loss account. The results for the period of overseas companies are expressed in sterling at the average rate of exchange prevailing during the period. To the extent that they are denominated in foreign currencies the Group's investment in net assets (including brands and purchased goodwill) of its subsidiaries and associated undertakings are retranslated to year end exchange rates. The resultant gains or losses are taken to the cumulative retranslation reserve.

In retranslating the net assets of overseas operations the directors give consideration to the impact of local inflation rates. None of the territories in which the group operates would be regarded as hyper-inflationary, as defined by Urgent Issues Task Force consensus pronouncement 9, during the period to 30 November 1995.

DEL MONTE FOODS INTERNATIONAL LIMITED  
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

Foreign Currencies (continued)

Profits or losses arising on the retranslation of long term foreign currency borrowings are offset against foreign exchange differences arising on investments, within the cumulative retranslation reserve, to the extent that they are matched by losses or profits on retranslation of those investments.

Turnover

Turnover represents the gross sales value of Group companies to external customers excluding value added taxes and is net of volume related trade discounts.

Fixed assets and depreciation

Fixed assets are stated at cost less depreciation, except in the case of freehold land which is not depreciated. Depreciation is provided on a straight line basis at an annual rate over the expected economic lives of the assets. Within the following asset classifications, the expected economic lives are approximately:-

* Freehold buildings	45 years
* Short term leasehold property	length of lease
* Plant and equipment	8 to 20 years
* Office furniture	10 years
* Computer hardware	3 to 5 years

Leases

Assets held under finance leases are treated as if they had been purchased outright at the present value of the outstanding rentals payable, less finance charges, over the primary period of the leases. The corresponding obligations under these leases are shown as creditors. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Government grants

Government grants received as a contribution towards specific expenditure on fixed assets are treated as deferred income and credited to the profit and loss account over the expected economic life of the related assets on a basis consistent with the depreciation policy.

Brands

Acquired brands are included in the Group balance sheet as an intangible asset. Acquired brands are recognised where brand earnings are separately identifiable and where the brand achieves premium earnings. No amortisation is provided except where the end of the useful economic life of the acquired brands can be foreseen. The useful economic life and carrying value are subject to annual review and any provision for permanent impairment would be charged against the profit for the period in which it arose.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes appropriate production overheads and distribution costs. Costs incurred in cultivating crops including interest are deferred and matched against revenue in the period of sale. Such deferred costs are included in work in progress.

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

**Taxation**

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided on the liability method on all timing differences only to the extent that they are expected to reverse in the foreseeable future, calculated at the rate at which it is estimated that tax will be payable.

Irrecoverable withholding tax is provided for when it is management's intention to remit overseas dividends and management charges.

**Pensions**

The cost of the Group's defined benefit pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Pension cost is assessed in accordance with the advice of qualified actuaries. Actuarial surpluses and deficits are spread over the average remaining service lives of employees.

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 2. SEGMENTAL ANALYSIS

The Group's business consists of the growing, processing and distribution of food and beverage products. The Directors are of the opinion that this forms one class of business.

	Total £'000	United Kingdom £'000	Italy £'000	Rest of Europe £'000	Rest of World £'000
1995 Group turnover					
By geographical destination:					
Sales to third parties	252,719	75,216	85,275	82,265	9,963
	=====	=====	=====	=====	=====
By geographical origin:					
Total sales	330,436	203,621	93,434	-	33,381
Intercompany sales	(77,717)	(38,152)	(7,253)	-	(32,312)
Sales to third parties	252,719	165,469	86,181	-	1,069
	=====	=====	=====	=====	=====
1994 Group turnover					
By geographical destination:					
Sales to third parties	212,609	69,475	75,028	59,510	8,596
	=====	=====	=====	=====	=====
By geographical origin:					
Total sales	304,131	182,752	87,319	6,723	27,337
Intercompany sales	(91,522)	(46,901)	(12,391)	(6,401)	(25,829)
Sales to third parties	212,609	135,851	74,928	322	1,508
	=====	=====	=====	=====	=====
1995 Group profit before tax					
Segment profit by origin	25,574	9,932	8,549	-	7,093
Share of associated undertakings profit before tax	1,369	-	-	-	1,369
	26,943	9,932	8,549	-	8,462
		=====	=====	=====	=====
Central costs	(5,906)				
Operating profit	21,037				
Loss on disposal of associate undertaking	(5,990)				
Net interest	(10,890)				
Group profit before taxation	4,157				
	=====				

## DEL MONTE FOODS INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

## 2. SEGMENTAL ANALYSIS (continued)

	Total £'000	United Kingdom £'000	Italy £'000	Rest of Europe £'000	Rest of World £'000
1994 Group profit before tax					
Segment profit by origin	13,723	5,609	5,366	1,218	1,530
Share of associated undertakings profit before tax	20	-	-	-	20
	<u>13,743</u>	<u>5,609</u>	<u>5,366</u>	<u>1,218</u>	<u>1,550</u>
	=====	=====	=====	=====	=====
Central costs	(6,334)				
Operating profit	<u>7,409</u>				
Profit on disposal of subsidiary undertakings	5,750				
Net interest	(9,750)				
Group profit before taxation	<u>3,409</u>				
	=====				
1995 Group net assets					
Segment net assets	145,038	(3,143)	109,972	6,258	31,951
Less:		=====	=====	=====	=====
bank loans and overdrafts net of cash holdings	(100,353)				
Total Group net assets	<u>44,685</u>				
	=====				
1994 Group net assets					
Segment net assets	126,873	(6,421)	95,554	6,250	31,490
Group share of the net assets of associated undertakings	16,448	-	-	-	16,448
	<u>143,321</u>	<u>(6,421)</u>	<u>95,554</u>	<u>6,250</u>	<u>47,938</u>
	=====	=====	=====	=====	=====
Less:					
bank loans and overdrafts net of cash holdings	(99,024)				
Total Group net assets	<u>44,297</u>				
	=====				

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	30 November 1995 £'000	30 November 1994 £'000
Depreciation - owned assets	3,143	3,089
- leased assets	21	21
Auditors' remuneration - audit work	239	214
- non-audit work	18	109
Profit on sale of tangible assets	(40)	(32)
Operating lease rentals - plant and machinery	647	472
- other	2,054	1,626
Exchange gains	(1,371)	(3,728)
Exceptional item - provision in respect of amounts due from fellow subsidiary undertakings	-	2,454
	=====	=====

#### 4. INTEREST PAYABLE

	30 November 1995 £'000	30 November 1994 £'000
INTEREST PAYABLE		
Interest payable on bank loans, overdrafts and other loans:		
Repayable within 5 years	11,778	6,168
Repayable after 5 years or more	-	3,068
Other charges	1,507	1,506
Interest payable to group undertaking	1,961	1,750
	<u>15,246</u>	<u>12,492</u>
Interest capitalised in deferred growing crops	(2,474)	(1,471)
	<u>12,772</u>	<u>11,021</u>
	=====	=====



**DEL MONTE FOODS INTERNATIONAL LIMITED**  
**NOTES TO THE ACCOUNTS**

**5. STAFF COSTS AND EMPLOYEES**

**STAFF COSTS (Including Directors)**

	30 November 1995 £'000	30 November 1994 £'000
Wages and salaries	19,034	18,570
Social security costs	5,699	5,869
Other pension costs	854	875
	<u>25,587</u>	<u>25,314</u>
	=====	=====

**EMPLOYEES**

	30 November 1995 Number	30 November 1994 Number
Average number of employees:		
Manufacturing	3,565	3,606
Transportation	578	500
Selling/Marketing	105	103
Administration	463	521
Total	<u>4,711</u>	<u>4,730</u>
	=====	=====

	30 November 1995 Number	30 November 1994 Number
Geographical split of employees:		
UK	257	259
Italy	479	475
Other	3,975	3,996
Total	<u>4,711</u>	<u>4,730</u>
	=====	=====

**6. DIRECTORS' EMOLUMENTS**

	30 November 1995 £'000	30 November 1994 £'000
Aggregate emoluments:		
Remuneration for service (including pension contributions)	751	914
	<u>751</u>	<u>914</u>
	=====	=====
Emoluments of Chairman (excluding pension contributions)	189	185
	=====	=====
Emoluments of highest paid director (excluding pension contributions)	268	268
	=====	=====

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 6. DIRECTORS' EMOLUMENTS (continued)

The emoluments of Directors (excluding pension contributions) fell into the ranges:

	30 November 1995 Number	30 November 1994 Number
£ 0 - £ 5,000	11	13
£ 10,001 - £ 15,000	1	-
£ 65,001 - £ 70,000	1	1
£140,001 - £145,000	1	1
£155,001 - £160,000	-	1
£180,001 - £185,000	-	1
£185,001 - £190,000	1	-
£265,001 - £270,000	1	1

#### 7. TAXATION

	30 November 1995 £'000	30 November 1994 £'000
Current Year		
Overseas taxation	243	172
Tax attributable to the results of associated undertakings	244	(9)
	<hr/> 487	<hr/> 163
Adjustments relating to earlier years	(4,757)	94
	<hr/> (4,270) *****	<hr/> 257 *****

The adjustment relating to prior year in 1995 includes £4,465,000 for the reversal of a provision for overseas taxation which is no longer required.

#### 8. INTANGIBLE ASSETS

	£'000
At 30 November 1995 and 30 November 1994	77,818 *****

This amount represents the cost of brands acquired on the purchase of the subsidiaries. The Directors have reviewed the amount at which brands are stated and are of the opinion that there has been no impairment in the value of brands and that the end of their useful economic lives cannot be foreseen.

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 9. GROUP TANGIBLE FIXED ASSETS

	Freehold land and buildings	Short term leasehold property	Assets in the course of construction	Plant and machinery	Fixtures fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>COST</b>						
At 30 November 1994	14,213	11,313	2,036	31,433	10,044	69,039
Additions	384	-	5,209	1,435	113	7,141
Disposals	-	(188)	-	(851)	(175)	(1,214)
Group Transfers out	-	-	-	(403)	-	(403)
Reclassifications	-	583	(4,322)	2,218	1,521	-
Exchange adjustments	318	(1,976)	(190)	(830)	(1,221)	(3,899)
At 30 November 1995	<u>14,915</u>	<u>9,732</u>	<u>2,733</u>	<u>33,002</u>	<u>10,282</u>	<u>70,564</u>
<b>DEPRECIATION</b>						
At 30 November 1994	(1,172)	(1,769)	-	(10,096)	(5,233)	(18,270)
Charge for the period	(185)	(263)	-	(1,567)	(1,149)	(3,164)
Disposals	-	24	-	303	162	489
Group Transfers out	-	-	-	116	-	116
Reclassification	-	-	-	17	(17)	-
Exchange adjustments	(23)	317	-	387	534	1,215
At 30 November 1995	<u>(1,380)</u>	<u>(1,691)</u>	<u>-</u>	<u>(10,840)</u>	<u>(5,703)</u>	<u>(19,614)</u>
<b>NET BOOK VALUE</b>						
At 30 November 1995	13,535	8,041	2,733	22,162	4,579	51,050
At 30 November 1994	13,041	9,544	2,036	21,337	4,811	50,769

Included in the net book value of plant and machinery at 30 November 1995 was £59,000 (1994: £100,000) held by the Group under finance leases.

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 10. FIXED ASSETS - INVESTMENTS

##### GROUP

	£'000
Associated undertakings:	
At 30 November 1994	16,448
Share of profit after tax for the year	1,125
Exchange adjustment	(1,619)
Disposal of associate	(15,954)
	<hr/>
At 30 November 1995	-
	=====

The results of the associated undertaking have been equity accounted since the date of acquisition.

On 10 November 1995 Del Monte Foods Europe Limited, a subsidiary undertaking of the group, sold its holding in the associate, Del Monte Pacific Resources Limited, to Del Monte Foods International Limited at no gain or loss. On 14 November 1995 Del Monte Foods International Limited sold its share in the associate to Del Monte Internationale S.A., a fellow subsidiary.

##### COMPANY

	Shares in group companies £'000
At cost at 30 November 1995 and 30 November 1994	144,550
	=====

Details of the Group's subsidiary and associated undertakings are shown in note 32.

#### 11. STOCKS

	1995 £'000	1994 £'000
Raw materials	10,215	8,881
Work in progress	17,934	19,145
Finished goods	27,657	27,990
	<hr/>	<hr/>
	55,806	56,016
	=====	=====

The Directors are of the opinion that the replacement cost of stocks at 30 November 1995 was not significantly different from the balance sheet value. Work in progress includes interest capitalised of £2,313,000 (1994: £1,471,000).

## DEL MONTE FOODS INTERNATIONAL LIMITED NOTES TO THE ACCOUNTS

### 12. DEBTORS

	Group		Company	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Trade debtors before deduction of proceeds from factoring	53,152	44,687	-	-
Less: proceeds from debts factored without recourse	(4,573)	(8,242)	-	-
Trade debtors	48,579	36,438	-	-
Amounts owed by parent and fellow subsidiary undertakings	14,668	12,092	-	163
Amounts owed by subsidiary undertakings	-	-	17,035	16,136
Prepayments and accrued income	11,553	3,828	-	-
Other debtors before deduction of proceeds from factoring	8,979	4,480	-	-
Less proceeds from debts factored without recourse	(595)	-	-	-
	83,184	56,838	17,035	16,299
	=====	=====	=====	=====

Included in prepayments is an amount of £8,547,000 (1994: £2,567,000), comprising expenditure incurred in the introduction of new products or entering new markets. Such expenditure is deferred over the period of its expected benefit to the company, limited to three years and is amortised on a straight line basis over this period.

Included in the above balances for the group are other debtors of £608,000 (1994: £315,000) receivable after more than one year.

In respect of the factored debts the group is not obliged to support any losses, nor does it intend to do so. The factor has agreed in writing that it will seek repayment of the finance, as to both principal and interest, only to the extent that sufficient funds are generated by the specific item it has financed and that it will not seek recourse in any other form.

### 13. CREDITORS - Amounts falling due within one year

	Group		Company	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	41,740	11,958	5,020	5,000
- (note 15)				
Trade creditors	31,774	28,833	-	-
Bills of exchange payable	9,964	7,519	-	-
Amounts owed to parent and fellow subsidiary undertakings	54,496	44,908	11,672	20,194
Amounts owed to subsidiary undertakings	-	-	19,771	16,041
Amounts owed to associated undertakings	3,724	3,631	-	-
Other creditors	3,380	3,083	-	-
Taxation and social security	1,846	6,152	-	-
Accruals and deferred income	12,414	15,587	180	227
	159,338	121,671	36,643	41,462
	=====	=====	=====	=====

Amounts due to parent and fellow subsidiary undertakings include £11,672,000. (1994: £20,031,000) of deep discounted notes.

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 14. CREDITORS -

	Group		Company	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Bank loans (note 15)	67,753	90,348	67,753	62,108
Accruals	18	42	-	-
	<u>67,771</u>	<u>90,390</u>	<u>67,753</u>	<u>62,108</u>
	=====	=====	=====	=====

#### 15. BANK LOANS AND OVERDRAFTS

	Group		Company	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Within one year	41,740	11,958	5,020	5,000
Between one and two years	67,753	5,000	67,753	5,000
Between two and five years	-	57,108	-	57,108
In five years or more	-	28,240	-	-
	<u>109,493</u>	<u>102,306</u>	<u>72,773</u>	<u>67,108</u>
	=====	=====	=====	=====

#### 16. PROVISIONS FOR LIABILITIES AND CHARGES

GROUP	Total £'000
At 30 November 1994	4,813
Additions during period	920
Exchange adjustment	(529)
At 30 November 1995	<u>5,204</u>
	=====

Provisions relate to employee severance schemes as dictated by local legal requirements of overseas subsidiaries.

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 17. DEFERRED TAXATION

There is no provision for deferred taxation (1994: Enil).  
The full potential asset which has not been recognised in the Group accounts of £1,788,000 (1994: asset of £7,046,000) is analysed below:

	<u>Unprovided</u>	
	1995 £'000	1994 £'000
Accelerated capital allowances	4,200	2,778
Other timing differences	495	(1,099)
Losses available for offset	(13,180)	(15,382)
Deferred crop expenditure	6,697	6,657
	<hr/>	<hr/>
	(1,788)	(7,046)
	=====	=====

The provided deferred tax in the Company at 30 November 1995 was Enil (1994: Enil). The unprovided deferred tax in the Company at 30 November 1995 was an asset of £7,206,000 (1994: asset of £8,390,000).

#### 18. CALLED UP SHARE CAPITAL - GROUP AND COMPANY

##### Authorised share capital:

	Number	£'000
At 30 November 1995 and 30 November 1994		
Ordinary shares of 20p each	500,000,000	100,000
		=====

##### Issued and fully paid share capital:

	Number	Nominal value £'000
At 30 November 1995 and 30 November 1994		
Ordinary shares of 20p each	288,761,427	57,752
		=====

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 19. RESERVES

GROUP	Share premium account £'000	Goodwill reserve £'000	Cumulative translation reserve £'000	Profit and loss account £'000
At 30 November 1994	1,117	(19,905)	(22,395)	27,084
Retained profit for the year	-	-	-	8,453
Retranslation adjustments	-	-	(5,706)	-
Disposal of associate	-	(1,864)	(1,896)	1,896
Acquisition of minority shareholding	-	14	-	-
At 30 November 1995	<u>1,117</u> =====	<u>(21,755)</u> =====	<u>(29,997)</u> =====	<u>37,433</u> =====

COMPANY	Share premium account £'000	Cumulative translation reserve £'000	Profit and loss account £'000
At 30 November 1994	1,117	(7,503)	6,663
Loss for the year	-	-	(840)
At 30 November 1995	<u>1,117</u> =====	<u>(7,503)</u> =====	<u>5,823</u> =====

The cumulative goodwill written off on acquisitions in the Group to 30 November 1995 was £21,755,000 (1994: £19,905,000).

Provision has been made for the taxation consequence in respect of the remittance of overseas earnings, to the extent that management intend to remit funds. In the event of remitting all retained earnings there will be further taxation and other costs.

#### 20. MINORITY INTERESTS

	£'000
At 30 November 1994	644
Profit and loss account	26
Share of net assets acquired from minorities	(496)
Retranslation adjustment	(39)
At 30 November 1995	<u>135</u> =====



## DEL MONTE FOODS INTERNATIONAL LIMITED

## NOTES TO THE ACCOUNTS

## 21. PENSIONS

The Group operates two main pension plans in the U.K. and Kenya respectively. Both plans are of the defined benefit type and are funded to cover future pension liabilities after allowing for expected future earnings and pension increases. These plans are administered independently of the Group, by trusts, on the advice of independent qualified actuaries.

The total pension charge to the profit and loss account for the year amounted to £601,000 (1994: £559,000) of which £478,000 (1994: £459,000) relates to the main UK scheme, the Del Monte Foods International U.K. Pension Plan. An amount of £33,000 (1994: £23,000) is included in creditors representing the difference between the contributions to the schemes and the amount charged in the accounts.

UK scheme

The most recent actuarial valuation of the Del Monte Foods International U.K. Pension Plan was at 30 November 1992. The valuation was based on a reasonable estimate of the transfer value as at that date and was carried out by independent actuaries, using the projected unit method. The principal actuarial assumptions were that the long term annual rate of return on investments would be 2% in excess of the annual increases in pensionable earnings and 5% in excess of annual increases to pensions. The market value of the assets to the new scheme at the date of the actuarial valuation was £7,396,000.

The actuarial value of the assets of the UK scheme on this basis was sufficient to cover 98% of the benefits that had accrued to members after allowing for expected future increases in pensionable remuneration.

Overseas scheme

The main overseas scheme is in Del Monte Kenya Limited ("DMKL"). The latest actuarial valuation was carried out as at 1 January 1994 using the aggregate method. The principal actuarial assumptions adopted in this valuation were that annual investment returns would be approximately 2% in excess of annual increases in pensionable earnings.

The actuarial value of the assets of the scheme was sufficient to cover 66% of the benefits which had accrued to members, after allowing for expected future increases in pensionable remuneration. The valuation of the DMKL scheme is £616,000.

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 22. LEASE OBLIGATIONS

	1995 £'000	Group 1994 £'000
<b>OPERATING LEASES ON LAND AND BUILDINGS</b>		
Annual commitments on leases which expire:		
Within one year	-	-
Between two and five years	166	166
Beyond five years	731	792
	<u>897</u>	<u>958</u>
	=====	=====
<b>OTHER OPERATING LEASES</b>		
Annual commitments on leases which expire:		
Within one year	174	231
Between two and five years	913	545
Beyond five years	354	269
	<u>1,441</u>	<u>1,045</u>
	=====	=====

The Company has no lease obligations.

#### 23. CAPITAL COMMITMENTS

	1995 £'000	Group 1994 £'000
Contracted for, but not provided in these accounts	617	906
	=====	=====
Authorised by the Directors, but not contracted for	538	402
	=====	=====

The Company has no capital commitments.

#### 24. GUARANTEES

The Company's liabilities under certain bank borrowings detailed in note 15 have been guaranteed by certain subsidiary and parent undertakings within the Juliet Holdings S.A. group. The Company has guaranteed the liabilities of various parent and subsidiary undertakings within the Juliet Holdings S.A. group to certain lenders.

#### 25. CONTINGENT LIABILITIES

- i) The Company has given an indemnity to its subsidiary company, Del Monte Foods Northern Europe Limited, for any loss arising on the disposal or sale by that company of its investment in a dormant subsidiary company, Del Monte Foods Northern Continental Europe Limited, at a price of less than its book value of £30,000,000.
- ii) The Group has entered into Customs & Excise Duty Deferment Bonds of £750,000 (1994: £500,000), guarantees of £40,000 (1994: £ Nil) with the Intervention Board for Agricultural Produce and letters of credit in the normal course of business of £Nil (1994: £100,000).

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 26. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30 November 1995 £'000	30 November 1994 £'000
Operating profit	21,037	7,409
Depreciation charges	3,164	3,110
(Profit) on disposal of tangible fixed assets	(40)	(32)
Share of profit from interest in associated undertaking	(1,369)	(20)
(Increase)/Decrease in stocks	(4,687)	10,220
(Increase) in debtors	(26,241)	(1,469)
Increase in creditors	11,905	10,681
Increase/(Decrease) in provisions	274	(415)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>4,043</b> =====	<b>29,484</b> =====

#### 27. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	30 November 1995 £'000	30 November 1994 £'000
Opening balance	(3,676)	(11,557)
Net cash (outflow)/inflow before adjustments for the effect of foreign exchange rate changes	(25,691)	9,346
Effect of foreign exchange rate changes	1,767	(1,465)
<b>Closing balance</b>	<b>(27,600)</b> =====	<b>(3,676)</b> =====

#### 28. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	30 November 1995 £'000	Change in period £'000	30 November 1994 £'000
Cash at bank and in hand	9,140	5,858	3,282
Bank loans and overdraft	(41,740)	(29,782)	(11,958)
	(32,600)	(23,924)	(8,676)
 Add: borrowings with an initial maturity of more than three months included above	 5,000 (27,600) =====	 - (23,924) =====	 5,000 (3,676) =====

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 29. ANALYSIS OF CHANGES IN FINANCING

	Long-term debt and loan capital	
	1995	1994
	£'000	£'000
Opening balance	95,348	115,932
Long term debt raised	9,940	2,108
Interest added to long-term debt	-	3,202
Long-term debt repaid	(33,240)	(26,141)
Effect of foreign currency exchange rates on long-term debt	705	247
	<hr/>	<hr/>
Closing balance	72,753	95,348
	=====	=====

#### 30. DISPOSAL OF INVESTMENTS TO PARENT UNDERTAKING

##### A) DISPOSAL OF SUBSIDIARY TO PARENT UNDERTAKING

	30 November 1995	30 November 1994
	£'000	£'000
Net assets disposed of		
Fixed assets	-	6,715
Stocks	-	7,570
Debtors	-	1,717
Bank overdrafts	-	(4,196)
Creditors	-	(2,353)
Provisions	-	(203)
	<hr/>	<hr/>
	-	9,250
Profit on disposal	-	5,750
	<hr/>	<hr/>
	-	15,000
	=====	=====
Satisfied by		
Cash	-	15,000
	=====	=====

During the period to 30 November 1994, 100% of Hellenic Food Industries S.A. was sold to the parent undertaking, Del Monte Internationale S.A.. The Group's profit for that period included £596,000 attributable to this undertaking.

The disposal of Hellenic Food Industries S.A. did not represent discontinued operations as defined by Financial Reporting Standard 3. The Group continues to buy products produced by Hellenic Food Industries S.A..

##### B) DISPOSAL OF ASSOCIATE TO FELLOW SUBSIDIARY

	30 November 1995	30 November 1994
	£'000	£'000
Share of net assets disposed	15,954	-
Loss on disposal	(5,990)	-
Goodwill written off	(1,864)	-
	<hr/>	<hr/>
	8,100	-
	=====	=====
Satisfied by		
Cash	8,100	-
	=====	=====

## DEL MONTE FOODS INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS

#### 31. ANALYSIS OF THE NET INFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF THE DISPOSAL OF SUBSIDIARY UNDERTAKINGS

	30 November 1995 £'000	30 November 1994 £'000
Cash consideration (note 30)	-	15,000
Bank overdrafts of disposed subsidiary undertakings	-	4,196
	<u>-</u>	<u>19,196</u>
	=====	=====

#### 32. GROUP UNDERTAKINGS

Details of Group undertakings are as follows:

Group undertakings	Activity	Country of Incorporation	Principal Country of Operation	Proportion of Nominal Value of Ordinary Shares held
Del Monte Foods Europe Ltd *	Holding	England	United Kingdom	99.9%
SAPCO Holdings Ltd *	Holding	England	United Kingdom	100%
DMFE Holdings Ltd	Holding	England	United Kingdom	100%
Del Monte Foods Northern Europe Ltd	Holding	England	United Kingdom	100%
Del Monte Foods (UK) Ltd	Trading	England	United Kingdom	100%
Del Monte International, Inc.	Trading	Panama	United Kingdom	100%
Del Monte Kenya Holdings, Inc.	Holding	Panama	United Kingdom	100%
Del Monte Kenya Ltd	Trading	Kenya	Kenya	99.78%
Del Monte Foods Sud Europa S.p.A	Trading	Italy	Italy	100%
Del Monte Foods Northern Continental Europe Ltd	Dormant	England	United Kingdom	100%
Del Monte Foods Trustees (Europe) Ltd *	Trustee	England	United Kingdom	100%
Del Monte Foods Pensions (U.K.) Ltd	Pensions Fund Management/Trustee	England	United Kingdom	100%

\* Shares directly held by Del Monte Foods International Limited.

During the year DMF Italia Holdings Srl, a subsidiary undertaking was merged with Del Monte Foods Sud Europa S.p.A.

#### 33. ULTIMATE PARENT UNDERTAKING

The parent undertaking which heads the smallest higher group of undertakings for which group accounts are drawn up is Juliet Holdings S.A., a company registered in the British Virgin Islands. The ultimate parent undertaking and the parent undertaking which heads the largest higher group of undertakings for which group accounts are drawn up is Del Monte Royal Holdings Limited, a company incorporated in the Republic of South Africa. Copies of the accounts of Del Monte Royal Holdings Limited are available from the Secretary, Del Monte Royal Holdings Limited, 5 Brine Avenue, Chloorkop, Kempton Park, 1619, Republic of South Africa.