

REPORT AND ACCOUNTS

DEL MONTE FOODS INTERNATIONAL LIMITED

30 November 1994

(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
N J Hamway (resigned 30 April 1994)
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: 0784 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 1993 to 30 November 1994.

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 33 for details of subsidiary undertakings).

During the year the group sold its entire interest in Hellenic Foods Industries S.A. (see note 31 for details of this transaction).

RESULT AND DIVIDENDS

The Group's profit for the period before dividends was £3,066,000 (1993: loss £4,783,000) which has been transferred direct to reserves. Dividends of £nil were paid to holders of ordinary shares (1993: £10,000) 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	
H L S de Sousa Oliveira	(alternate to W G Boustred)
N J Diment	(alternate to D Rankin - resigned 15 December 1993)
C T Elphick	(alternate to N F Oppenheimer)
J Yraglis	
N J Hamway	(resigned 30 April 1994)
K M Hosking	(alternate to D Rankin - appointed 15 December 1993)
J Imberman	
S Imberman	
V S Imberman	
D H B Johnston	
H R Levin	
N F Oppenheimer	
D Rankin	
R S Robertson	
E Sola	
A J Trahar	

At 30 November 1994 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 10 of the accounts.

CHARITABLE AND POLITICAL CONTRIBUTIONS

Donations made by the Group for charitable purposes in the UK amounted to £7,000 (1993: £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

22 February 1995

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 31 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 1994 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
78 Hatton Garden
London EC1N 8JA

21 February 1995

DEL MONTE FOODS INTERNATIONAL LIMITED
GROUP PROFIT AND LOSS ACCOUNT

	Note	Year ended 30 November 1994 £'000	Year ended 30 November 1993 £'000
TURNOVER			
Cost of sales	1,2	212,609 (144,634)	226,809 (138,432)
GROSS PROFIT		67,975	88,377
Selling and marketing expenses		(32,011)	(35,263)
Distribution costs		(18,883)	(18,461)
Administrative expenses		(13,495)	(16,987)
Other operating income		3,803	712
Share of profit from interests in associated undertakings		20	5,429
OPERATING PROFIT	3	7,409	23,807
Profit/(loss) on disposal of subsidiary undertakings	31	5,750	(3,701)
PROFIT BEFORE INTEREST		13,159	20,106
Interest receivable		1,271	736
Interest payable	4	(11,021)	(17,730)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	3,409	3,112
Taxation	7	(257)	(7,668)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		3,152	(4,556)
Minority interests	21	(86)	(227)
PROFIT/(LOSS) BEFORE DIVIDENDS		3,066	(4,783)
Dividends paid	8	-	(10)
RETAINED PROFIT/(DEFICIT) FOR THE YEAR		3,066	(4,793)

All amounts relate to continuing operations.

Movements on reserves are disclosed in note 20.

The notes on pages 11 to 31 form an integral part of these accounts.

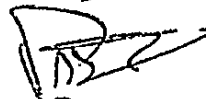
DEL MONTE FOODS INTERNATIONAL LIMITED

GROUP BALANCE SHEET

As at 30 November 1994

	Note	1994 £'000	1994 £'000	1993 £'000	1993 £'000
FIXED ASSETS					
Intangible assets	9		77,818		77,818
Tangible assets	10		50,769		49,300
Investments	11		16,448		13,832
			<u>145,035</u>		<u>140,950</u>
CURRENT ASSETS					
Stocks	12		56,016		66,568
Debtors before deduction of proceeds from factoring		65,087		59,627	
Less proceeds from debts factored without recourse		(8,249)		(7,933)	
Debtors	13		56,838		51,694
Cash at bank and in hand			3,282		1,005
			<u>116,136</u>		<u>119,267</u>
CREDITORS - amounts falling due within one year	14		(121,671)		(112,050)
NET CURRENT (LIABILITIES)/ASSETS			(5,535)		7,217
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>139,500</u>		<u>148,167</u>
CREDITORS					
- amounts falling due after more than one year	15		(90,390)		(111,931)
PROVISIONS FOR LIABILITIES AND CHARGES	17		(4,813)		(5,412)
			<u>44,297</u>		<u>30,824</u>
CAPITAL AND RESERVES					
Called up share capital	19		57,752		57,752
Share premium account	20		1,117		1,117
Goodwill reserve	20		(19,905)		(20,067)
Cumulative retranslation reserve	20		(22,395)		(32,813)
Profit and loss account	20		27,084		24,018
EQUITY SHAREHOLDERS' FUNDS			<u>43,653</u>		<u>30,007</u>
MINORITY INTERESTS	21		644		817
			<u>44,297</u>		<u>30,824</u>

Approved by the Board on 22 February 1995 and signed on its behalf


P.S. DANOWA

The notes on pages 11 to 31 form an integral part of these accounts.

DEL MONTE FOODS INTERNATIONAL LIMITED

COMPANY BALANCE SHEET
As at 30 November 1994

	Note	1994 £'000	1993 £'000
FIXED ASSETS			
Investments	11	144,550	144,550
CURRENT ASSETS			
Debtors	13	16,299	17,985
Cash at bank		750	-
CREDITORS - amounts falling due within one year	14	(41,462)	(34,533)
NET CURRENT LIABILITIES		(24,413)	(16,548)
TOTAL ASSETS LESS CURRENT LIABILITIES		120,137	128,002
CREDITORS - amounts falling due after more than one year	15	(62,108)	(65,000)
		58,029	63,002
CAPITAL AND RESERVES			
Called up share capital	19	57,752	57,752
Share premium account	20	1,117	1,117
Cumulative retranslation reserve	20	(7,503)	(7,503)
Profit and loss account	20	6,663	11,636
EQUITY SHAREHOLDERS' FUNDS		58,029	63,002

Approved by the Board on 22 February 1995 and signed on its behalf


P.S. DANOWA

The notes on pages 11 to 31 form an integral part of these accounts.

DEL MONTE FOODS INTERNATIONAL LIMITED

GROUP CASH FLOW STATEMENT

	Year ended 30 November 1994 £'000	Year ended 30 November 1993 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES (note 27)	29,484	26,449
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,211	811
Interest paid	(9,154)	(15,667)
Dividends paid to minority shareholders in subsidiary undertakings	(94)	(429)
Ordinary dividends paid	-	(10)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(8,037)	(15,295)
TAXATION		
Advance corporation tax paid	(3)	-
Overseas company taxes paid	(1,051)	(1,977)
Overseas withholding taxes paid	(61)	(751)
TAX PAID	(1,115)	(2,728)
INVESTING ACTIVITIES		
Disposal of subsidiaries to parent undertaking (note 31)	19,196	1,750
Purchase of tangible fixed assets	(6,213)	(8,532)
Disposal of tangible fixed assets	386	124
Purchase of minority interests	(322)	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	13,047	(6,658)
NET CASH INFLOW BEFORE FINANCING	33,379	1,768
FINANCING (note 30)		
Long-term debt raised	(2,108)	(142,750)
Repayment of long-term debt	26,141	140,116
NET CASH OUTFLOW/(INFLOW) FROM FINANCING	24,033	(2,634)
INCREASE IN CASH AND CASH EQUIVALENTS (note 28)	9,346	4,402
	33,379	1,768

The notes on pages 11 to 31 form an integral part of these accounts.

DEL MONTE FOODS INTERNATIONAL LIMITED

GROUP STATEMENT OF RECOGNISED GAINS AND LOSSES

	Year ended 30 November 1994 £'000	Year ended 30 November 1993 £'000
Profit/(loss) for the year before dividends	3,066	(4,783)
Currency translation differences on foreign currency net investments	10,418	(23,112)
Total recognised gains and losses	13,484 =====	(27,895) =====

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Year ended 30 November 1994 £'000	Year ended 30 November 1993 £'000
Profit/(loss) for year	3,066	(4,783)
Dividends	-	(10)
	3,066	(4,793)
Currency translation differences on foreign currency net investments	10,418	(23,112)
Goodwill written back on disposal of subsidiaries	-	4,400
Decrease in interests of DMFE minority shareholders	-	17,696
Goodwill on acquisition of minority shareholding	162	-
Movement in equity shareholders' funds	13,646	(5,809)
Opening equity shareholders' funds	30,007	35,816
Closing equity shareholders' funds	43,653 =====	30,007 =====

The notes on pages 11 to 31 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 1994.

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 20, 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 1994.

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 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
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	<u>212,609</u>	<u>135,851</u>	<u>74,928</u>	<u>322</u>	<u>1,508</u>
	=====	=====	=====	=====	=====
1993 Group turnover					
By geographical destination:					
Sales to third parties	226,809	69,158	71,998	77,057	2,596
	=====	=====	=====	=====	=====
By geographical origin:					
Total sales	394,334	206,786	106,652	53,384	27,512
Intercompany sales	(167,525)	(108,154)	(14,638)	(18,408)	(26,325)
Sales to third parties	<u>226,809</u>	<u>98,632</u>	<u>92,014</u>	<u>34,976</u>	<u>1,187</u>
	=====	=====	=====	=====	=====
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 undertaking	5,750				
Net interest	(9,750)				
Group profit before taxation	<u>3,409</u>				
	=====				

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
1993 Group profit before tax					
Segment profit by origin	24,408	9,379	2,615	3,429	8,985
Share of associated undertakings profit before tax	5,429	-	-	-	5,429
	<u>29,837</u>	<u>9,379</u>	<u>2,615</u>	<u>3,429</u>	<u>14,414</u>
Central costs	(6,030)				
Operating profit	<u>23,807</u>				
Loss on disposal of subsidiary undertakings	(3,701)				
Net interest	(16,994)				
Group loss before taxation	<u>3,112</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>				
1993 Group net assets					
Segment net assets	144,481	7,130	95,863	20,310	21,178
Group share of the net assets of associated undertakings	13,832	-	-	-	13,832
	<u>158,313</u>	<u>7,130</u>	<u>95,863</u>	<u>20,310</u>	<u>35,010</u>
Less: bank loans and overdrafts net of cash holdings	(127,489)				
Total Group net assets	<u>30,824</u>				

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	30 November 1994 £'000	30 November 1993 £'000
Depreciation - owned assets	3,089	3,922
- leased assets	21	24
Auditors' remuneration - audit work	214	213
- non-audit work	109	16
(Profit)/loss on sale of tangible assets	(32)	370
Operating lease rentals - plant and machinery	472	700
- other	1,626	1,823
Exchange gains	(3,728)	(2,200)
Exceptional item - provision in respect of amounts due from fellow subsidiary undertakings	2,454	-
	=====	=====

4. INTEREST PAYABLE

	30 November 1994 £'000	30 November 1993 £'000
INTEREST PAYABLE		
Interest payable on bank loans, overdrafts and other loans		
Repayable within 5 years	6,168	9,313
Repayable after 5 years or more	3,068	4,148
Other charges	1,506	2,904
Interest payable to group undertaking	1,750	1,365
	<u>12,492</u>	<u>17,730</u>
Interest capitalised in deferred growing crops	(1,471)	-
	<u>11,021</u>	<u>17,730</u>
	=====	=====

DEL MONTE FOODS INTERNATIONAL LIMITED
NOTES TO THE ACCOUNTS

5. STAFF COSTS AND EMPLOYEES

STAFF COSTS (Including Directors)

	30 November 1994 £'000	30 November 1993 £'000
Wages and salaries	18,570	22,588
Social security costs	6,146	7,705
Other pension costs	598	326
	<u>25,314</u>	<u>30,619</u>
	=====	=====

EMPLOYEES

	30 November 1994 Number	30 November 1993 Number
Average number of employees:		
Manufacturing	3,606	3,842
Transportation	500	587
Selling/Marketing	103	142
Administration	521	541
Total	<u>4,730</u>	<u>5,112</u>
	=====	=====

Geographical split of employees:

	30 November 1994 Number	30 November 1993 Number
UK	259	256
Italy	475	586
Rest of Europe	-	378
Other	3,996	3,892
Total	<u>4,730</u>	<u>5,112</u>
	=====	=====

6. DIRECTORS' EMOLUMENTS

	30 November 1994 £'000	30 November 1993 £'000
Aggregate emoluments: Remuneration for service (including pension contributions)	914	783
	<u>914</u>	<u>783</u>
	=====	=====
Emoluments of Chairman (excluding pension contributions)	185	110
	<u>185</u>	<u>110</u>
	=====	=====
Emoluments of highest paid director (excluding pension contributions)	268	298
	<u>268</u>	<u>298</u>
	=====	=====

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 1994 Number	30 November 1993 Number
£ 0 - £ 5,000	13	13
£ 20,001 - £ 25,000	-	1
£ 25,001 - £ 30,000	-	1
£ 55,001 - £ 60,000	-	1
£ 65,001 - £ 70,000	1	-
£ 80,001 - £ 85,000	-	1
£ 90,001 - £ 95,000	-	1
£110,001 - £115,000	-	1
£140,001 - £145,000	1	-
£155,001 - £160,000	1	-
£180,001 - £185,000	1	-
£265,001 - £270,000	1	-
£295,001 - £300,000	-	1

7. TAXATION

	30 November 1994 £'000	30 November 1993 £'000
Current Year		
Overseas taxation	172	1,888
Tax attributable to the results of associated undertakings	(9)	1,321
Overseas withholding tax not recoverable	-	93
	<hr/> 163	<hr/> 3,302
Adjustments relating to earlier years	94	4,366
	<hr/> 257	<hr/> 7,668
	*****	*****

The overseas withholding tax not recoverable relates to certain dividends and management charges receivable from overseas subsidiaries.

8. DIVIDENDS PAID

	30 November 1994 £'000	30 November 1993 £'000
Ordinary shares	-	10
	*****	*****

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

9. INTANGIBLE ASSETS

£'000

At 30 November 1994 and 30 November 1993

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

10. 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
COST						
At 30 November 1993	17,528	7,964	2,185	32,494	7,339	67,510
Additions	643	-	4,357	1,089	124	6,213
Disposals	(20)	(99)	-	(1,097)	(207)	(1,423)
Disposal of subsidiary	(3,911)	-	(241)	(6,039)	(505)	(10,696)
Reclassifications	36	84	(4,780)	3,257	1,403	-
Exchange adjustments	(63)	3,364	515	1,729	1,890	7,435
At 30 November 1994	<u>14,213</u>	<u>11,313</u>	<u>2,036</u>	<u>31,433</u>	<u>10,044</u>	<u>69,039</u>
DEPRECIATION						
At 30 November 1993	(2,026)	(1,065)	-	(11,288)	(3,831)	(18,210)
Charge for the period	(207)	(222)	-	(1,589)	(1,092)	(3,110)
Disposals	20	-	-	851	198	1,069
Disposal of subsidiary	1,020	-	-	2,679	282	3,981
Exchange adjustments	21	(482)	-	(749)	(790)	(2,000)
At 30 November 1994	<u>(1,172)</u>	<u>(1,769)</u>	<u>-</u>	<u>(10,096)</u>	<u>(5,233)</u>	<u>(18,270)</u>
NET BOOK VALUE						
At 30 November 1994	13,041	9,544	2,036	21,337	4,811	50,769
At 30 November 1993	15,502	6,899	2,185	21,206	3,508	49,300

Included in the net book value of plant and machinery at 30 November 1994 was £100,000 (1993: £126,000) held by the Group under finance leases.

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

11. FIXED ASSETS - INVESTMENTS

GROUP

Associated undertakings:	£'000
At 30 November 1993	13,832
Share of profit after tax for the year	29
Exchange adjustment	2,587
At 30 November 1994	<u>16,448</u>
	=====

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

COMPANY

Shares in
group companies
£'000

At cost at 30 November 1994 and 30 November 1993	144,550
	=====

Details of the Group's subsidiary and associated undertakings are shown in note 33.

12. STOCKS

	1994 £'000	1993 £'000
Raw materials	8,881	9,109
Work in progress	19,145	8,671
Finished goods	27,990	48,788
	<u>56,016</u>	<u>66,568</u>
	=====	=====

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

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

13. DEBTORS

	Group		Company	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Trade debtors before deduction of proceeds from factoring	44,687	40,706	-	-
Less: proceeds from debts factored without recourse	(8,249)	(7,933)	-	-
Trade debtors	36,438	32,773	-	-
Amounts owed by parent and fellow subsidiary undertakings	12,092	11,142	163	-
Amounts owed by subsidiary undertakings	-	-	16,136	17,985
Other debtors	4,480	6,414	-	-
Prepayments and accrued income	3,828	1,365	-	-
	<u>56,838</u>	<u>51,694</u>	<u>16,299</u>	<u>17,985</u>
	=====	=====	=====	=====

Included in prepayments is an amount of £2,567,000 (1993: £nil), comprising expenditure incurred in the introduction of new products or entering new markets. Such expenditure is deferred over the period of its expected benefit of 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 £315,000 (1993: £198,000) 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 provider of the finance 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.

14. CREDITORS -

Amounts falling due within one year

	Group		Company	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Bank loans and overdrafts - (note 16)	11,958	17,562	5,000	5,000
Trade creditors	28,833	33,144	-	-
Bills of exchange payable	7,519	-	-	-
Amounts owed to parent and fellow subsidiary undertakings	44,908	35,491	20,194	14,496
Amounts owed to subsidiary undertakings	-	-	16,041	14,991
Amounts owed to associated undertakings	3,631	1,684	-	-
Other creditors	3,083	1,311	-	-
Taxation and social security	6,152	7,266	-	3
Accruals and deferred income	15,587	15,592	227	43
	<u>121,671</u>	<u>112,050</u>	<u>41,462</u>	<u>34,533</u>
	=====	=====	=====	=====

Amounts due to parent and fellow subsidiary undertakings include £20,031,000 (1993: £15,706,000) of deep discounted notes. Final payments due in respect of these notes amount to £21,027,000, although the company has the option to make repayment before maturity of the initial capital and interest due up to the repayment date.

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

15. CREDITORS -

Amounts falling due after more than one year

	Group		Company	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Bank loans (note 16)	90,348	110,932	62,108	65,000
Other creditors	-	74	-	-
Accruals	42	925	-	-
	<u>90,390</u>	<u>111,931</u>	<u>62,108</u>	<u>65,000</u>
	=====	=====	=====	=====

16. BANK LOANS AND OVERDRAFTS

	Group		Company	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Within one year	11,958	17,562	5,000	5,000
Between one and two years	5,000	5,000	5,000	5,000
Between two and five years	57,108	60,000	57,108	60,000
In five years or more	28,240	45,932	-	-
	<u>102,306</u>	<u>128,494</u>	<u>67,108</u>	<u>70,000</u>
	=====	=====	=====	=====

The bank loan, repayable in five years or more, has been matched by a cash deposit supplied to the bank by Del Monte Internationale S.A. following its acquisition of Del Monte Foods International Limited.

17. PROVISIONS FOR LIABILITIES AND CHARGES

GROUP	Total £'000
At 30 November 1993	5,412
Amount removed on disposal of subsidiary	(266)
Additions during period	820
Amounts utilised	(1,172)
Exchange adjustment	19
At 30 November 1994	<u>4,813</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

18. DEFERRED TAXATION

There is no provision for deferred taxation (1993: fnil).
The full potential asset which has not been recognised in the Group accounts of £7,046,000 (1993: asset of £12,527,000) is analysed below:

	<u>Unprovided</u>	
	1994	1993
	£'000	£'000
Accelerated capital allowances	2,778	855
Other timing differences	(1,099)	(2,456)
Losses available for offset	(15,382)	(13,829)
Deferred crop expenditure	6,657	2,903
	<u>(7,046)</u>	<u>(12,527)</u>
	=====	=====

The provided deferred tax in the Company at 30 November 1994 was fnil (1993: fnil). The unprovided deferred tax in the Company at 30 November 1994 was an asset of £8,390,000 (1993: asset of £5,058,000).

19. CALLED UP SHARE CAPITAL - GROUP AND COMPANY

Authorized share capital:

	Number	£'000
At 30 November 1994 and 30 November 1993		
Ordinary shares of 20p each	500,000,000	100,000
		=====

Issued and fully paid share capital:

	Number	Nominal value £'000
At 30 November 1994 and 30 November 1993		
Ordinary shares of 20p each	288,761,427	57,752
		=====

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

20. RESERVES

GROUP	Share premium account £'000	Goodwill reserve £'000	Cumulative translation reserve £'000	Profit and loss account £'000
At 30 November 1993	1,117	(20,067)	(32,813)	24,018
Retained profit for the year	-	-	-	3,066
Retranslation adjustments	-	-	10,418	-
Goodwill written off on acquisition of minority interests	-	162	-	-
At 30 November 1994	<u>1,117</u> =====	<u>(19,905)</u> =====	<u>(22,395)</u> =====	<u>27,084</u> =====
COMPANY	Share premium account £'000		Cumulative translation reserve £'000	Profit and loss account £'000
At 30 November 1993	1,117		(7,503)	11,636
Loss for the year	-		-	(4,973)
At 30 November 1994	<u>1,117</u> =====		<u>(7,503)</u> =====	<u>6,663</u> =====

Included in the movement in the Group's retranslation reserve is an amount of £nil (1993: £281,000) representing exchange gains on foreign currency borrowings set against foreign exchange losses on the Group's investments.

The cumulative goodwill written off on acquisitions in the Group to 30 November 1994 was £19,905,000 (1993: £20,057,000).

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.

21. MINORITY INTERESTS

	£'000
At 30 November 1993	817
Profit and loss account	86
Share of net assets acquired from minorities	(483)
Dividends paid by subsidiary company	(94)
Retranslation adjustment	318
At 30 November 1994	<u>644</u> =====

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

22. 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 £559,000 (1993: £326,000) of which £459,000 (1993: £183,000) relates to the main UK scheme, the Del Monte Foods International U.K. Pension Plan. An amount of £23,000 (1993: £52,000) 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 1991 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 90% of the benefits which had accrued to members, after allowing for expected future increases in pensionable remuneration. A provisional valuation of the DMKL scheme is £678,000.

- DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

23. LEASE OBLIGATIONS

	1994 £'000	Group 1993 £'000
OPERATING LEASES ON LAND AND BUILDINGS		
Annual commitments on leases which expire:		
Within one year	-	31
Between two and five years	166	166
Beyond five years	792	868
	<hr/> 958	<hr/> 1,065
	=====	=====
OTHER OPERATING LEASES		
Annual commitments on leases which expire:		
Within one year	231	670
Between two and five years	545	253
Beyond five years	269	-
	<hr/> 1,045	<hr/> 923
	=====	=====

The Company has no lease obligations.

24. CAPITAL COMMITMENTS

	1994 £'000	Group 1993 £'000
Contracted for, but not provided in these accounts	906	719
	=====	=====
Authorized by the Directors, but not contracted for	402	1,162
	=====	=====

The Company has no capital commitments.

25. GUARANTEES

The Company's liabilities under the Unsecured Medium Facility detailed in note 16 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.

26. 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 £0.5 million (1993: £0.8 million) and letters of credit in the normal course of business of £0.1 million (1993: £0.7 million).

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

27. RECONCILIATION OF OPERATING PROFIT
TO NET CASH INFLOW FROM OPERATING
ACTIVITIES

	30 November 1994 £'000	30 November 1993 £'000
Operating profit	7,409	23,807
Depreciation charges	3,110	3,946
(Profit)/loss on disposal of tangible fixed assets	(32)	370
Share of profit from interest in associated undertaking	(20)	(5,429)
Decrease/(increase) in stocks	10,220	(14,344)
Decrease (Increase) in debtors	(1,469)	(20,782)
Increase in creditors	10,681	41,742
(Decrease) in provisions	(415)	(2,861)
NET CASH INFLOW FROM OPERATING ACTIVITIES	29,484 =====	26,449 =====

28. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	30 November 1994 £'000	30 November 1993 £'000
Opening balance	(11,557)	(19,378)
Net cash inflow before adjustments for the effect of foreign exchange rate changes	9,346	4,402
Effect of foreign exchange rate changes	(1,465)	3,419
Closing balance	(3,676) =====	(11,557) =====

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

	30 November 1994 £'000	Change in period £'000	30 November 1993 £'000
Cash at bank and in hand	3,282	2,277	1,005
Bank loans and overdraft	(11,958)	5,604	(17,562)
	(8,676)	7,881	(16,557)
Add: borrowings with an initial maturity of more than three months included above	5,000	-	5,000
	(3,676) =====	7,881 =====	(11,557) =====

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

30. ANALYSIS OF CHANGES IN FINANCING

	Long-term debt and loan capital	
	1994	1993
	£'000	£'000
Opening balance	115,932	113,399
Long term debt raised	2,108	142,750
Interest added to long-term debt	3,202	3,583
Long-term debt repaid	(26,141)	(140,116)
Effect of foreign currency exchange rates on long-term debt	247	(3,684)
Closing balance	95,348	115,932

31. DISPOSAL OF SUBSIDIARIES TO PARENT UNDERTAKING

	30 November 1994	30 November 1993
	£'000	£'000
Net assets disposed of		
Fixed Assets	6,715	99
Stocks	7,570	6,201
Debtors	1,717	5,370
Bank overdrafts	(4,196)	(517)
Creditors	(2,353)	(10,619)
Provisions	(203)	-
Profit/(Loss) on disposal	9,250	534
Goodwill written back	5,750	(3,701)
	-	4,400
	15,000	1,233
Satisfied by		
Cash	15,000	1,233

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

During the period to 30 November 1993 Del Monte Deutschland GmbH and Del Monte Brands N.E. S.A. were sold to the parent undertaking, Del Monte Internationale S.A. The Group's loss for the period includes losses of £684,000 attributable to these undertakings.

The disposals of Hellenic Food Industries S.A., Del Monte Deutschland GmbH and Del Monte Brands N.E.S.A. do not represent discontinued operations as defined by Financial Reporting Standard 3. The Group continues to buy products produced by Hellenic Food Industries S.A. and sell in the markets previously covered by Del Monte Deutschland GmbH and Del Monte Brands N.E.S.A.

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

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

	30 November 1994 £'000	30 November 1993 £'000
Cash consideration (note 31)	15,000	1,233
Bank overdrafts of disposed subsidiary undertakings	4,196	517
	<u>19,196</u>	<u>1,750</u>

33. 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%
DMF Italia Holdings Srl	Trading	Italy	Italy	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	97.5%
Del Monte Foods Sud Europa SpA	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/Trustees	England	United Kingdom	100%
Del Monte Pacific Resources	Trading	British Virgin Islands	Philippines	34.9%

The year end of Del Monte Pacific Resources Limited (formerly Mindanao Enterprises Limited) is 30 June 1994 which is not coterminous with that of Del Monte Foods International Limited. The accounting period has been determined by the majority shareholder, Mike Mac IHC Inc, a subsidiary of Del Monte Corporation, U.S.A., an unrelated corporation.

DEL MONTE FOODS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

33. GROUP UNDERTAKINGS cont...

The results of Del Monte Pacific Resources Limited included in these accounts are based on audited accounts for the period from 1 July 1993 to 30 June 1994 and management accounts for the period post 30 June 1994 to 30 November 1994.

All the trading companies are involved in the marketing and/or processing of food.

* Shares directly held by Del Monte Foods International Limited.

34. 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.