

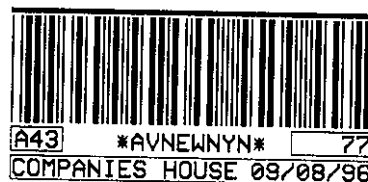


**CAPESPAN INTERNATIONAL HOLDINGS  
LIMITED**

**Report and Financial Statements**

**30 September 1995**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**





**REPORT AND FINANCIAL STATEMENTS 1995**

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**REPORT AND FINANCIAL STATEMENTS 1995**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

M J Sagers	(British)	(Appointed 14 July 1994, resigned 30 September 1994)
D W Gant	(South African)	(Appointed 21 September 1994)
L B Kriel	(South African)	(Appointed 21 September 1994)
J S Stanbury	(South African)	(Appointed 21 September 1994)
T M Thalwitzer	(South African)	(Appointed 21 September 1994)

**SECRETARY**

J S Clarke

**REGISTERED OFFICE**

Hill House  
1 Little New Street  
London EC4A 3TR

**BANKERS**

National Westminster Bank Plc  
Slough Business Centre  
118 High Street  
Slough  
Berks SL1 1JG

**SOLICITORS**

Maitland & Co.  
Sixth Floor  
21 Southampton Row  
London WC1B 5HA

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the period ended 30 September 1995.

## **PRINCIPAL ACTIVITIES**

The Company was incorporated on 14 July 1994 and these are its first set of financial statements. The Company has changed its name twice; it was incorporated as Cynoma Limited, changed its name to Capespan International Limited on 15 August 1994, and changed its name to Capespan International Holdings Limited on 22 September 1994. The company was dormant until 30 September 1994. On 1 October 1994, the Company acquired its subsidiaries from its ultimate parent undertakings, Unifruco Limited and Outspan International Limited, and the group started trading on that date.

The company is a non trading holding company. The principal activity of its subsidiaries is the provision of marketing, selling and distribution services in relation to the fruit trade and allied products, acting as agent on behalf of the group's ultimate parent undertakings and other Principals.

## **REVIEW OF BUSINESS**

The quantity and sales value of produce handled by the Group during the year ended 30 September 1995 were as follows:

	<b>1995</b>	<b>1995</b>
	<b>No. cartons</b>	
	<b>'000</b>	<b>£'000</b>
Stonefruit (Apricots, Peaches, Plums)	4,764	24,745
Grapes	16,272	123,061
Pomefruit (Pears, Apples)	19,895	162,414
Exotics (Avocados, Mangoes, Lychees etc)	2,995	10,955
Oranges	19,218	131,791
Soft Citrus	2,329	16,171
Grapefruit	6,354	40,980
Other Citrus	2,171	15,830
	<hr/>	<hr/>
Total fruit	73,998	525,947
	<hr/>	<hr/>
Processed goods (Wine, Juice)	1,171	5,492
	<hr/>	<hr/>
	<u>75,169</u>	<u>531,439</u>

## **FUTURE DEVELOPMENTS**

Our major focus in 1996 is centred on improving customer service and particularly enhancing the arrival condition of fruits by eliminating time, detour and handling delays. This will allow more tree ripened and flavoursome fruit to be brought to the consumer and at the same time eliminate wastage claims. In order to achieve this, comprehensive options of restructuring the sales and distribution operations across Europe are currently being evaluated.

## **PROPOSED DIVIDEND AND TRANSFER TO RESERVES**

The directors do not recommend the payment of a dividend. The retained profit of £120,000 has been transferred to reserves.

## **FIXED ASSETS**

Movements in fixed assets are shown in notes 9 and 10 to the accounts.



## **DIRECTORS' REPORT**

### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the year, and the changes since the year end, are shown on page 1.

None of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company or other group companies.

### **AUDITORS**

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

28th June 1996



## Chartered Accountants

Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR

Telephone: National 0171 936 3000  
International + 44 171 936 3000  
Telex: 884739 TRLNDN G  
Fax (Gp. 3): 0171 583 8517  
LDE: DX 599

## AUDITORS' REPORT TO THE MEMBERS OF CAPESPAN INTERNATIONAL HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 19 which have been prepared under the accounting policies set out on page 10.

### 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 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 the Company's and Group's affairs as at 30 September 1995 and of the profit of the group for the period from 14 July 1994 (date of incorporation) to 30 September 1995 and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors

28 June 1996



**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**14 months 17 days ended 30 September 1995**

	Note	1995 £'000
<b>TURNOVER</b>	1,3	11,627
Administrative expenses		(11,348)
<b>OPERATING PROFIT</b>	5	279
Interest receivable and similar income		12
Interest payable and similar charges	6	(9)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		282
Tax on profit on ordinary activities	7	(162)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR</b>		120

The results arose from the acquisitions made on 1 October 1994.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**14 months 17 days ended 30 September 1995**

	1995 £'000
Profit attributable to members of the group	120
Foreign exchange translation differences on foreign currency net investment in subsidiaries	8
<b>Total recognised gains and losses for the year</b>	128

The recognised gains and losses arose from acquisitions made on 1 October 1994.

There are no movements in shareholders' funds, except as shown in the statement of total recognised gains and losses.



**CONSOLIDATED BALANCE SHEET**  
**30 September 1995**

	Note	1995 £'000
<b>FIXED ASSETS</b>		
Tangible assets	9	<u>1,966</u>
<b>CURRENT ASSETS</b>		
Debtors	11	1,232
Cash at bank and in hand		<u>15,594</u>
		16,826
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(14,764)</u>
<b>NET CURRENT ASSETS</b>		<u>2,062</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,028
<b>CREDITORS: amounts falling due after one year</b>	13	(3,460)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	<u>(440)</u>
		<u>128</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	15	-
Profit and loss account	16	<u>128</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>128</u>

These financial statements were approved by the Board of Directors on 28<sup>th</sup> June 1996.

Signed on behalf of the Board of Directors

Director





**BALANCE SHEET**  
**30 September 1995**

	Note	1995 £'000
<b>FIXED ASSETS</b>		
Investments	10	50
		<hr/> 50
<b>CURRENT ASSETS</b>		
Debtors	11	-
		<hr/> -
<b>CREDITORS: amounts falling due within one year</b>	12	(50)
		<hr/> (50)
<b>NET CURRENT LIABILITIES</b>		<hr/> (50)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		-
<b>CREDITORS: amounts falling due after one year</b>		-
		<hr/> -
		<hr/> -
<b>CAPITAL AND RESERVES</b>		
Called up share capital	15	-
		<hr/> -
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<hr/> -

These financial statements were approved by the Board of Directors on 28<sup>th</sup> June 1996.

Signed on behalf of the Board of Directors

Director

*D. W. East*

*A. B. Friel*

**CONSOLIDATED CASH FLOW STATEMENT**  
**14 months 17 days ended 30 September 1995**

	Note	1995 £'000
Net cash inflow from operating activities	17	14,661
<b>Returns on investments and servicing of finance</b>		
Interest received		12
Interest paid		(9)
<b>Net cash inflow from returns on investments and servicing of finance</b>		3
<b>Taxation</b>		
UK corporation tax paid		-
Overseas tax paid		(49)
<b>Tax paid</b>		(49)
<b>Investing activities</b>		
Payments to acquire tangible fixed assets		(2,779)
Receipts from sales of tangible fixed assets		298
<b>Net cash outflow from investing activities</b>		(2,481)
<b>Net cash inflow before financing</b>		12,134
<b>Financing</b>	18	3,460
<b>Net cash inflow from financing</b>		3,460
<b>Increase in cash and cash equivalents</b>	19	15,594

All cash flows arose as a result of the acquisitions made on 1 October 1994.

**NOTES TO THE ACCOUNTS**  
**14 months 17 days ended 30 September 1995**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Basis of consolidation**

The consolidated accounts incorporate the financial statements of the company and its subsidiaries.

The financial statements include the results of subsidiaries acquired during the year from the effective dates of acquisition, adopting acquisition accounting methods.

**Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Short-term leasehold improvements	Over the term of the lease
Computer equipment and software	25% per annum
Motor vehicles	25% per annum
Fixtures, fittings and other equipment	Between 10% and 20% per annum

**Investments**

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

**Deferred taxation**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

**Leases**

Operating lease rentals are charged to income in equal annual amounts over the lease term.

**Foreign currency**

Assets and liabilities denominated in foreign currencies and net assets of overseas operations are translated into sterling at the rates of exchange ruling at the balance sheet date. The profits and losses of overseas operations are translated into sterling at average rates. Exchange rate variations, which arise from the translation at rates different from those used in the previous accounts in respect of the opening net assets of the overseas subsidiaries, are dealt with as a movement on reserves. Exchange profits or losses realised on trading transactions are included in the Group's trading results.

**Pension costs**

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

**Turnover**

Turnover represents commissions received for the marketing, selling and distribution in the UK and Europe of fruit and allied products, acting as agent on behalf of the Group's ultimate parent undertakings and other Principals.



**NOTES TO THE ACCOUNTS**

**14 months 17 days ended 30 September 1995**

**2. ACQUISITIONS DURING THE PERIOD**

On 1 October 1994 Capespan International Holdings Limited acquired 100% of the share capital of Capespan International PLC for a consideration of £50,000. On the same day Capespan International PLC acquired 100% of the share capital of the following companies for a total consideration of £863,000, representing the net book value of the net assets as at the date of acquisition:

	Capespan UK Ltd	Capespan Benelux NV	Capespan Deutschland GmbH	Unifruco UK Ltd	Total
	£'000	£'000	£'000	£'000	£'000
Fixed assets	75	142	133	35	385
Cash	2,125	320	656	471	3,572
Debtors	2,349	322	482	97	3,250
Net interco	220	(466)	(1,141)	(510)	(1,897)
Creditors	(4,148)	(93)	(112)	(94)	(4,447)
Consideration	621	225	18	(1)	863

No fair value adjustments have been made as such adjustments were not considered necessary having regard to the values at which assets and liabilities were recorded in the books of the various companies immediately before the acquisitions.

**3. ANALYSIS OF TURNOVER, PROFIT AND NET ASSETS**

	<b>1995</b>
	<b>£'000</b>
<b>Turnover by origin and destination</b>	
United Kingdom	3,615
Benelux	2,082
Germany	3,177
France	1,503
Italy	448
Other European countries	802
	<b>11,627</b>
	<b>1995</b>
	<b>£'000</b>
<b>Profit on ordinary activities before taxation and interest by origin</b>	
United Kingdom	210
Benelux	124
Germany	119
France	49
Italy	28
Other European countries	(251)
	<b>279</b>



**NOTES TO THE ACCOUNTS**

**14 months 17 days ended 30 September 1995**

**3. ANALYSIS OF TURNOVER, PROFIT AND NET ASSETS (continued)**

	<b>1995</b>
	<b>£'000</b>
<b>Net assets by origin</b>	
United Kingdom	315
Benelux	52
Germany	22
France	7
Italy	11
Other European countries	(279)
	<hr/> 128 <hr/>

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>1995</b>
	<b>£'000</b>
<b>Directors' emoluments</b>	
Fees	5
Other emoluments	163
Benefits in kind - motor vehicles	4
	<hr/> 172 <hr/>
 Remuneration of the highest paid director	 <hr/> 169 <hr/>
 <b>Scale of other directors' remuneration</b>	 <b>No.</b>
£ 0 - £ 5,000	4
	<hr/>
<b>Average number of persons employed</b>	
Sales and marketing	109
Administration	57
	<hr/> 166 <hr/>
 <b>Staff costs during the period (including directors)</b>	 <b>£'000</b>
Wages and salaries	4,838
Social security costs	703
Pension costs	476
	<hr/> 6,017 <hr/>



**NOTES TO THE ACCOUNTS**  
**14 months 17 days ended 30 September 1995**

**5. OPERATING PROFIT**

	1995 £'000
<b>Operating profit is after charging:</b>	
Depreciation and amortisation	
Owned assets	595
Rentals under operating leases	
Hire of plant and machinery	8
Other operating leases	686
Foreign exchange loss	30
Auditors' remuneration	
Audit	79
Other services	118
	<u>118</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	1995 £'000
Bank loans, overdrafts and other loans repayable within five years	9
	<u>9</u>

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1995 £'000
Overseas taxation	162
	<u>162</u>

The tax charge is disproportionately high compared to the profit for the period due to the incidence of disallowable expenditure for tax purposes.

**8. PROFIT AND LOSS ACCOUNT OF THE COMPANY**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Company is not presented as part of these accounts. The Company did not trade during the period and, accordingly, made neither a profit nor a loss.


**NOTES TO THE ACCOUNTS**
**14 months 17 days ended 30 September 1995**
**9. TANGIBLE FIXED ASSETS**

The Group	Short-term leasehold improve- ments	Computer equipment and software	Motor vehicles	Fixtures, fittings and other equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 14 July 1994	-	-	-	-	-
Transfers from group of which the Company is an associate	-	204	377	673	1,254
Additions on acquisition of subsidiaries	25	61	71	228	385
Additions	5	720	256	159	1,140
Disposals	-	-	(307)	(47)	(354)
Exchange adjustment	1	8	9	20	38
At 30 September 1995	31	993	406	1,033	2,463
Accumulated depreciation					
At 14 July 1994	-	-	-	-	-
Charge for the period	7	218	195	175	595
Disposals	-	-	(53)	(45)	(98)
At 30 September 1995	7	218	142	130	497
Net book value					
At 30 September 1995	24	775	264	903	1,966

**NOTES TO THE ACCOUNTS**  
**14 months 17 days ended 30 September 1995**

**10. INVESTMENTS HELD AS FIXED ASSETS**

	<b>The Company Shares in subsidiary £'000</b>
Cost	
At incorporation on 14 July 1994	-
Additions on 1 October 1994	50
	<hr/>
At 30 September 1995	50
	<hr/>

The Company had the following principal subsidiaries, the ordinary shares of which are wholly owned:

	<b>Incorporated/registered and trading in</b>
Capespan International PLC	England and Wales
<b>Held by Capespan International PLC</b>	
Capespan UK Limited	England and Wales
Unifruco UK Limited	England and Wales
Capespan Benelux NV	Belgium
Capespan Deutschland GmbH	Germany
<b>Held by Capespan Deutschland GmbH</b>	
H. Olf & Sohn GmbH	Germany
<b>Held by Capespan UK Limited</b>	
Capespan France SA	France
<b>Held by Unifruco (UK) Limited</b>	
Capespan Italia Srl	Italy

All principal subsidiaries provide marketing, selling and distribution services in relation to the fruit trade and allied products, except for Unifruco UK Limited and Capespan Deutschland GmbH which act as holding companies.

**11. DEBTORS**

	<b>Group 1995 £'000</b>
Amounts owed by group undertakings	
Ultimate parent undertakings	-
Other group undertakings	103
Overseas taxation recoverable	33
Other debtors	1,096
	<hr/>
	1,232
	<hr/>

The company is owed £2 by its ultimate parent companies for called up share capital not paid.




**NOTES TO THE ACCOUNTS**
**14 months 17 days ended 30 September 1995**
**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 1995 £'000	Company 1995 £'000
Bank loans and overdrafts	185	
Trade creditors	726	
Amounts owed to group undertakings		
Ultimate parent undertakings	8,735	
Other group undertakings	1,289	50
Overseas tax	146	
Other taxes and social security	2,439	
Other creditors	1,244	
	<u>14,764</u>	<u>50</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	Group 1995 £'000	Company 1995 £'000
Amounts owed to ultimate parent undertakings	<u>3,460</u>	<u>-</u>

These are interest free loans with no fixed terms of repayment.

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	Group 1995 £'000
Pensions and similar obligations	<u>440</u>

**15. CALLED UP SHARE CAPITAL**

	Group 1995 £	Company 1995 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up and allotted		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**NOTES TO THE ACCOUNTS**  
**14 months 17 days ended 30 September 1995**

**16. RESERVES**

	<b>Profit and loss account £'000</b>
<b>Group</b>	
At 14 July 1994	-
Retained profit	120
Exchange rate variations	8
	<hr/>
At 30 September 1995	<u>128</u>

**17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>1995 £'000</b>
Operating profit	279
Depreciation	595
	<hr/>
	874
Increase in debtors	(1,199)
Increase in creditors	14,618
Increase in provisions	440
Profit on sale of fixed assets	(42)
Foreign exchange movement	(30)
	<hr/>
Net cash inflow from operating activities	<u>14,661</u>

**18. ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD**

	<b>1995 £'000</b>
Balance at 14 July 1994	-
Loans from ultimate parent undertakings	3,460
	<hr/>
Balance at 30 September 1995	<u>3,460</u>


**NOTES TO THE ACCOUNTS**
**14 months 17 days ended 30 September 1995**
**19. ANALYSIS OF CHANGES IN CASH & CASH EQUIVALENTS DURING THE PERIOD**

	1995 £'000
<b>Cash at bank and in hand</b>	
Balance at 14 July 1994	-
Net cash inflow	15,594
	<hr/>
Balance as at 30 September 1995	15,594
	<hr/>

**20. FUTURE CAPITAL EXPENDITURE**

	Group 1995 £'000
Contracted for but not provided	-
	<hr/>
Authorised but not yet contracted for	816
	<hr/>

**21. OPERATING LEASE COMMITMENTS**

At 30 September 1995 the Group was committed to making the following payments during the next year in respect of operating leases:

	Group	
	Land and buildings	Other
	1995 £'000	1995 £'000
Leases which expire:		
Within one year	-	78
Within two to five years	82	231
After five years	479	-
	<hr/>	<hr/>
	561	309
	<hr/>	<hr/>

At 30 September 1995 the Company had no commitments in respect of operating leases.


**NOTES TO THE ACCOUNTS**
**14 months 17 days ended 30 September 1995**
**22. PENSION SCHEMES**

The Group has a number of pension schemes throughout Europe. The major schemes, which cover some 67.4% of scheme members, are split between defined benefit and defined contribution schemes.

The total pension cost for the Group in this period was £476,000 of which £190,000 relates to overseas schemes.

The funding relating to the principal UK defined benefit schemes is assessed in accordance with the advice of qualified actuaries at the appropriate time. The latest actuarial assessments were performed as set out below:

	<b>Date of actuarial assessment</b>	<b>Market value of scheme assets £'000</b>	<b>Surplus of funding level</b>
Unifruco Pension Scheme	1 October 1995	3,020	8%
SACCE Pension Scheme	1 February 1994	10,123	3%

The pension cost relating to foreign schemes includes £107,000 where the charge has been determined in accordance with local best practice and regulations in Germany.

**23. ULTIMATE PARENT UNDERTAKINGS**

Capespan International Holdings Limited is jointly owned by Outspan International Limited and Unifruco Limited, the ultimate parent undertakings. Outspan International Limited and Unifruco Limited are companies incorporated in the Republic of South Africa.

Accounts of the ultimate parent undertakings are available from:

Outspan International Limited  
P.O. Box 7733  
Hennopsmeer 0046  
Republic of South Africa

Unifruco Limited  
Parc du Cap  
P.O. Box 505  
Bellville 7535  
Republic of South Africa