

CAPESPAN INTERNATIONAL HOLDINGS LIMITED

Report and Financial Statements

26 December 1999



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

CAESPAN INTERNATIONAL HOLDINGS LIMITED**REPORT AND FINANCIAL STATEMENTS 1999**

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CAPESPAN INTERNATIONAL HOLDINGS LIMITED**REPORT AND FINANCIAL STATEMENTS 1999****OFFICERS AND PROFESSIONAL ADVISERS****DIRECTORS**

PF DeVillers Clüver		(Chairman, South African)
R Byrne	(Irish)	(appointed 4 November 1999)
E Caulfield	(Irish)	(appointed 4 November 1999)
D McCann	(Irish)	(appointed 4 November 1999)
P Misselbrook	(British)	(appointed 4 November 1999)
P Peviani	(Italian)	(appointed 4 November 1999)
JS Stanbury	(South African)	
E Van Vlaanderen	(South African)	(appointed 4 November 1999)
PA Karsten	(South African)	(resigned 4 November 1999)
LB Kriel	(South African)	(resigned 4 November 1999)
TM Thalwitzer	(South African)	(resigned 4 November 1999)
DJ Visser	(South African)	(resigned 4 November 1999)

SECRETARY

N Campailla	(resigned 6 August 1999)
NK Dockar	(appointed 6 August 1999)

REGISTERED OFFICE

Capespan International Holdings Limited
Farnham House
Farnham Lane
Farnham
South Bucks SL2 3RQ

BANKERS

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

SOLICITORS

Pinsent Curtis
Dashwood House
69 Old Broad Street
London EC2M 1NR

AUDITORS

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

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the fifty one week period ended 26 December 1999. The comparatives are for the sixty six week period ended 3 January 1999.

PRINCIPAL ACTIVITIES

The principal activity of the Company is acting as a 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 one of its joint parent undertakings and other Principals.

REVIEW OF BUSINESS

The results of the Group for the 51 weeks ended 26 December 1999 (sixty six weeks ended 3 January 1999) are set out on page 7.

The gross sales value and quantity of produce handled by the Group (excluding joint ventures) during the period were as follows:

	Fifty one weeks ended 26 December 1999	Fifty one weeks ended 26 December 1999	Sixty six weeks ended 3 January 1999	Sixty six weeks ended 3 January 1999
	£'000	Cartons '000	£'000	Cartons '000
Stonefruit (Apricots, Peaches, Plums)	19,303	5,424	28,024	5,826
Grapes	88,530	17,317	111,964	17,083
Pomefruit (Pears, Apples)	76,640	11,031	124,838	18,731
Exotics (Avocados, Mangoes, Lychees)	6,234	2,266	11,015	3,703
Oranges	55,704	10,124	94,629	20,064
Soft Citrus	8,998	1,816	13,743	1,918
Grapefruit	12,315	2,209	21,917	3,882
Other Citrus	2,568	400	4,655	840
Other Fruit	6,457	1,057	-	-
Total fruit	276,749	51,644	410,785	72,047
Capespan Fruit Juice division	1,859	-	-	-
Processed goods (Wine, Juice)	-	-	17,890	2,837
	278,608	51,644	428,675	74,884
Commission on marketing	13,491		12,934	
Commission on logistics	8,266		8,479	
Total turnover	300,365		450,088	

CORPORATE RESTRUCTURING

In 1999 the Group announced and implemented a major restructuring project. In response to rapidly changing market conditions, Capespan International Plc will no longer operate as a selling company and will divest its branches to various operating units. The remaining companies will consolidate into three locations and operate as

CAESPAN INTERNATIONAL HOLDINGS LIMITED**DIRECTORS' REPORT**

strategic business units under separate management. A charge of £1,946,000 was incurred in the period in respect of staff redundancies, fixed asset write-offs and other costs arising as a result of the restructuring. A provision of £1,014,000 remains at 26 December 1999.

FUTURE DEVELOPMENTS

The Group's focus on delivering superior returns to growers remains paramount. The Least Cost Distribution ("LCD") initiatives will continue with an added emphasis on attracting complementary non-Republic of South Africa sourced fruit. The ultimate goal is to have a twelve month supply of all major fruit types. On 4 November 1999, the Group concluded an alliance with Fyffes plc, details of which are covered separately in this report.

PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend (1999 - £nil).

DIRECTORS AND THEIR INTERESTS

The directors who held office during the period are shown on page 1.

None of the directors who held office at the end of the financial period had any disclosable interests in the shares of the Company or any other Group companies.

EMPLOYEES AND EMPLOYEE INVOLVEMENT

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Group retains its full commitment to ensuring employees are fully involved with, and kept informed of, the progress of both the particular business, and the Group overall, on a regular basis. The development of employees to realise their full potential is considered fundamental to the long-term success of the Group.

YEAR 2000

The Group invested significant resources in devising and implementing action plans, and contingency plans, in relation to the potential difficulties presented by the year 2000 issue. As anticipated, this effort ensured that all major systems continued to operate from 1 January 2000 without any commercial disruption.

As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

EURO

Management has addressed the financial and commercial implications of the introduction of the Euro and the process of Economic and Monetary Union for the Group and its customers and suppliers. The ongoing programme of enhancing computer systems will ensure that the Group is well placed to deal with any requirements of customers or suppliers with regard to the Euro.

CAPESPAN INTERNATIONAL HOLDINGS LIMITED**DIRECTORS' REPORT****FYFFES PLC**

On 23 December 1998, Capespan International Holdings Limited announced its intention to create a major European alliance with Fyffes plc, a company registered in Ireland and quoted on the London Stock Exchange.

The agreement was concluded on 4 November 1999, whereby Fyffes plc acquired 50% of Capespan International Holdings Limited. The initial consideration is €36.1m with a further €20.8m payable depending on future performance. In addition, Fyffes plc acquired 10% of Capespan Group Holdings Limited which is based in Cape Town, South Africa. Capespan Group Holdings Limited have been granted an option to subscribe for 14.568 million ordinary shares in Fyffes plc at a price of £1.21 per share if it can obtain Central Bank clearance in South Africa.

Capespan Group Holdings Limited is a South African company, established following the merger of Outspan International Limited and Unifruco Limited, with effect from 1 January 1999.

PAYMENTS TO CREDITORS

It is the Group's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions.

The Company has no non-Group creditors (3 January 1999 – nil).

AUDITORS

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



PF DeVillers Clüver

28 July 2000

CAPESPAN INTERNATIONAL HOLDINGS LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors 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 as at the end of the financial period and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF CAPESPAN INTERNATIONAL HOLDINGS LIMITED

We have audited the financial statements on pages 7 to 29 which have been prepared under the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 5 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 affairs of the Company and Group as at 26 December 1999 and of the loss of the Group for the fifty one week period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

2 August 2000

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
Fifty one weeks ended 26 December 1999

	Note	Fifty one weeks ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Turnover: group and share of joint ventures		302,610	452,656
Less: share of joint ventures' turnover		(2,245)	(2,568)
GROUP TURNOVER:			
Continuing operations	2	300,365	450,088
Cost of sales		(278,608)	(428,676)
Gross Profit		21,757	21,412
Administrative expenses (including £1,946,000 (1998 - £623,000) of exceptional costs in respect of reorganisation)		(23,698)	(24,664)
Other operating income		1,539	1,386
GROUP OPERATING LOSS:			
Continuing operations		(402)	(1,866)
Share of operating profit in joint ventures	10	108	41
Total operating loss: group and share of joint ventures	2,4	(294)	(1,825)
Interest receivable and similar income		74	119
Interest payable and similar charges	5	(323)	(318)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(543)	(2,024)
Tax on loss on ordinary activities	6	(289)	(306)
Loss on ordinary activities after taxation and before minority interests		(832)	(2,330)
Minority interests in ordinary activities – equity		(47)	(28)
RETAINED LOSS FOR THE FINANCIAL PERIOD	17	(879)	(2,358)

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Fifty one weeks ended 26 December 1999

	Fifty one weeks ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Loss attributable to members of the Group	(879)	(2,358)
Foreign exchange translation differences on foreign currency net investment in subsidiaries	(37)	8
Total recognised gains and losses for the period	<u>(916)</u>	<u>(2,350)</u>

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET
26 December 1999

	Note	26 December 1999 £'000	3 January 1999 £'000
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	3,125	2,554
Investments in joint ventures			
Share of gross assets	10	803	736
Share of gross liabilities	10	(548)	(371)
		<u>255</u>	<u>365</u>
		<u>3,380</u>	<u>2,919</u>
CURRENT ASSETS			
Stock		54	-
Debtors	11	19,991	23,761
Cash at bank and in hand		9,172	5,479
		<u>29,217</u>	<u>29,240</u>
CREDITORS: amounts falling due Within one year	12	<u>(27,147)</u>	<u>(31,703)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>2,070</u>	<u>(2,463)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,450</u>	<u>456</u>
CREDITORS: amounts falling due after more than one year	13	(1,138)	(488)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(1,567)	(542)
MINORITY INTERESTS – equity		<u>(1,340)</u>	<u>(1,305)</u>
NET ASSETS/(LIABILITIES)	2	<u>1,405</u>	<u>(1,879)</u>
CAPITAL AND RESERVES			
Called up share capital	16	-	-
Share premium	17	3,450	50
Other reserves	17	800	-
Profit and loss account	17	<u>(2,845)</u>	<u>(1,929)</u>
EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)	17	<u>1,405</u>	<u>(1,879)</u>

These financial statements were approved by the Board of Directors on 28 July 2000.

Signed on behalf of the Board of Directors

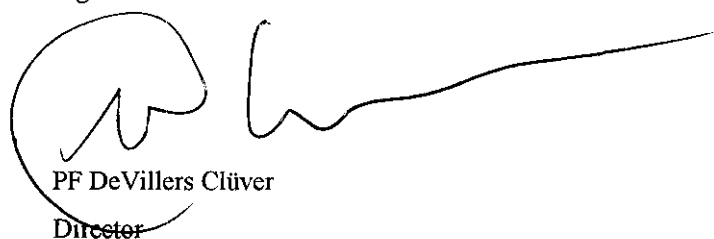
PF Devillers Clüver, Director

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
BALANCE SHEET
26 December 1999

	Note	26 December 1999 £'000	3 January 1999 £'000
FIXED ASSETS			
Investments	10	4,250	3,450
CREDITORS: amounts falling due within one year	12	-	(3,400)
NET CURRENT ASSETS		-	50
TOTAL ASSETS LESS CURRENT LIABILITIES		4,250	50
CAPITAL AND RESERVES			
Called up share capital	16	-	-
Share premium	17	3,450	50
Other reserves	17	800	-
EQUITY SHAREHOLDERS' FUNDS		4,250	50

These financial statements were approved by the Board of Directors on 28 July 2000.

Signed on behalf of the Board of Directors



PF DeVillers Clüver
Director

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
Fifty one weeks ended 26 December 1999

	Note	Fifty one weeks ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Net cash inflow/(outflow) from operating activities	18	5,961	(6,808)
Returns on investments and servicing of finance			
Interest received		74	119
Interest paid		(247)	(318)
Interest element of finance lease payments		(76)	-
Dividend received from joint venture undertaking		155	-
Net cash outflow from returns on investments and servicing of finance		(95)	(199)
Taxation			
UK Corporation tax paid		(90)	(233)
Overseas tax paid		(357)	(209)
Tax paid		(447)	(442)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(1,748)	(1,755)
Receipts from sales of tangible fixed assets		72	55
Net cash outflow from capital expenditure and financial investment		(1,676)	(1,700)
Acquisitions and disposals			
Purchase of interest in joint venture undertaking		-	(147)
Purchase of minority interest in subsidiary		(269)	-
Net cash outflow from acquisitions		(269)	(147)
Net cash inflow/(outflow) before financing		3,475	(9,296)
Financing			
Increase capital element of finance leases		1,153	-
Capital contribution from shareholders		800	-
(Repayment of)/increase in loans		(1,741)	260
Net cash inflow from financing		212	260
Increase/(decrease) in cash in the period		3,687	(9,036)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period	19	3,687	(9,036)
Decrease/(increase) in long term loans and leasing	19	588	(260)
Movement in net funds during the period		4,275	(9,296)
Opening net funds		4	9,300
Closing net funds		4,279	4

CAPESPAN INTERNATIONAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS****Fifty one weeks ended 26 December 1999****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.

Accounting for agency agreement

The directors are of the opinion, given that the Group's agency agreement is principally undisclosed to its customers, that debtors and creditors should be shown gross. Under this agreement, the principal holds beneficial interest in such debtors and creditors, save for any balance where credit risk falls on the Group due to approved credit limits being breached and approval not being received from the principal.

Joint venture undertakings

The Group's share of the joint ventures' turnover and operating profit is shown separately in the consolidated profit and loss account. The amount included in the Group balance sheet is the Group's share of the net assets of the joint venture undertaking. The Group's share of the gross assets and liabilities of the joint ventures are shown separately on the Group's balance sheet.

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:

Computer equipment	25% per annum
Computer software development	33% 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 impairment in value.

Goodwill

On the acquisition of a business fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to the such net assets the difference is treated as purchased goodwill and, following the implementation of FRS 10, is capitalised in the group balance sheet in the year of acquisition and amortised over it's estimated useful life. The group did not have any purchased goodwill prior to the implementation of FRS 10.

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.

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
1. ACCOUNTING POLICIES (continued)
Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership (finance leases) to the Group are included in the balance sheet as tangible fixed assets at cost less accumulated depreciation and the capital element of future rentals is treated as a liability. The interest element is charged to profit and loss account over the period of the finance lease in proportion to the balance of capital repayments outstanding.

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 gross sales of fruit and allied products, made whilst acting as agent on behalf of the Group's ultimate parent undertakings and other Principals, and commissions thereon for their marketing, selling and distribution in the UK and Europe.

2. ANALYSIS OF TURNOVER, LOSS AND NET ASSETS

	Fifty one weeks Ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Turnover by destination		
United Kingdom	105,393	169,490
Benelux	28,453	44,164
Germany	46,058	78,254
France	24,386	41,152
Italy	6,559	11,140
Austria	10,202	12,221
Eastern Europe	12,786	29,440
Other European countries	66,528	64,227
	<hr/>	<hr/>
	300,365	450,088
	<hr/>	<hr/>

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
2. ANALYSIS OF TURNOVER, LOSS AND NET ASSETS (continued)

The directors are of the opinion that all turnover arises from the Group's principal activity and that the country of invoicing and destination of turnover are the same.

	Fifty one weeks ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Loss on ordinary activities before taxation and interest by origin		
United Kingdom	(573)	(1,448)
Benelux	(492)	(12)
Germany	461	119
France	(135)	(233)
Italy	(143)	8
Austria	104	(43)
Joint ventures - income before taxation	108	41
Other European countries	376	(257)
	<u>(294)</u>	<u>(1,825)</u>
	26 December 1999 £'000	3 January 1999 £'000
Net assets/(liabilities) by origin		
United Kingdom	(1,105)	(2,793)
Benelux	981	204
Germany	762	442
France	490	(139)
Italy	183	9
Austria	26	(1)
Other European countries	68	399
	<u>1,405</u>	<u>(1,879)</u>

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Fifty one weeks Ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Total directors' emoluments, excluding pension contributions	103	121
Pension contributions	-	-
Remuneration of the highest paid director	103	121
	No.	No.
Number of directors who are members of a defined benefit scheme	-	-

Prior period figures have been restated to a basis consistent with current period.

	Fifty one weeks Ended 26 December 1999	Sixty six weeks ended 3 January 1999
Average number of persons employed		
Sales and marketing	171	244
Administration	101	77
	272	321
Staff costs during the period (including directors)	£'000	£'000
Wages and salaries	9,902	11,361
Social security costs	664	1,217
Pension costs	887	717
	11,453	13,295

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
4. GROUP OPERATING LOSS

	Fifty one weeks ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Group operating loss is after charging/(crediting):		
Depreciation and amortisation		
Owned assets	862	1,162
Assets held under finance leases	137	-
Impairment of intangible asset	282	-
Rentals under operating leases:		
Hire of plant and machinery	101	27
Other operating leases	1,290	1,570
Foreign exchange loss/(gain)	369	(179)
Auditors' remuneration:		
Audit fees	110	132
Other services	99	69
	<hr/>	<hr/>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Fifty one weeks ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Bank loans and overdrafts	247	318
Interest on finance leases	76	-
	<hr/>	<hr/>
	323	318
	<hr/>	<hr/>

Share of interest payable by the joint ventures is £nil (1999 - £nil).

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
6. TAX ON LOSS ON ORDINARY ACTIVITIES

	Fifty one weeks ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
UK corporation tax at 30% (1998 – 31%)	33	(17)
Overseas taxation	266	287
Share of tax in associated undertaking	32	20
Deferred taxation charge	11	33
Prior period adjustments:		
UK corporation tax	(41)	(16)
Overseas taxation	(12)	(7)
Deferred taxation	-	6
	<u>289</u>	<u>306</u>

The tax charge is disproportionately high compared to the loss for the period due to higher tax rate suffered in overseas jurisdictions and the level of disallowable expenditure for tax purposes. The exceptional costs noted in the profit and loss account represent reorganisation costs incurred in a number of countries, a portion of which may not be allowable for tax purposes.

7. 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.

8. INTANGIBLE FIXED ASSETS

An amount of £282,000, being goodwill arising on the acquisition of 17,345 shares in Fresh Fruit Services Continent CVBA (FFSC) (30.6%) acquired from the minority shareholders on 17 December 1999, was written off during the period (see Note 10). In the opinion of the directors, its value was impaired having regard to the losses incurred by FFSC and projected restructuring of operations in Belgium.

	Fifty one weeks ended 26 December 1999 £'000
At 3 January 1999	-
Additions in the year	282
Impairment charge	(282)
	<u>-</u>
At 26 December 1999	<u>-</u>

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
9. TANGIBLE FIXED ASSETS

The Group	Capital work in progress £'000	Computer equipment and software £'000	Motor vehicles £'000	Fixtures, fittings and other equipment £'000	Total £'000
Cost					
At 4 January 1999	288	2,568	817	1,724	5,397
Additions	-	519	9	1,220	1,748
Disposals	-	(73)	(132)	(77)	(282)
Exchange adjustment	-	(65)	(76)	(80)	(221)
Reclassification	(288)	288	-	-	-
At 26 December 1999	-	3,237	618	2,787	6,642
Accumulated depreciation					
At 4 January 1999	26	1,634	334	849	2,843
Charge for the period	-	519	160	320	999
Disposals	-	(45)	(119)	(56)	(220)
Exchange adjustment	-	(30)	(34)	(41)	(105)
Reclassification	(26)	26	-	-	-
At 26 December 1999	-	2,104	341	1,072	3,517
Net book value					
At 26 December 1999	-	1,133	277	1,715	3,125
At 3 January 1999	262	934	483	875	2,554

The net book value of tangible assets includes an amount of £1,245,000 (1999 - £nil) in respect of assets held under finance leases.

10. INVESTMENTS HELD AS FIXED ASSETS

The Company	Shares in subsidiaries £'000
Cost	
At 3 January 1999	3,450
Additions - Capital contribution to subsidiary	800
At 26 December 1999	4,250

CAESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
10. INVESTMENTS HELD AS FIXED ASSETS (continued)

The Company has the following investment entities:

	Shareholding %	Type	Incorporated and trading in
Capespan International PLC	100	Subsidiary	Great Britain
Held by Capespan International PLC			
Capespan UK Limited	100	Subsidiary	Great Britain
Capespan Benelux NV	100	Subsidiary	Belgium
Capespan France SA	100	Subsidiary	France
Capespan Italia Srl	100	Subsidiary	Italy
Capespan International (Deutschland) GmbH	100	Subsidiary	Germany
Capespan Austria GmbH	100	Subsidiary	Austria
Portco (Bremerhaven) GmbH	50	Subsidiary	Germany
Fresh Fruit Services Continent CVBA	100	Subsidiary	Belgium
Fresh Fruit Terminal Antwerp NV	50	Joint venture	Belgium
Fresh Fruit Terminal (Vlissingen) BV	50	Joint venture	Holland
Capespan Investments (UK) Limited	100	Subsidiary	Great Britain
Fresh Fruit Services Limited	50	Subsidiary	Great Britain
Capespan Investments Limited	100	Subsidiary	Great Britain -dormant
Held by Fresh Fruit Services Limited			
Fresh Fruit Terminal (Sheerness) Limited	50	Subsidiary	Great Britain
Fresh Fruit Processing Limited	100	Subsidiary	Great Britain -dormant
Held by Capespan International (Deutschland) GmbH			
H. Olf & Sohn GmbH	100	Subsidiary	Germany

All principal subsidiaries and joint venture undertakings provide marketing, selling and distribution services in relation to the fruit trade and allied products, except for Capespan Investments (UK) Limited and Capespan International (Deutschland) GmbH, which act as a holding companies. Capespan Investments Limited and Fresh Fruit Processing Limited are dormant and did not trade during the period. Capespan Italia Srl was placed in voluntary liquidation on 14 October 1999 following cessation of activities.

On 17 December 1999, 17,345 shares in Fresh Fruit Services Continent CVBA, representing 30.6% of share capital not previously owned, were acquired by Capespan International Plc for £269,000 (par value) from minority shareholders (see Note 8).

All the above undertakings have financial years ending on 26 December 1999 except Portco (Bremerhaven) GmbH, which prepared its accounts for the year ended 30 September 1999.

CAPESPAN INTERNATIONAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS****Fifty one weeks ended 26 December 1999**

Share of joint venture undertakings' net assets under the gross equity method of accounting	The Group £'000
At 4 January 1999	365
Dividend received from joint venture undertaking	(155)
Share of profits before tax for the period	108
Share of tax for the period	(32)
Exchange revaluation	(31)
	<hr/>
At 26 December 1999	255
	<hr/>

The Group's share of joint venture undertakings' retained earnings is £57,000 (1999: £153,000).

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
11. DEBTORS

	The Group	
	26 December	3 January
	1999	1999
	£'000	£'000
Trade debtors	8,630	10,778
Amounts owed by group undertakings:		
Ultimate parent undertaking	1,029	1,898
Other group undertakings	986	332
Corporation taxation recoverable	132	132
Overseas taxation recoverable	148	135
Other debtors	8,518	5,307
Prepayments and accrued income	548	5,179
	<u>19,991</u>	<u>23,761</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	26 December	3 January	26 December	3 January
	1999	1999	1999	1999
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	3,284	4,815	-	-
Obligations under finance leases	307	-	-	-
Trade creditors	3,490	3,104	-	-
Amounts owed to group undertakings:				
Ultimate parent undertaking	11,459	13,201	-	3,400
Other group undertakings	362	742	-	-
Corporation tax	42	140	-	-
Overseas tax	194	284	-	-
Other taxes and social security	260	622	-	-
Other creditors	1,255	4,763	-	-
Accruals and deferred income	6,494	4,032	-	-
	<u>27,147</u>	<u>31,703</u>	<u>-</u>	<u>3,400</u>

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group	
	26 December 1999 £'000	3 January 1999 £'000
Obligations under finance leases	846	-
Amounts owed to a joint ultimate parent undertaking	100	200
Other loan	192	288
	<u>1,138</u>	<u>488</u>

The £200,000 (1999 - £300,000) loan repayable to a joint ultimate parent undertaking is interest free, and is repayable in equal instalments over three years. An amount of £100,000, being the current portion of the loan, is included in Creditors: amounts falling due within one year for both the Group and the Company.

The other loan of £256,000 (1999 - £360,000) is interest bearing at 5.5% per annum and is repayable over a period of five years. An amount of £64,000, being the current portion of the loan, is included in Creditors: amounts falling due within one year for the Group.

14. PROVISIONS FOR LIABILITIES AND CHARGES

The Group	Deferred tax £'000	Restructuring provision £'000	Pensions and similar obligations £'000	Total £'000
At 4 January 1999	54	-	488	542
Expenditure in period	-	(932)	(22)	(954)
Exchange rate variation	(3)	-	(57)	(60)
Charged to profit and loss account	11	1,946	82	2,039
At 26 December 1999	<u>62</u>	<u>1,014</u>	<u>491</u>	<u>1,567</u>

Restructuring provision

In 1999 the Group announced and implemented a major restructuring project details of which are discussed in the Directors Report. A charge of £1,946,000 was incurred in the period in respect of staff redundancies, fixed asset write-offs and other costs arising as a result of the restructuring. A provision of £1,014,000 remains at 26 December 1999. This is expected to be utilised in 2000.

Deferred tax – see note 15.

Pensions – see note 23.

CAESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
15. DEFERRED TAXATION

	The Group	
	26 December 1999	3 January 1999
	£'000	£'000
Depreciation in excess of capital allowances	62	54
General provisions	-	-
	<u>62</u>	<u>54</u>

The following deferred tax asset was not recognised in the financial statements

	The Group	
	£'000	£'000
Depreciation in excess of capital allowances	117	89
Losses	849	327
Other timing differences	18	11
	<u>984</u>	<u>427</u>

16. CALLED UP SHARE CAPITAL

	The Group		The Company	
	26 December 1999	3 January 1999	26 December 1999	3 January 1999
	£	£	£	£
Authorised:				
1,000 ordinary shares of £1 each	-	1,000	-	1,000
500 "A" ordinary shares of £1 each	500	-	500	-
500 "B" ordinary shares of £1 each	500	-	500	-
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:				
2 Ordinary shares of £1 each	-	2	-	2
2 "A" Ordinary shares of £1 each	2	-	2	-
2 "B" Ordinary shares of £1 each	2	-	2	-
	<u>4</u>	<u>2</u>	<u>4</u>	<u>2</u>

On 4 November 1999, pursuant to a share sale and purchase agreement between Capespan Group Holding Limited and Fyffes plc dated 23 December 1998, the following transactions took place:

Outspan International Limited and Unifruco Limited each transferred their holdings of one share of £1 each to Capespan (Proprietary) Limited.

An amount owing by the Company to Capespan (Proprietary) Limited of £3,400,000 was applied in consideration of the issue and allotment of two ordinary shares of £1 each.

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
16. CALLED UP SHARE CAPITAL (continued)

The authorised share capital of the Company was redesignated into 500 "A" ordinary shares of £1 each and 500 "B" ordinary shares of £1 each. The holders of each class of share have the right to appoint up to four company directors, in all other respects the "A" and "B" shares rank pari passu.

Capespan (Proprietary) Limited sold its two "B" ordinary shares of £1 each to Fyffes Group Limited.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	The Group			
	Share capital and premium	Capital contribution £'000	Profit and loss account £'000	Total £'000
At 4 January 1999	50	-	(1,929)	(1,879)
Retained loss for the period	-	-	(879)	(879)
Capital contribution from shareholders	-	800	-	800
Issue of shares	3,400	-	-	3,400
Exchange rate variations	-	-	(37)	(37)
At 26 December 1999	<u>3,450</u>	<u>800</u>	<u>(2,845)</u>	<u>1,405</u>
	The Company			
	Share capital and premium	Capital contribution £'000	Profit and loss account £'000	Total £'000
At 4 January 1999	50	-	-	50
Capital contribution from shareholders	-	800	-	800
Issue of shares	3,400	-	-	3,400
At 26 December 1999	<u>3,450</u>	<u>800</u>	<u>-</u>	<u>4,250</u>

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
18. RECONCILIATION OF GROUP OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Fifty one weeks ended 26 December 1999 £'000	Sixty six weeks ended 3 January 1999 £'000
Group operating loss	(402)	(1,866)
Depreciation of tangible fixed assets	999	1,162
Impairment of intangible assets	282	-
Profit on sale of fixed assets	(10)	(2)
Foreign exchange movement	76	22
	<u>945</u>	<u>(684)</u>
Decrease in debtors	3,783	6,797
Increase/(decrease) in creditors	262	(12,987)
Increase in stock	(54)	-
Increase in provisions	1,025	66
	<u>5,961</u>	<u>(6,808)</u>
Net cash inflow/(outflow) from operating activities		

19. ANALYSIS OF MOVEMENT IN NET FUNDS

	26 December 1999			3 January 1999		
	Cash £'000	Debt £'000	Net funds £'000	Cash £'000	Debt £'000	Net funds £'000
Balance brought forward	5,355	(5,351)	4	9,700	(400)	9,300
Reclassification	-	-	-	4,691	(4,691)	-
Cash in/(out)flow during the period	3,687	-	3,687	(9,036)	-	(9,036)
Repayment/(issue) of bank and other loans	-	1,641	1,641	-	(360)	(360)
Obligations under finance leases	-	(1,153)	(1,153)	-	-	-
Repayment of long term loans from joint ultimate parent undertaking	-	100	100	-	100	100
Balance carried forward	<u>9,042</u>	<u>(4,763)</u>	<u>4,279</u>	<u>5,355</u>	<u>(5,351)</u>	<u>4</u>
Closing balances are represented by:						
Cash at bank and in hand	9,172	-	9,172	5,479	-	5,479
Bank overdrafts	(130)	-	(130)	(124)	-	(124)
Obligations under finance leases	-	(1,153)	(1,153)	-	-	-
Bank loans	-	(3,154)	(3,154)	-	(4,691)	(4,691)
Other loans	-	(256)	(256)	-	(360)	(360)
Loan from joint ultimate parent	-	(200)	(200)	-	(300)	(300)
	<u>9,042</u>	<u>(4,763)</u>	<u>4,279</u>	<u>5,355</u>	<u>(5,351)</u>	<u>4</u>

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
20. FUTURE CAPITAL EXPENDITURE

	The Group	
	26 December 1999	3 January 1999
	£'000	£'000
Contracted for but not provided	100	31

21. LEASE OBLIGATIONS

	The Group	
	26 December 1999	3 January 1999
	£'000	£'000
Finance Leases		
Repayable:		
Within one year	307	-
Within two to five years	825	-
After five years	21	-
	<u>1,153</u>	<u>-</u>

At 26 December 1999 the Group was committed to making the following payments in the year ending 31 December 2000 in respect of operating leases:

Group	26 December 1999		3 January 1999	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	54	335	454	179
Within two to five years	5	318	1,392	180
After five years	1,012	47	-	-
	<u>1,071</u>	<u>700</u>	<u>1,846</u>	<u>359</u>

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
22. PENSION SCHEMES

The Group has a number of pension schemes throughout Europe. The major schemes, which cover some 74% of scheme members, are split between defined benefit and defined contribution schemes.

The total pension cost for the Group in this period was £887,000 (sixty six weeks ended 3 January 1999 - £717,000) of which £420,000 (sixty six weeks ended 3 January 1999 - £181,000) 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 using the projected unit method for both schemes:

	Date of latest actuarial assessment	Market value of scheme assets £'000	Surplus of fund over actuarial value of accrued benefits
Unifruco Pension Scheme	1 October 1998	5,232	19%
SACCE Pension Scheme	1 February 1997	11,273	44%

The principal assumptions used by the qualified actuaries in performing the latest actuarial assessments are:

	Unifruco Pension Scheme	SACCE Pension Scheme
Investment returns	8% per annum	7½% per annum
Salary growth	6% per annum	8½% per annum
Pension increase	as guaranteed by the scheme	as guaranteed by the scheme

The pension cost relating to foreign schemes includes £60,000 (sixty six weeks ended 3 January 1999: £66,000) where the charge has been determined in accordance with local best practice and regulations in Germany. The German pension provision has been valued in accordance with SSAP 24.

23. ULTIMATE PARENT UNDERTAKINGS

The Company is jointly owned by Capespan (Proprietary) Limited, incorporated in South Africa, and by Fyffes Group Limited, incorporated in Great Britain and registered in England and Wales.

Capespan (Proprietary) Limited is wholly owned by Capespan Group Holdings Limited, incorporated in South Africa.

Fyffes Group Limited is wholly owned by Fyffes plc, incorporated in Ireland.

Accounts of the joint ultimate parent undertakings are available from:

Capespan Group Holdings Limited, Parc du Cap, Bellville 7535, Republic of South Africa.

The Secretary, Fyffes plc, 1 Beresford Street, Dublin 7, Ireland.

CAPESPAN INTERNATIONAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
Fifty one weeks ended 26 December 1999
24. RELATED PARTY TRANSACTIONS

As noted in the Directors' Report, the Capespan Group handles fruit and processed products on behalf of Capespan (Proprietary) Limited, one of its joint ultimate parent undertakings, Fresh Cape Juices (Pty) Limited ("Fresh Cape Juices"), Vinfruco (Pty) Limited ("Vinfruco") and Fruit Exporters of Southern Africa (Pty) Limited ("Frusal"), subsidiary companies of Capespan (Pty) Limited. In consideration for handling fruit and processed products the Group receives an arm's length commission:

	Fifty one weeks ended 26 December 1999	Fifty one weeks ended 26 December 1999	Net creditor/ (debtor) at 26 December 1999
	Gross sales	Commission received	
	£'000	£'000	£'000
Capespan (Pty) Limited	264,059	12,807	10,530
Fresh Cape Juices	-	-	(5)
Vinfruco	-	-	(60)
Frusal	6,229	302	(200)
	<u>270,288</u>	<u>13,109</u>	
	Sixty-six weeks ended 3 January 1999	Sixty-six weeks ended 3 January 1999	Net creditor/ (debtor) at 3 January 1999
	Gross sales	Commission received	
	£'000	£'000	£'000
Unifruco Limited	263,419	12,927	9,092
Outspan International Limited	130,485	7,383	(9,989)
Fresh Cape Juices	3,446	196	315
Vinfruco	4,848	75	(10)
Frusal	9,190	222	(85)
	<u>9,016</u>	<u>510</u>	<u>(15)</u>
	<u>420,404</u>	<u>21,313</u>	

Capespan International PLC ("PLC"), a 100% subsidiary of Capespan International Holdings Limited, is owed £35,000 (1998 - £224,000) by the South African Co-operative Citrus Exchange ("SACCE") Limited Pension and Life Assurance Scheme in respect of administration charges incurred by the scheme during the last three years but settled by PLC. No administration charges have been borne by the Group.

The Capespan International Holdings Limited group purchased services totalling £4,331,000 (1999 - £5,136,000) from its joint venture companies. At 26 December 1999, the Group was owed £15,000 by its joint ventures (1999 - amount due to joint ventures £78,000).

No amounts have been provided for or written off in respect of amounts owed to/by related parties, including SACCE.

CAPESPAN INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Fifty one weeks ended 26 December 1999

Capespan International PLC paid Reef Investments Limited, a 100% subsidiary of Capespan (Pty) Limited, £491,000 (1999 - £522,000) in respect of rental costs for Farnham House, the Capespan Group's Head Office.