

**PepsiCo Foods  
International Limited**

**Directors' report and financial statements**

**25 December 1993**

**Registered number 1830234**



# PepsiCo Foods International Limited

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes	6-11

# PepsiCo Foods International Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 25 December 1993.

## Principal activity

The company's principal activity is the provision of management services to other group companies.

## Business review

The results for the year are set out in the attached profit and loss account.

## Directors and directors' interests

The directors who held office during the year were as follows:

FS McRobie	
NR Anthony	
JH O'Neal	
JP Olson	
DF Morrison	(resigned 31 October 1993)
GM Cairns	(appointed 21 January 1993, resigned 30 November 1993)
P Thompson	(appointed 31 March 1994)
DL Boles	(appointed 31 March 1994)

No director had any interest in the company's share capital during the year. There were no other interests in group companies requiring disclosure under the Companies Act 1985.

## Liability insurance

During the year the ultimate parent company maintained liability insurance for the directors and officers of the company.

# PepsiCo Foods International Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing financial statements the directors are required to:-

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Peat Marwick will therefore continue in office.

By order of the board



PSE Valentine  
Secretary

1600 Arlington Business Park  
Theale  
Reading, RG7 4SA

**Auditors' report to the members of PepsiCo Foods International Limited**

We have audited the financial statements on pages 4 to 11.

*Statement of directors' responsibilities*

As described on page 2 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 of 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 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 affairs as at 25 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

**KPMG Peat Marwick**  
Chartered Accountants  
Registered Auditors

*19 July 1994*

# PepsiCo Foods International Limited

## Profit and loss account for the year ended 25 December 1993

	Note	1993 £'000	1992 £'000
Turnover	1	7,356	3,264
Cost of sales		(7,006)	(3,108)
Gross profit		350	156
Administrative expenses		(333)	-
Other expenses		(194)	-
Write off of fellow subsidiary loan		284	-
Profit on ordinary activities before taxation	2-4	107	156
Tax on profit on ordinary activities	5	(101)	(59)
Retained profit for the financial year		6	97
Retained loss brought forward		(187)	(284)
Retained loss carried forward		(181)	(187)

There were no recognised gains or losses other than those reported in the retained profit for the year. All profits relate to continuing operations.

# PepsiCo Foods International Limited

Balance sheet  
at 25 December 1993

	Note	1993 £'000	1992 £'000
Fixed assets			
Tangible assets	6	45	79
Current assets			
Debtors	7	2,424	2,803
Creditors: amounts falling due within one year	8	<u>(2,650)</u>	<u>(3,069)</u>
Net current liabilities		<u>(226)</u>	<u>(266)</u>
Net liabilities		<u>(181)</u>	<u>(187)</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>(181)</u>	<u>(187)</u>
		<u>(181)</u>	<u>(187)</u>

These financial statements were approved by the board of directors on 12/7/94 and were signed on its behalf by:

*Douglas R Boles*

Director

D. L. BOLES

# PepsiCo Foods International Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

The financial statements have been prepared on a going concern basis as a parent company, PepsiCo Holdings Limited, has confirmed that it will provide such financial assistance as is required to enable the company to continue to meet its obligations as they fall due.

#### Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles - 4 years

#### Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### Pension costs

The employees are members of pension schemes, providing benefits based on final pensionable pay, operated by other group companies. The assets of the scheme are held separately from those of the various group companies in independently administered funds.

#### Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise in the foreseeable future.

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of management services to group companies.



# PepsiCo Foods International Limited

## Notes (continued)

### 2 Profit on ordinary activities before taxation

	1993 £'000	1992 £'000
Profit on ordinary activities before taxation is stated after charging:		
Unrealised foreign exchange loss	56	-
Auditors' remuneration	-	2
- audit	-	2
- other services	-	3
Depreciation and other amounts written off tangible fixed assets	21	7

### 3 Remuneration of directors

	1993 £'000	1992 £'000
Directors' emoluments:		
As directors	-	89

The emoluments, excluding pension contributions, of the chairman were £Nil (1992:£Nil) and those of the highest paid director were £Nil (1992:£78,930).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid directors) were within the following ranges:

		Number of directors	
		1993	1992
£0	- £ 5,000	6	6
£5,001	- £10,000	-	1
£15,001	- £80,000	-	1

The disclosure of the remuneration of the directors of the company is contained within Walkers Smiths Snack Foods Limited as they are not remunerated for services as directors of PepsiCo Foods International and their costs are not borne by the company.

# PepsiCo Foods International Limited

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1993	1992
General and administrative	<u>24</u>	<u>11</u>

The aggregate payroll costs of these persons were as follows:

	1993	1992
	£'000	£'000
Wages and salaries	<u>3,492</u>	<u>1,419</u>

### 5 Taxation

	1993	1992
	£'000	£'000
UK corporation tax at 33% on the profit for the period on ordinary activities	<u>101</u>	<u>59</u>

The effective tax rate is high due to permanently disallowable expenditure.

# PepsiCo Foods International Limited

## Notes (continued)

### 6 Tangible fixed assets

	Motor Vehicles £'000
Cost	
At beginning of period	87
Additions	53
Disposals	(87)
Transfers from group companies	22
	<hr/>
At end of period	75
	<hr/>
Depreciation and diminution in value	
At beginning of period	8
Charge for year	20
Disposals	(19)
Transfers from group companies	21
	<hr/>
At end of year	30
	<hr/>
Net book value	
At 25 December 1993	45
	<hr/>
At 26 December 1992	79
	<hr/>

### 7 Debtors

	1993 Due within one year £'000	1992 Due within one year £'000
Amounts owed by parent and fellow subsidiary undertakings	2,243	2,722
Other debtors	181	81
	<hr/>	<hr/>
	2,424	2,803
	<hr/>	<hr/>

# PepsiCo Foods International Limited

## Notes (continued)

### 8 Creditors: amounts falling due within one year

	1993 £'000	1992 £'000
Bank overdraft	82	-
Amounts owed to parent and fellow subsidiary undertakings	268	2,644
Trade creditors	46	
Accruals and deferred income	2,254	366
Other creditors including taxation and social security costs	-	59
	<u>2,650</u>	<u>3,069</u>

### 9 Called up share capital

	1993 £'000	1992 £'000
Authorised, allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>-</u>	<u>-</u>

### 10 Pension scheme

The eligible employees of the company belong to a number of pension schemes operated by a fellow subsidiary company. Pension benefits are based on final pensionable pay and annual contributions are based on actuarial advice.

The latest actuarial assessment of the pension funds was at 1 January 1992. This was conducted by WM Mercer Fraser Consultants and Actuaries. The assumptions which have the most significant effect on the results of the valuation are those relating to rate of return on investments and rate of increases in pensionable salaries. It was assumed that the investment return would be 4.5% per annum, that increases in pensionable salaries will average 7% per annum and that the rate of interest would be 9% per annum. Further details are given in the financial statements of Walkers Smiths Snack Foods Limited.

# PepsiCo Foods International Limited

## Notes (continued)

### 11 Ultimate parent company

The ultimate holding company is PepsiCo Inc, a company incorporated in the United States of America. The largest group in which the results of the company are consolidated is that headed by PepsiCo Inc. The smallest group in which the results are consolidated is that headed by PepsiCo Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from:

PepsiCo Holdings Limited  
63 Kew Road  
Richmond  
Surrey

PepsiCo Inc  
700 Anderson Hill Road  
Purchase  
New York  
10577  
United States of America