

JOHNSON'S FRESH PRODUCTS LIMITED

Report and Financial Statements

Year ended 31 December 1999

**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**



REPORT AND FINANCIAL STATEMENTS 1999

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of Directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C W Freedman
M J Mills (resigned 30 September 1999)
J Beaumont (appointed 4 January 1999)
B G Burman (appointed 4 January 1999)
H C L Cawley (appointed 24 March 1999)
J P Sexton (appointed 4 January 1999)
J D Faulkner (appointed 1 March 1999)

SECRETARY

J Beaumont (appointed 4 January 1999)

REGISTERED OFFICE

1 Portland Place
London
W1N 3AA

BANKERS

Barclays Bank Plc
London Corporate Banking
PO Box 544
54 Lombard Street
London
EC3V 9EX

SOLICITORS

S J Berwin & Co
222 Grays Inn Road
London
WC1X 8HB

AUDITORS

Deloitte & Touche
Chartered Accountants
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 1999.

ACTIVITIES

The Company manufactures freshly squeezed fruit juices, fresh cut fruit products and prepared fruit for desserts having acquired the trades of its subsidiary companies on 31 December 1998.

REVIEW OF DEVELOPMENTS AND CHANGE OF NAME

The results for the year were in line with expectations and ahead of the equivalent results achieved last year by the Company's subsidiaries. Fresh juice business was held back by fierce competition but performance remained above last year. The fresh fruit salad business had an excellent year with substantial growth in both sales and profits and a number of significant new customer gains.

DIVIDEND AND TRANSFER TO RESERVES

The Company made a profit for the year of £1,646,000 (1998 - £1,980,000) and declared a dividend of £1,800,000 (1998 - £800,000). The retained loss of £154,000 (1998 Profit - £1,180,000) has been transferred from reserves.

FUTURE PROSPECTS

The current financial year has commenced in line with expectations and a satisfactory outcome is anticipated.

DIRECTORS AND THEIR INTERESTS

The names of the Directors of the Company who served during the year are shown on page 1.

C W Freedman, H C L Cawley and J P Sexton are directors of the ultimate parent company, S Daniels plc and their interests in that company's shares are shown in the directors' report of that company. The interests of the other Directors who held office at the end of the year in the shares of the ultimate parent company are as follows:

	Ordinary Shares of 5p each		Share option schemes	
	Ordinary Shares		Share option schemes	
	1 January 1999 or date of appointment	31 December 1999	1 January 1999 or date of appointment	31 December 1999
J Beaumont	-	-	177,746	177,746
B G Burman	3,163,633	3,163,633	194,207	194,207
J D Faulkner	-	-	45,895	45,895

CREDITOR PAYMENT POLICY

It is the Company's normal practice to agree payment terms with its suppliers. Payment is made when it can be confirmed that goods and/or services have been provided in accordance with the relevant contractual conditions. At 31 December 1999 the amount owed to trade creditors payable within one year represented 39 days calculated in proportion to the amounts charged during the year to that date (1998 - nil).

YEAR 2000

The Company is a wholly owned subsidiary of S Daniels plc and details of plans to address year 2000 computer issues are given in the directors' report of that company.

DIRECTORS' REPORT

EMPLOYEES

The S Daniels group encourages its operating companies to provide information to its employees on a regular basis. This information includes the Company's performance, its prospects in the market it serves and the future outlook of the business. Group newsletters are issued twice a year to all employees. Employees are encouraged to participate in the group's performance through the Savings Related Share Option Scheme.

The S Daniels group recognises the special needs of disabled people and supports a policy of equal opportunities for all employees. Help is given to all personnel, both able and disabled, in job training and career development. Promotions for all employees are made on the basis of an individual's suitability and aptitude. Wherever possible the Company will continue to employ anyone who becomes disabled whilst in its employment.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



J Beaumont
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company 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 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the Company's system of internal financial control and have a general responsibility for taking such steps as are reasonably open to them and which they deem appropriate to safeguard the assets of the Company and to seek to prevent and detect fraud and other irregularities.



AUDITORS' REPORT TO THE MEMBERS OF

JOHNSON'S FRESH PRODUCTS LIMITED

We have audited the financial statements on pages 6 to 15 which have been prepared under the accounting policies set out on pages 8 and 9.

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 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 at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25 May 2000

Chartered Accountants and Registered Auditors

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1999

	Note	1999 £000	1998 £000
TURNOVER	2	19,976	-
Cost of sales		(13,086)	-
Gross profit		<u>6,890</u>	<u>-</u>
Distribution costs		(3,089)	-
Administrative expenses		(1,401)	-
Dividends received		-	1,980
		<u>(4,490)</u>	<u>1,980</u>
OPERATING PROFIT	4	2,400	1,980
Interest payable and similar charges	5	(80)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,320	1,980
Tax on profit on ordinary activities	6	(674)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		1,646	1,980
Dividends	7	(1,800)	(800)
RETAINED (LOSS)/PROFIT FOR THE YEAR		(154)	1,180
Retained profit brought forward		<u>1,180</u>	<u>-</u>
Retained profit carried forward		<u>1,026</u>	<u>1,180</u>

All activities derive from continuing operations.

There are no recognised gains or losses for the current and prior periods other than as stated above. Accordingly no statement of total recognised gains and losses is given.

BALANCE SHEET
31 December 1999

	Note	1999 £000	1998 £000
FIXED ASSETS			
Tangible assets	8	4,269	3,009
Investments	9	-	-
		<u>4,269</u>	<u>3,009</u>
CURRENT ASSETS			
Stocks	10	371	520
Debtors	11	3,043	2,674
Cash at bank and in hand		2	2
		<u>3,416</u>	<u>3,196</u>
CREDITORS: amounts falling due within one year	12	<u>(6,645)</u>	<u>(4,997)</u>
NET CURRENT LIABILITIES		<u>(3,229)</u>	<u>(1,801)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,040	1,208
CREDITORS: amounts falling due after more than one year	13	<u>(14)</u>	<u>(28)</u>
		<u>1,026</u>	<u>1,180</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Profit and loss account		1,026	1,180
EQUITY SHAREHOLDERS' FUNDS	16	<u>1,026</u>	<u>1,180</u>

These financial statements were approved by the Board of Directors on 16 May 2000c

Signed on behalf of the Board of Directors


J P Sexton
Director

NOTES TO THE ACCOUNTS**Year ended 31 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 have been prepared in accordance with the historical cost convention.

Group accounts

Group accounts have not been prepared because the Company is a wholly owned subsidiary of S Daniels plc which itself prepares group accounts.

Cash flow statement

The Directors have taken advantage of the exemption contained in Financial Reporting Standard No 1 from preparing a cash flow statement on the grounds that the Company is a wholly owned subsidiary of S Daniels plc which itself prepares a consolidated cash flow statement incorporating the Company.

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:

Freehold property	2% per annum
Leasehold property	Over life of lease
Plant and machinery	10-33% per annum
Motor vehicles	20-25% per annum
Fixtures, fittings, tools and equipment	25% per annum
Computer equipment	33.3% per annum

Investments

Investments are stated at cost less provision for any impairment in value.

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of the timing difference between the incidence of income and expenditure for taxation and accounting purposes, except to the extent that the Directors consider that a liability to taxation is unlikely to crystallise.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to profit and loss account in equal annual amounts over the lease term.

NOTES TO THE ACCOUNTS
Year ended 31 December 1999**1. ACCOUNTING POLICIES (continued)****Pensions**

The Company makes contributions to the S Daniels plc Group Personal Pension Scheme or an individual's personal pension plan for certain employees on a defined contribution basis. Pension costs are charged to the profit and loss account on the basis of contributions payable.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax profit is attributable to the manufacture and marketing of fruit juices and cut fresh fruit.

	1999 £000	1998 £000
Sales and analyses		
United Kingdom	19,953	-
Europe	23	-
	<u>19,976</u>	<u>-</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1999 £000	1998 £000
Directors' emoluments		
Fees	272	-
Contributions to defined contribution pension schemes	15	-
	<u>287</u>	<u>-</u>
Highest paid Director:		
Remuneration of the highest paid Director	94	-
Contributions to defined contribution pension schemes	9	-
	<u>103</u>	<u>-</u>

C W Freedman, M J Mills and H C L Cawley served as directors of the holding company, S Daniels plc, and are remunerated by that company. It is not practicable to allocate their remuneration between S Daniels plc and its subsidiary undertakings.

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)

	1999 No.	1998 No.
Average number of persons employed (including directors)		
Production	191	-
Sales and distribution	60	-
Administration	26	-
	<u>277</u>	<u>-</u>
	£000	£000
Staff costs during the year (including Directors)		
Wages and salaries	3,904	-
Social security costs	320	-
Pension and other costs	41	-
	<u>4,265</u>	<u>-</u>

4. OPERATING PROFIT

	1999 £000	1998 £000
Operating profit is after charging:		
Depreciation and amortisation		
Owned assets	446	-
Leased assets	17	-
Rentals under operating leases		
Land and buildings	142	-
Hire of plant and machinery	195	-
Management charge	300	-
Auditors' remuneration		
Audit	18	-
Other services	8	-
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £000	1998 £000
Group interest	77	-
Finance leases and hire purchase contracts	3	-
	<u>80</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £000	1998 £000
United Kingdom corporation tax at 30% (1998 -31 %) based on the profit for the year	705	-
Adjustment in respect of previous periods Corporation tax	(31)	-
	<u>674</u>	<u>-</u>

7. DIVIDENDS

	1999 £000	1998 £000
Dividend paid £45 per share (1998: £20 per share)	<u>1,800</u>	<u>800</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £000	Leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost						
At 1 January 1999	1,827	67	2,452	224	239	4,809
Additions and adjustments	854	2	795	44	49	1,744
Disposals	-	(11)	(108)	(85)	(1)	(205)
	<u>2,681</u>	<u>58</u>	<u>3,139</u>	<u>183</u>	<u>287</u>	<u>6,348</u>
Accumulated depreciation						
At 1 January 1999	123	22	1,331	198	126	1,800
Charge for the year	40	5	341	19	58	463
Disposals	-	(1)	(101)	(81)	(1)	(184)
	<u>163</u>	<u>26</u>	<u>1,571</u>	<u>136</u>	<u>183</u>	<u>2,079</u>
At 31 December 1999	<u>2,518</u>	<u>32</u>	<u>1,568</u>	<u>47</u>	<u>104</u>	<u>4,269</u>
At 31 December 1998	<u>1,704</u>	<u>45</u>	<u>1,121</u>	<u>26</u>	<u>113</u>	<u>3,009</u>

Included in the net book value of fixtures, fittings, tools and equipment is £8,000 (1998 - £40,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £1,000 (1998 - £Nil).

Included in the net book value of plant and machinery is £59,000 (1998 - £Nil) in respect of assets held under finance leases. Depreciation for the year on these assets was £16,000 (1998 - £Nil).

NOTES TO THE ACCOUNTS
Year ended 31 December 1999**9. FIXED ASSET INVESTMENTS**

	1999	1998
	£	£
Shares in group undertakings at cost	400	400

The Company owns 100% of the ordinary share capital of the following companies all of which are registered in England & Wales:

Intsys Limited	Dormant
Kent Seal Foods Limited	Dormant
Sun-Ripe Limited	Dormant
Juice Limited	Dormant (indirectly held)
Johnson's Freshly Squeezed Juice Limited	Dormant (indirectly held)

10. STOCKS

	1999	1998
	£000	£000
Raw materials and consumables	315	476
Finished goods and goods for resale	56	44
	<u>371</u>	<u>520</u>

11. DEBTORS

	1999	1998
	£000	£000
Trade debtors	2,927	2,477
Other debtors	15	59
Advance corporation tax	11	7
Prepayments and accrued income	90	131
	<u>3,043</u>	<u>2,674</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £000	1998 £000
Bank loans and overdrafts	1,885	969
Trade creditors	1,577	1,806
Obligations under finance leases	14	18
Amounts owed to subsidiary undertakings	569	569
Amounts owed to parent company	892	220
Current corporation tax	492	445
Other taxes and social security	191	134
Other creditors	-	301
Accruals and deferred income	1,025	535
	<u>6,645</u>	<u>4,997</u>

Obligations under finance leases are secured on the related assets.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £000	1998 £000
Obligations under finance leases	<u>14</u>	<u>28</u>

14. BORROWINGS

	1999 £000	1998 £000
Bank overdraft	1,885	969
Obligations under finance leases	28	46
	<u>1,913</u>	<u>1,015</u>
Within one year or on demand	1,899	987
Due after more than one year	14	28
	<u>1,913</u>	<u>1,015</u>
Analysis of repayments		
In one year or less, or on demand	1,899	987
In more than one year but not more than two years	9	20
In more than two years but not more than five years	5	8
	<u>1,913</u>	<u>1,015</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

15. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised		
100,000 Ordinary shares of 1p each	1,000	1,000
Called up, allotted and fully paid		
40,000 Ordinary shares of 1p each	400	400

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £000	1998 £000
Profit for the financial period	1,646	1,980
Dividends	(1,800)	(800)
	(154)	1,180
Opening shareholders' funds	1,180	-
Closing shareholders' funds	1,026	1,180

17. FINANCIAL COMMITMENTS

	1999 £000	1998 £000
Capital commitments		
Contracted for but not provided	42	993
Obligations under finance leases and hire purchase contracts		
Minimum lease payments due:		
Within one year or on demand	54	18
Within two to five years	54	28
	108	46

Operating lease commitments

	1999		1998	
	Property £ 000	Other £ 000	Property £ 000	Other £ 000
Leases which expire:				
Within one year	60	26	25	195
Within two to five years	55	108	55	121
More than five years	27	-	27	-
	142	134	107	316

NOTES TO THE ACCOUNTS**Year ended 31 December 1999****18. CONTINGENT LIABILITIES**

The Company has guaranteed the bank borrowings of group companies. Its maximum potential liability at 31 December 1999 under this guarantee amounted to £1,207,000 (1998 - £14,090,000).

19. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained in Financial Reporting Standard 8 – Related Party Transactions, not to report transactions with investee companies in the S Daniels plc group, as these are eliminated in the consolidated financial statements of S Daniels plc.

20. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is S Daniels plc, a company registered in England & Wales, which is the smallest group into which the Company is consolidated. Copies of its financial statements are available from 1 Portland Place, London W1N 3AA.