

REPORT AND FINANCIAL STATEMENTS OF:

HENRY DENNY & SONS LIMITED

For the year ended

31 DECEMBER 2001

REGISTERED NO. 33524



HENRY DENNY & SONS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

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HENRY DENNY & SONS LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Hugh Friel
Denis Cregan
Brian Mehigan

SECRETARY

Brian Durran

REGISTERED OFFICE

Thorpe Lea Manor,
Thorpe Lea Road,
Egham, Surrey,
TW20 8HY.

AUDITORS

Deloitte & Touche,
Chartered Accountants,
Deloitte & Touche House,
Earlsfort Terrace,
Dublin 2.

SOLICITORS

Legal Department,
Kerry Group plc,
Prince's Street,
Tralee,
Co. Kerry.

HENRY DENNY & SONS LIMITED

DIRECTORS' REPORT

The directors submit their annual report together with the audited financial statements for the year ended 31 December 2001.

BUSINESS REVIEW

The company is an investment holding company. The company did not trade during the current or preceding years and made neither profit or loss, nor any other recognised gains or losses.

The directors received no remuneration during the year.

BOARD OF DIRECTORS

On 2 January 2002 Denis Brosnan retired as a director of the company and was replaced by Brian Mehigan. The present membership of the Board is set out on page 2.

DIRECTORS' AND SECRETARY'S INTERESTS

The interests of the current directors and secretary of the company and those who served during the year, and their spouses and minor children, all of which is beneficial, in the share capital of Kerry Group plc, the ultimate holding company, at 31 December 2001 and 31 December 2000 were as follows:

NUMBER OF "A" ORDINARY SHARES

DIRECTORS	2001	2000
Denis Brosnan	668,000	308,000
Hugh Friel	325,000	325,000
Denis Cregan	262,500	262,500
Brian Mehigan	30,000	9,000

SECRETARY

Brian Durran	22,900	22,900
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On 12 March 2002 Denis Brosnan and Brian Durran sold 308,000 and 22,000 shares respectively. Other than these transactions no change in the above shareholdings has occurred between 31 December 2001 and the date of this report.

There has not been any contract or arrangement with the company or any subsidiary during the year in which a director of the company was materially interested and which was significant in relation to the company's business.

The directors and secretary of the company who held office at 31 December 2001 and 31 December 2000 had no beneficial interest in the shares of the company.

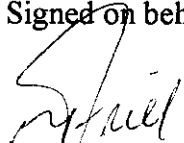
HENRY DENNY & SONS LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, Deloitte & Touche, Chartered Accountants, have expressed their willingness to continue in office and a resolution will be proposed at the annual general meeting to reappoint them as auditors and to authorise the directors to fix their remuneration.

Signed on behalf of the Board:



HUGH FRIEL, DIRECTOR



BRIAN MEHIGAN, DIRECTOR

29 March, 2002

HENRY DENNY & SONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 and the profit or loss of the company for that year. 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; and 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HENRY DENNY & SONS LIMITED

Independent Auditors' Report To The Members Of Henry Denny & Sons Limited

We have audited the financial statements of Henry Denny & Sons Limited for the year ended 31 December 2001, which comprise the profit and loss account, the balance sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 31 December 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors
29 March 2002

HENRY DENNY & SONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

The company did not trade during the current and preceding years and received no income and incurred no expenditure. Consequently, the company made neither a profit nor a loss during the current or preceding financial years.

HENRY DENNY & SONS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 STG£	2000 STG£
FINANCIAL ASSETS	2	1,000	1,000
CURRENT ASSETS			
Cash at bank		1,801	1,801
CREDITORS: Amounts due within one year	3	<u>(1,802)</u>	<u>(1,802)</u>
NET CURRENT LIABILITIES		<u>(1)</u>	<u>(1)</u>
		<u>999</u>	<u>999</u>
CAPITAL AND RESERVES			
Called-up share capital	4	1,800,000	1,800,000
Profit and loss account		<u>(1,799,001)</u>	<u>(1,799,001)</u>
		<u>999</u>	<u>999</u>

The financial statements were approved by the Board of Directors on 29 March, 2002 and signed on its behalf by:


HUGH FRIEL, DIRECTOR


BRIAN MEHIGAN, DIRECTOR

HENRY DENNY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

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

- (a) The accounts are prepared under the historical cost convention as modified by the revaluation of the investment in the subsidiary, and are denominated in Sterling.
- (b) The company did not trade during the year ended 31 December 2001, nor in the preceding years, and made neither profit or loss nor any other recognised gain or loss.

2. FINANCIAL ASSETS

	2001 STG£	2000 STG£
Third party investments	<u>1,000</u>	<u>1,000</u>
Investment in subsidiary	<u>-</u>	<u>-</u>

The cost of the unlisted investment at 31 December 2001 and at 31 December 2000 is £1,000. In the opinion of the directors the value of this investment is not less than cost.

The investment in subsidiary is stated at directors' valuation, which is nil. The company holds 100% of both the ordinary shares and the 10% Cumulative preference shares in Henry Denny & Sons (Ulster) Limited, registered in Northern Ireland.

3. CREDITORS

	2001 STG£	2000 STG£
Amounts due within one year:		
Accruals	<u>1,802</u>	<u>1,802</u>

HENRY DENNY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

4. SHARE CAPITAL

	2001 STG£	2000 STG£
Authorised, issued and fully paid:		
4.2% preference shares of STG£1 each	400,000	400,000
Ordinary shares of STG£1 each	<u>1,400,000</u>	<u>1,400,000</u>
	<u>1,800,000</u>	<u>1,800,000</u>

5. TAXATION MATTERS

(a) Unrelieved losses and recoverable ACT:

	2001 STG£	2000 STG£
Unrelieved CGT losses available to be offset against future taxable profits	63,000	63,000
ACT written off but recoverable Against future tax liabilities	48,000	48,000

(b) There is no liability for deferred taxation.

**(c) Henry Denny & Sons Limited is not a close company within the meaning of the
Income and Corporation Taxes Act, 1970.**

6. GROUP MEMBERSHIP

The company's immediate parent company is E.M. Denny (Holdings) Limited, a company incorporated in the United Kingdom. In the opinion of the directors, the company's ultimate parent company is Kerry Group plc, a company incorporated in the Republic of Ireland. The parent undertaking of the largest and smallest group which includes the company and for which group accounts are prepared is Kerry Group plc.

Copies of the group financial statements of Kerry Group plc are available from:

Companies Registration Office,
Parnell House,
14 Parnell Square,
Dublin 1.

HENRY DENNY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

7. RELATED PARTY TRANSACTIONS

The company, a wholly owned subsidiary of Kerry Group plc, has elected to avail of the disclosure exemption available to subsidiary undertakings in accordance with FRS 8.