

Report and Financial Statements of

HENRY DENNY & SONS LIMITED

For the year ended

31st December 1997

Registered No.: 33524



HENRY DENNY & SONS LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1997

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HENRY DENNY & SONS LIMITED

GENERAL INFORMATION

DIRECTORS

Denis Brosnan
Hugh Friel
Denis Cregan

SECRETARY

Brian Durran

REGISTERED OFFICE

Kerry House,
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.,
Princes Street,
Tralee,
Co. Kerry.

HENRY DENNY & SONS LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report together with the audited financial statements for the year ended 31st December 1997.

BUSINESS REVIEW

The company is an investment holding company. Its only subsidiary is Henry Denny & Sons (Ulster) Limited which is in liquidation at 31st December 1993.

DIRECTORS' AND SECRETARY'S INTERESTS

The interests of the current directors and secretary of the company and their spouses and minor children in the share capital of Kerry Group plc, the ultimate holding company, at 31st December, 1996 and 31st December, 1997 were as follows:

DIRECTORS	NUMBER "A" ORDINARY SHARES	
	1997	1996
Denis Brosnan	278,000	400,110
Hugh Friel	298,211	290,000
Denis Cregan	237,500	237,500
SECRETARY		
Brian Durran	12,900	12,900

No change in the above shareholdings has occurred between 31st December, 1997 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 31st December, 1997 had no beneficial interest in the shares of the company.

HENRY DENNY & SONS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

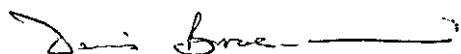
GOING CONCERN

After making reasonable enquiries the Directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

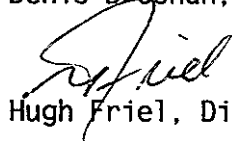
AUDITORS

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:



Denis Brosnan, Director



Hugh Friel, Director

3rd March, 1998

HENRY DENNY & SONS LIMITED

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 and 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; 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.

REPORT OF THE AUDITORS

TO THE MEMBERS OF HENRY DENNY & SONS LIMITED

We have audited the financial statements on pages 7 to 10 which have been prepared under the accounting policies set out on page 9.

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 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 31st December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

3rd March, 1998

HENRY DENNY AND SONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 1997


	Notes	1997 STG£	1996 STG£
Profit/(loss) before taxation		-	-
Taxation		-	-
Profit/(loss) after taxation		-	-
Balance at beginning of year		(1,799,001)	(1,799,001)
Reserve movement		-	-
Balance at end of year		<u>(1,799,001)</u>	<u>(1,799,001)</u>

All recognised Gains and Losses have been reflected in the Profit and Loss Account above.

The financial statements were approved by the Board of Directors on 3rd March, 1998 and signed on its behalf by:



Denis Brosnan, Director


Hugh Friel, Director

HENRY DENNY & SONS LIMITED

BALANCE SHEET AS AT 31st DECEMBER 1997

	Notes	1997 STG£	1996 STG£
FINANCIAL ASSETS	2	1,000	1,000
		-----	-----
		1,000	1,000
CURRENT ASSETS			
Debtors	3	-	-
Cash at bank and in hand		1,801	1,801
		-----	-----
		1,801	1,801
CREDITORS: Amounts falling due within one year	4	1,802	1,802
		-----	-----
NET CURRENT ASSETS		(1)	(1)
		-----	-----
		999	999
CAPITAL AND RESERVES			
Called-up share capital	5	1,800,000	1,800,000
Profit and loss account		(1,799,001)	(1,799,001)
		-----	-----
		999	999
		=====	=====

The financial statements were approved by the Board of Directors on 3rd March, 1998 and signed on its behalf by:



Denis Brosnan, Director



Hugh Friel, Director

HENRY DENNY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 1997

1.ACCOUNTING POLICIES

- (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 £STG.
- (b) The company's wholly owned subsidiary, Henry Denny & Sons (Ulster) Limited is in liquidation at 31st December, 1993. This company was in receivership at 31st December, 1987.

The directors of Henry Denny & Sons Limited are of the opinion that it is impracticable to prepare group accounts and these financial statements deal only with the affairs of the company.

2.FINANCIAL ASSETS

Third party investments

1997 STG£	1996 STG£
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1,000	1,000
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Investment in Subsidiary

The investment in subsidiary is stated at directors' valuation. 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. A receiver was appointed on 27th October, 1988 and this company has been excluded from the 1996 and 1997 group accounts.

Unlisted Investment

The cost of the unlisted investment at 31st December, 1996 and at 31st December 1997 is £1,000. In the opinion of the directors the value of this investment is not less than cost.

1997 STG£	1996 STG£
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3.DEBTORS

Amounts falling after one year:

Amounts due by group companies

-	-
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HENRY DENNY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 1997

	1997 STG£	1996 STG£
4. CREDITORS		
Amounts falling due within one year:		
Accruals	<u>1,802</u>	<u>1,802</u>

5. SHARE CAPITAL

Authorised, Issued and fully paid:

4.2% Preference Shares of STG£1 each	400,000	400,000
Ordinary shares of STG£1 each	1,400,000	1,400,000
	<u>1,800,000</u>	<u>1,800,000</u>

6. CONTINGENT LIABILITY

The company has guaranteed the liabilities of the subsidiary in receivership under certain equipment and vehicle leasing agreements. At 31st December, 1988 the total amount so guaranteed was some £345,000. The leasing company has confirmed that the receiver is continuing to make the rental payments as they fall due.

7. TAXATION MATTERS

(a) Unrelieved losses and recoverable ACT:

	1997 STG£	1996 STG£
Unrelieved losses available to be offset against future taxable profits	7,000	7,000
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.

8. GROUP MEMBERSHIP

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:

HENRY DENNY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1997

Companies Registration Office
Parnell House
14 Parnell Square
Dublin 1