

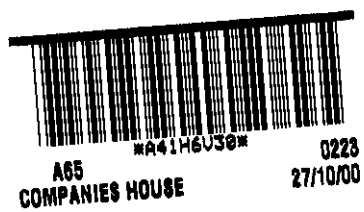
REPORT AND FINANCIAL STATEMENTS OF:

HENRY DENNY & SONS LIMITED

For the year ended

31 December 1999

REGISTERED NO. 33524



HENRY DENNY & SONS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

CONTENTS	PAGE
Directors and Other Information	2
Report of the Directors	3 – 4
Statement of Directors' Responsibilities	5
Report of the Auditors	6
Balance Sheet	7
Notes to the Financial Statements	8 – 9

HENRY DENNY & SONS LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Denis Brosnan
Hugh Friel
Denis Cregan

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.

REPORT OF THE DIRECTORS

The directors submit their annual report together with the audited financial statements for the year ended 31 December 1999.

BUSINESS REVIEW

The company is an investment holding company. The company did not trade during the current or preceding year and made neither profit or loss, nor any other recognised gains or losses. Consequently, the directors have not presented a profit and loss account.

DIRECTORS' AND SECRETARY'S INTERESTS

Details of the directors and secretary who served throughout the year are stated on page 2. The interests of the current directors and secretary of the company 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 1999 and 31 December 1998 were as follows:

	NUMBER "A" ORDINARY SHARES	
DIRECTORS	1999	1998
Denis Brosnan	308,000	308,000
Hugh Friel	325,000	325,000
Denis Cregan	262,500	262,500
SECRETARY		
Brian Durran	22,900	22,900

No change in the above shareholdings has occurred between 31 December 1999 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 1999 and 1998 had no beneficial interest in the shares of the company.

REPORT OF THE DIRECTORS (CONTINUED)

YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. 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.

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 BROSINAN, DIRECTOR.



HUGH FRIEL, DIRECTOR.

13 March 2000.

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 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

REPORT OF THE AUDITORS TO THE MEMBERS OF HENRY DENNY & SONS LIMITED

We have audited the financial statements on pages 7 to 9 which have been prepared under the accounting policies set out on page 8.

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 31 December 1999 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,
Deloitte & Touche House,
Earlsfort Terrace,
Dublin 2.

13 March, 2000.

HENRY DENNY & SONS LIMITED**BALANCE SHEET AS AT 31 DECEMBER 1999**

	Notes	1999 STG£	1998 STG£
FINANCIAL ASSETS	2	1,000	1,000
CURRENT ASSETS			
Cash at bank		1,801	1,801
CREDITORS: Amounts falling 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	<u>1,800,000</u>	<u>1,800,000</u>
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 13 March, 2000 and signed on its behalf by:



DENIS BROSINAN, DIRECTOR



HUGH FRIEL, DIRECTOR

13 March 2000.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999**

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 sterling.
- (b) The company did not trade during the year ended 31 December 1999, nor in the preceding year, and made neither profit or loss nor any other recognised gain or loss. Accordingly, no profit and loss account is presented.

2. FINANCIAL ASSETS

	1999 STG£	1998 STG£
Third party investments	<u>1,000</u>	<u>1,000</u>

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.

Unlisted Investment

The cost of the unlisted investment at 31 December 1998 and at 31 December 1999 is £1,000. In the opinion of the directors the value of this investment is not less than cost.

3. CREDITORS

	1999 STG£	1998 STG£
Amounts falling due within one year:		
Accruals	<u>1,802</u>	<u>1,802</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)****4. SHARE CAPITAL**

	1999 STG£	1998 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:**

	1999 STG£	1998 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.****6. 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:
COMPANIES REGISTRATION OFFICE,
Parnell House,
14 Parnell Square,
Dublin 1.

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.