

COMPANY NUMBER
614345

AR PARKIN LIMITED

Report and Financial Statements

31 December 2004



AR PARKIN LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2004**

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AR PARKIN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H. Friel
D. Cregan
B. Mehigan

SECRETARY

B. Durran

REGISTERED OFFICE

Equinox South
Great Park Road
Bradley Stoke
Bristol BS32 4QL

BANKERS

NatWest Bank plc
Dudley Castle Street
Dudley
West Midlands
DY1 1YY

SOLICITORS

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

AUDITORS

Deloitte & Touche LLP
Bristol

AR PARKIN LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 15 month period ended 31 December 2004.

Principal Activities and Business Review

The company's principal activities are the blending and supply of spices, seasonings and food ingredient products. The directors are satisfied with the results for the period and expect to see further progress in the future.

Results and Dividends

The results for the period are shown on page 8. The company's profit for the period after taxation amounted to £24,515 (2003: Loss £68,968). The directors do not recommend the payment of a dividend (2003: nil).

The Directors and their Interests

The present membership of the Board is set out on page 2 of these financial statements. The following changes to the directors and secretary occurred during the period.

M. Hilditch, A. Hilditch resigned as directors on 30 January 2004.

B. Hilditch resigned as secretary on 30 January 2004.

P. Doyle was appointed as director and secretary on 30 January 2004.

G Russell, D. Gill and P. Gregory were appointed directors on 14 April 2004.

H. Friel, B. Mehigan and D. Cregan were appointed as directors on 30 June 2004.

P. Doyle resigned as secretary and B. Durran was appointed as secretary on 30 June 2004.

P. Doyle, G. Russell, D Gill, D. Handley and P. Gregory retired as directors on 19 May 2005.

The current directors held no interest in the shares of the company or of any group company other than the ultimate parent company as at 31 December 2004 and 31 December 2003.

According to the register of directors' interests, no rights to subscribe for shares or debentures of the company were granted to or exercised by the directors or their immediate family during the period.

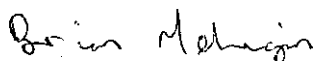
The interests of the current directors of the company in the share capital of Kerry Group Plc, the ultimate holding company at 31 December 2004 are disclosed within the financial statements of that company.

Auditors

Blueprint Audit Limited resigned as auditors and were replaced by Deloitte & Touche LLP during the period.

A resolution to reappoint Deloitte & Touche LLP as auditors will be proposed at the forthcoming Annual General Meeting.

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



B. Mehigan, Director
24 October 2005

AR PARKIN 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AR PARKIN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AR PARKIN LIMITED

We have audited the financial statements of AR Parkin Limited for the period ended 31 December 2004 which comprise the Statement of accounting policies, the Profit and Loss Account, the Balance Sheet and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of 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 period 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 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Bristol

28 October 2005

AR PARKIN LIMITED

STATEMENT OF ACCOUNTING POLICIES

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

Accounting convention

The financial statements have been prepared under the historical cost convention and are denominated in Sterling.

Turnover

Turnover represents the value of sales to customers net of discounts, allowances, volume and promotional rebates, other payments to customers and excludes vat.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation on the fixed assets is calculated so as to provide for their cost less estimated residual value over the period of their expected useful lives at the following rates:

Leasehold Property	2% straight line
Plant, Machinery and Equipment	25% reducing balance (2004 Additions – 10% straight line)
Motor Vehicles	25% reducing balance
Fixtures & Fittings	12.5% straight line

The carrying value of tangible fixed assets is reviewed for impairment if events or changes in circumstances indicate that the net book value may not be recoverable.

Stocks

Stocks are valued on the first in, first out basis, at the lower of cost and estimated net realisable value. Cost includes all expenditure which has been incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price of stock on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Deferred taxation

Deferred tax is accounted for on a full provision basis. All timing differences that have originated but not reversed at the balance sheet date are provided, except as otherwise required by FRS 19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is not discounted.

AR PARKIN LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

Pensions

The company makes contributions into the personal pension plans for two employees. Amounts are charged to the profit and loss account as they become payable.

Foreign currency

Transactions carried out in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction or the relevant contracted rate.

Assets and liabilities denominated in foreign currencies are translated into sterling at contract rates where amounts payable or receivable are covered by forward contracts. All other amounts payable and receivable are translated at the rate ruling at the balance sheet date.

All exchange differences are taken into account in arriving at the profit on ordinary activities before taxation.

Leases

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

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Further instalments under such finance leases, net of finance charges, are included in creditors.

Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

AR PARKIN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2004

		Period from 1 Oct 2003 to 31 Dec 2004 £	Period from 1 Oct 2002 to 30 Sept 2003 £
	Note		
Turnover			
Continuing operations	1	<u>4,454,846</u>	<u>3,168,867</u>
Operating profit / (loss)	4	107,410	(40,568)
Interest receivable and similar income	6	502	267
Interest payable and similar charges	7	(11,556)	(6,311)
Profit / (Loss) on ordinary activities before taxation		<u>96,356</u>	<u>(46,612)</u>
Tax on ordinary activities	8	(71,841)	(22,356)
Profit / (Loss) on ordinary activities after taxation		<u>24,515</u>	<u>(68,968)</u>
Retained profit at beginning of year		152,289	221,257
Retained profit at end of year	18	<u>176,804</u>	<u>152,289</u>

Results for the current and the preceding financial period are derived from continuing operations.

There are no material differences between the results reported and those prepared on a historical cost basis.

There were no gains or losses other than those recognised in the profit and loss account therefore no separate statement of total recognised gains and losses has been prepared.

AR PARKIN LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Note	31 Dec 2004 £	30 Sept 2003 £
FIXED ASSETS			
Tangible assets	9	264,007	195,402
		<u>264,007</u>	<u>195,402</u>
CURRENT ASSETS			
Stocks	10	226,471	219,371
Debtors	11	547,783	507,484
Cash at bank and in hand		-	105,081
		<u>774,254</u>	<u>831,936</u>
CREDITORS:			
Amounts falling due within one year	12	(818,398)	(832,848)
NET CURRENT LIABILITIES		<u>(44,144)</u>	<u>(912)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		219,863	194,490
CREDITORS:			
Amounts falling due after more than one year	13	(28,430)	(19,475)
Provisions for liabilities and charges	15	(4,162)	-
Deferred Income	16	(7,367)	(19,626)
NET ASSETS		<u>179,904</u>	<u>155,389</u>
CAPITAL AND RESERVES			
Share capital	17	1,581	1,581
Capital reserves	18	1,519	1,519
Profit and loss account	18	176,804	152,289
TOTAL EQUITY SHAREHOLDER'S FUNDS	19	<u>179,904</u>	<u>155,389</u>

The financial statements were approved by the Board of Directors on 24 October 2005 and signed on its behalf by:

Brian Mehigan

B. Mehigan, Director

AR PARKIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

1. TURNOVER

Turnover comprises amounts invoiced (excluding value added tax) in the UK for sales and services.

	Period from 1 Oct 2003 to 31 Dec 2004 £	Period from 1 Oct 2002 to 30 Sept 2003 £
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PRINCIPAL ACTIVITIES

Food ingredients products	<u>4,454,846</u>	<u>3,168,867</u>
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GEOGRAPHICAL ANALYSIS

Ireland (including Northern Ireland)	764,512	543,821
Great Britain and Rest of Europe	3,690,334	2,625,046
	<u>4,454,846</u>	<u>3,168,867</u>

2. STAFF NUMBERS AND COSTS

The average number of persons employed by the company was as set out below:

	Period from 1 Oct 2003 to 31 Dec 2004 No.	Period from 1 Oct 2002 to 30 Sept 2003 No.
Administration	6	5
Production	24	22
Sales	3	2
	<u>33</u>	<u>29</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	904,322	445,920
Social security costs	94,289	41,866
Pension costs (note 21)	5,333	3,020
	<u>1,003,944</u>	<u>490,806</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 1 Oct 2003 to 31 Dec 2004 £	Period from 1 Oct 2002 to 30 Sept 2003 £
Emoluments receivable	<u>177,125</u>	<u>-</u>

AR PARKIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)

4. OPERATING PROFIT / (LOSS)	Period from 1 Oct 2003 to 31 Dec 2004 £	Period from 1 Oct 2002 to 30 Sept 2003 £
Turnover	4,454,846	3,168,867
Less operating costs:		
Change in stocks of finished goods and work in progress	(7,100)	(58,158)
Raw materials and consumables	2,505,228	1,798,481
Other external charges	676,050	664,880
Staff costs (note 2)	1,003,944	490,806
Depreciation - Assets held under Finance Lease	38,045	21,533
Depreciation - Other Assets	33,594	35,459
Grant Amortisation (note 16)	(12,259)	(9,808)
Other operating charges	109,934	59,525
Operating profit before amortisation and exceptionals	<u>107,410</u>	<u>166,149</u>
Operating exceptional item (note 5)	-	(206,717)
Operating profit / (loss)	<u><u>107,410</u></u>	<u><u>(40,568)</u></u>
Operating profit / (loss) is stated after charging:		
Auditors' remuneration - audit services	5,500	3,200
Auditors' remuneration - other services	1,000	-
Operating lease rentals - plant and machinery	7,022	5,011
Operating lease rentals - other	<u>37,778</u>	<u>29,977</u>

5. EXCEPTIONAL ITEMS

The operating exceptional item of £206,717 in the period to 30 September 2003 related to the waiving of an amount due to the company from ABM Enterprises Limited.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 1 Oct 2003 to 31 Dec 2004 £	Period from 1 Oct 2002 to 30 Sept 2003 £
Other interest receivable and similar income	<u><u>502</u></u>	<u><u>267</u></u>

AR PARKIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)****7. INTEREST PAYABLE AND SIMILAR CHARGES**

	Period from 1 Oct 2003 to 31 Dec 2004 £	Period from 1 Oct 2002 to 30 Sept 2003 £
Interest on bank loans and overdrafts	3,189	37
Finance lease interest	8,367	6,274
Net interest payable	<u>11,556</u>	<u>6,311</u>

8. TAXATION

	Period from 1 Oct 2003 to 31 Dec 2004 £	Period from 1 Oct 2002 to 30 Sept 2003 £
United Kingdom corporation tax at 30%	67,679	22,356
Deferred tax on ordinary activities (note 15)	4,162	-
Tax charge for the year	<u>71,841</u>	<u>22,356</u>

Factors affecting current taxation charge for the year

Profit / (loss) on ordinary activities before taxation	96,356	(46,612)
Standard rate of tax in the United Kingdom	30.0%	30.0%
Capital allowances greater than depreciation	(4.4%)	-
Items not deductible for tax purposes	44.6%	(78.0%)
Current taxation	<u>70.2%</u>	<u>(48.0%)</u>

AR PARKIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)

9. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant, Machinery Equipment and Fixt. & Fittings £	Motor Vehicles £	Total £
COST				
Beginning of period	89,712	492,269	49,949	631,930
Additions	-	143,594	-	143,594
Disposals	-	-	(30,555)	(30,555)
End of period	<u>89,712</u>	<u>635,863</u>	<u>19,394</u>	<u>744,969</u>
ACCUMULATED DEPRECIATION				
Beginning of period	87,688	314,059	34,781	436,528
Charge during period	2,024	66,165	3,450	71,639
Disposals	-	-	(27,205)	(27,205)
End of period	<u>89,712</u>	<u>380,224</u>	<u>11,026</u>	<u>480,962</u>
NET BOOK VALUE				
End of period	<u>-</u>	<u>255,639</u>	<u>8,368</u>	<u>264,007</u>
Beginning of period	<u>2,024</u>	<u>178,210</u>	<u>15,168</u>	<u>195,402</u>

The net book value of assets held under finance leases as at 31 December 2004 is £90,928 (2003: Nil)

10. STOCKS

	31 Dec 2004 £	30 Sept 2003 £
Finished goods	226,471	219,371
	<u>226,471</u>	<u>219,371</u>

AR PARKIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)

11. DEBTORS	31 Dec 2004	30 Sept 2003
	£	£
Trade debtors	492,415	461,300
Other debtors and prepayments	55,368	46,184
	<u>547,783</u>	<u>507,484</u>

12. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	31 Dec 2004	30 Sept 2003
	£	£
Bank loans and overdrafts	378,549	7,486
Obligations under finance leases	32,176	35,666
Trade creditors	296,348	423,075
Taxation and social security	95,652	45,733
Other creditors	-	320,888
Accruals	15,673	-
	<u>818,398</u>	<u>832,848</u>

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

	31 Dec 2004	30 Sept 2003
	£	£
Obligations under finance leases (due within two to five years)	28,430	19,475
	<u>28,430</u>	<u>19,475</u>

Finance lease creditors are secured on the assets concerned.

AR PARKIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)

14. BORROWINGS

	31 Dec 2004 £	30 Sept 2003 £
Amounts falling due :		
In one year or less or on demand	410,725	43,152
Included in amounts falling due within one year:	<u>(410,725)</u>	<u>(43,152)</u>
	<u>-</u>	<u>-</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	31 Dec 2004 £	30 Sept 2003 £
Deferred tax		
At beginning of period	-	(21,509)
Provided in the period - ordinary activities (note 8)	4,162	21,509
At end of year	<u>4,162</u>	<u>-</u>

The deferred tax provision consists of the following amounts:

Accelerated capital allowances	4,162	-
Deferred tax provision at end of year	<u>4,162</u>	<u>-</u>

16. DEFERRED INCOME

	31 Dec 2004 £	30 Sept 2003 £
Deferred grant		
At beginning of period	19,626	29,434
Released to Profit & Loss Account	<u>(12,259)</u>	<u>(9,808)</u>
At end of period	<u>7,367</u>	<u>19,626</u>

17. SHARE CAPITAL

	31 Dec 2004 £	30 Sept 2003 £
Authorised		
3,500 ordinary shares of £1 each	<u>3,500</u>	<u>3,500</u>
Allotted, issued and fully paid:		
1,581 ordinary shares of £1 each	<u>1,581</u>	<u>1,581</u>

AR PARKIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)

18. RESERVES

	Capital Reserves £	Profit and Loss Account £	Total £
At 1 October 2003	1,519	152,289	153,808
Retained profit for the period	-	24,515	24,515
At 31 December 2004	<u>1,519</u>	<u>176,804</u>	<u>178,323</u>

19. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	31 Dec 2004 £	30 Sept 2003 £
At beginning of period	155,389	224,357
Retained profit / (loss) for the financial period	24,515	(68,968)
At end of period	<u>179,904</u>	<u>155,389</u>

20. OPERATING LEASE COMMITMENTS

At the balance sheet date the company had annual commitments under non cancellable operating leases which expire as follows:

	Land and Buildings 31 Dec 2004 £	Other 31 Dec 2004 £	Land and Buildings 30 Sept 2003 £	Other 30 Sept 2003 £
Within two to five years	-	34,707	-	25,632
After five years	-	-	133,500	-
	<u>-</u>	<u>34,707</u>	<u>133,500</u>	<u>25,632</u>

AR PARKIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)

14. BORROWINGS

	31 Dec 2004 £	30 Sept 2003 £
Amounts falling due :		
In one year or less or on demand	410,725	43,152
Included in amounts falling due within one year:	<u>(410,725)</u>	<u>(43,152)</u>
	<u>-</u>	<u>-</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	31 Dec 2004 £	30 Sept 2003 £
Deferred tax		
At beginning of period	-	(21,509)
Provided in the period - ordinary activities (note 8)	<u>4,162</u>	<u>21,509</u>
At end of year	<u>4,162</u>	<u>-</u>
The deferred tax provision consists of the following amounts:		
Accelerated capital allowances	<u>4,162</u>	<u>-</u>
Deferred tax provision at end of year	<u>4,162</u>	<u>-</u>

16. DEFERRED INCOME

	31 Dec 2004 £	30 Sept 2003 £
Deferred grant		
At beginning of period	19,626	29,434
Released to Profit & Loss Account	<u>(12,259)</u>	<u>(9,808)</u>
At end of period	<u>7,367</u>	<u>19,626</u>

17. SHARE CAPITAL

	31 Dec 2004 £	30 Sept 2003 £
Authorised		
3,500 ordinary shares of £1 each	<u>3,500</u>	<u>3,500</u>
Allotted, issued and fully paid:		
1,581 ordinary shares of £1 each	<u>1,581</u>	<u>1,581</u>

AR PARKIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004 (continued)

21. PENSION COMMITMENTS

The company makes contributions into the personal pension plans of two employees. Amounts are charged to the profit and loss account as they become payable.

22. CASH FLOW STATEMENT

A cash flow statement has not been prepared for the company as its ultimate parent company, Kerry Group plc, has prepared a consolidated cash flow statement dealing with the cash flows of the Group.

23. RELATED PARTY TRANSACTIONS

The company, a wholly owned subsidiary of Kerry Group plc, has taken advantage of the exemption contained in FRS 8 from the requirement to disclose related party transactions within the group.

24. PARENT COMPANY AND CONTROLLING PARTY

In the opinion of the directors, the company's ultimate parent undertaking and controlling party 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 financial statements are prepared is Kerry Group plc. Copies of these financial statements can be obtained from Prince's Street, Tralee, County Kerry, Ireland.