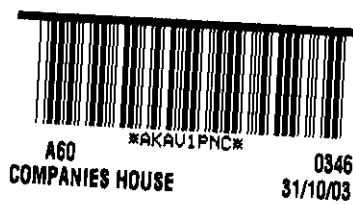


VOYAGER FOODS LIMITED

Report and Financial Statements

15 months ended 31 December 2002



VOYAGER FOODS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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VOYAGER FOODS 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
Temple Bar Branch
217 The Strand
London
United Kingdom

SOLICITORS

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

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Bristol

VOYAGER FOODS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 15 months ended 31 December 2002.

ACTIVITIES

The principal activity of the company is the production and sale of fresh and frozen precision food components to food manufacturers, caterers and retailers. With effect from 28 October 2002, the company transferred its trade and assets to Kerry Ingredients (UK) Ltd.

REVIEW OF DEVELOPMENTS

The directors are satisfied with the company's operating profit.

DIVIDENDS AND TRANSFERS TO RESERVES

The results for the company are set out on page 7. The directors have proposed payment of a final dividend of £Nil (2001 - £2,864,000).

DIRECTORS AND THEIR INTERESTS

The directors, none of whom are beneficially interested in the shares of the company, who served during the year were:

D Brosnan	(resigned 2/2/2002)
B Mehigan	(appointed 2/2/2002)
H Friel	
D Cregan	

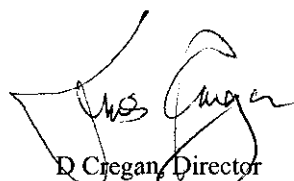
The interest of the directors in the shares of the ultimate company, Kerry Group plc, are disclosed in that company's accounts.

The directors and the secretary of the company who held office at 31 December 2002 had no interest in the share capital of the company or any other group company other than the ultimate parent company.

AUDITORS

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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



D Cregan, Director
24 October 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOYAGER FOODS LIMITED

We have audited the financial statements of Voyager Foods Limited for the 15 months ended 31 December 2002, which comprise the statement of accounting policies, the profit and loss account, the balance sheet and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 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 or assume 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 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 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 circumstances of the company 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 2002 and of its profit for the 15 months 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

30 October 2003

VOYAGER FOODS LIMITED

STATEMENT OF ACCOUNTING POLICIES

15 Months ended 31 December 2002

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

The turnover represents amounts invoiced for goods sold less returns and excluding VAT.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings	-	2% straight line
Short leasehold property	-	straight line over the period of the lease
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% - 33% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of production overheads where applicable.

Pension costs

The company operates a defined contribution pension scheme for employees. The annual contributions payable are charged to the profit and loss account

Deferred Taxation

These accounts reflect the adoption of FRS19 which requires deferred tax to be accounted for on a full provision basis on all timing differences that have originated but not reversed by the balance sheet date, except as otherwise required by the standard. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

New Standards Adopted

FRS 19 "Deferred Tax" and the transitional provisions of FRS 17 "Retirement Benefits" have been adopted in the company's 2002 financial statements.

FRS 19 requires full provision to be made for deferred tax assets and liabilities arising from timing differences between recognition of gains and losses in the financial statements and for corporation tax purposes. The provision is calculated at the rates of tax at which it is estimated the liability will arise.

The adoption of the new standards has had no effect either on the results for the current period or on results reported for prior periods.

STATEMENT OF ACCOUNTING POLICIES

15 Months ended 31 December 2002

Leases

Assets held under finance leases are recorded in the balance sheet at the fair value of leased assets at the inception of the leases and depreciated over the shorter of the lease term and their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the lease term.

Research and development

Research and development expenditure is charged to the profit and loss account in the periods in which it is incurred.

VOYAGER FOODS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 15 MONTHS ENDED 31 DECEMBER 2002

		15 months ended 31 December 2002 £'000	Year ended 30 September 2001 £'000
	Note		
Turnover			
Discontinued operations	1	<u>9,530</u>	<u>17,338</u>
Operating profit			
Discontinued operations		1,031	528
Interest receivable and similar income	4	21	178
Interest payable and similar charges	5	(12)	(58)
Profit on ordinary activities before taxation		<u>1,040</u>	<u>648</u>
Tax on ordinary activities	6	(35)	(69)
Profit on ordinary activities after taxation		<u>1,005</u>	<u>579</u>
Dividends	7	-	(2,864)
Retained profit / (loss) for the financial period	16	<u>1,005</u>	<u>(2,285)</u>

All amounts relate to discontinued operations.

All recognised gains and losses in the current and preceding financial periods have been reflected in the profit and loss account. Accordingly no statement of total recognised gains and losses have been presented.

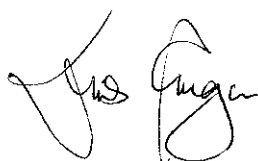
There are no material differences between the results reported and those prepared on a historical cost basis.

VOYAGER FOODS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	Note	31 December 2002 £'000	30 September 2001 £'000
FIXED ASSETS			
Tangible assets	8	-	3,464
CURRENT ASSETS			
Stocks	9	-	1,207
Debtors	10	2,194	1,575
Cash at bank and in hand		-	3,554
		<u>2,194</u>	<u>6,336</u>
CREDITORS:			
Amounts falling due within one year	11	(338)	(6,590)
NET CURRENT ASSETS / (LIABILITIES)		<u>1,856</u>	<u>(254)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,856	3,210
CREDITORS:			
Amounts falling due after more than one year	12	-	(2,043)
Provision for liabilities and charges	13	-	(316)
NET ASSETS		<u><u>1,856</u></u>	<u><u>851</u></u>
CAPITAL AND RESERVES			
Share capital	14	31	31
Share Premium Account	15	1	1
Other reserves	15	35	35
Profit and loss account	15	1,789	784
TOTAL EQUITY SHAREHOLDER'S FUNDS	16	<u><u>1,856</u></u>	<u><u>851</u></u>

The financial statements were approved by the Board of Directors on 24 October 2003 and signed on its behalf by :



D. Cregan, Director

VOYAGER FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2002

1. TURNOVER

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

	15 months ended 31 December 2002 £'000	Year ended 30 September 2001 £'000
PRINCIPAL ACTIVITIES:		
External food ingredients products	9,294	17,338
Intergroup food ingredients products	236	-
Food ingredients products	<u>9,530</u>	<u>17,338</u>

GEOGRAPHICAL ANALYSIS

Great Britain and Rest of Europe	9,530	17,338
	<u>9,530</u>	<u>17,338</u>

2. STAFF NUMBERS AND COSTS

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

	15 months ended 31 December 2002 Number	Year ended 30 September 2001 Number
Administration	6	62
Production	72	106
Sales	5	-
	<u>83</u>	<u>168</u>

The aggregate payroll costs of these persons were as follows:

	15 months ended 31 December 2002 £'000	Year ended 30 September 2001 £'000
Wages and salaries	1,198	3,437
Social security costs	99	418
Pension costs (note 18)	19	70
	<u>1,316</u>	<u>3,925</u>

The directors received no remuneration from Voyager Foods Limited in the 15 months ended 31 December 2002 (2001: £1,486,000). The current directors are directors of the ultimate parent company, Kerry Group plc, and their remuneration is disclosed in the financial statements of that company as it is not practicable to allocate the directors' remuneration across all of the group companies.

VOYAGER FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2002

3. OPERATING PROFIT - Discontinued Operations	15 months ended 31 December 2002 £'000	Year ended 30 September 2001 £'000
Turnover	9,530	17,338
Less operating costs:		
Change in stocks of finished goods and work in progress	2	47
Raw materials and consumables	6,033	10,325
Other external charges	395	1,377
Staff costs	1,316	3,925
Depreciation	203	382
Other operating charges	397	751
Loss on sale of fixed assets	153	3
Operating profit	<u>1,031</u>	<u>528</u>

Operating profit is stated after charging:

Research and development costs	255	-
Auditors' remuneration - audit services	35	12
Auditors' remuneration - other services	1	5
Operating lease rentals - plant and machinery	39	158
- other	34	-
	<u>34</u>	<u>-</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME	15 months ended 31 December 2002 £'000	Year ended 30 September 2001 £'000
Other interest receivable and similar income	<u>21</u>	<u>178</u>

VOYAGER FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2002

5. INTEREST PAYABLE AND SIMILAR CHARGES

	15 months ended 31 December 2002 £'000	Year ended 30 September 2001 £'000
Other interest payable	6	5
Finance lease interest	6	53
Net interest payable	<u>12</u>	<u>58</u>

6. TAXATION

	15 months ended 31 December 2002 £'000	Year ended 30 September 2001 £'000
Under provision in respect of prior years - corporation tax	-	(77)
UK corporation tax at 30%	58	41
Group relief	293	-
Total current tax	<u>351</u>	<u>(36)</u>
Over provision in respect of prior years - deferred tax	-	33
Deferred tax - current year	(316)	72
Tax on profit on ordinary activities	<u>35</u>	<u>69</u>

Factors affecting current taxation charge for the year

Profit on ordinary activities before taxation	1,040	648
Standard rate of tax in United Kingdom	30.0%	30.0%
Capital allowances greater than depreciation	15.1%	-11.1%
Timing differences arising on provisions	-0.3%	0.0%
Differences arising due to different tax rates	0.0%	-2.2%
Items not deductible for tax purposes	6.3%	5.5%
Adjustments in respect of prior years	0.0%	-12.1%
Other differences	<u>-17.3%</u>	<u>-15.7%</u>
Current taxation	<u>33.8%</u>	<u>-5.6%</u>

Prior year adjustment

FRS 19 "Deferred Tax" has been implemented during the year ended 31 December 2002. The implementation of FRS 19 had no impact on either the retained loss for the year ended 30 September 2001 or net assets as at 30 September 2001.

7. DIVIDENDS PROPOSED

	15 months ended 31 December 2002 £'000	Year ended 30 September 2001 £'000
Final Dividend at £92.39 per share	<u>-</u>	<u>2,864</u>

VOYAGER FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2002

8. TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Plant, Machinery and Equipment £'000	Motor Vehicles £'000	Total £'000
COST				
At 1 October 2001	1,688	3,804	31	5,523
Additions	79	285	-	364
Disposals	(1,108)	(2,295)	(13)	(3,416)
Intergroup transfers	(659)	(1,794)	(18)	(2,471)
At 31 December 2002	-	-	-	-
ACCUMULATED DEPRECIATION				
At 1 October 2001	270	1,770	19	2,059
Charge during year	34	167	2	203
Disposals	(164)	(1,179)	(10)	(1,353)
Intergroup transfers	(140)	(758)	(11)	(909)
At 31 December 2002	-	-	-	-
NET BOOK VALUE				
At 31 December 2002	-	-	-	-
At 1 October 2001	1,418	2,034	12	3,464

VOYAGER FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2002

9. STOCKS

	31 December 2002 £'000	30 September 2001 £'000
Raw materials and consumables	-	597
Finished goods	-	610
	<u>-</u>	<u>1,207</u>

10. DEBTORS

	31 December 2002 £'000	30 September 2001 £'000
Trade debtors	-	1,478
Other debtors	-	34
Prepayments and accrued income	-	63
Amounts due from group undertakings	2,194	-
	<u>2,194</u>	<u>1,575</u>

11. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	31 December 2002 £'000	30 September 2001 £'000
Obligations under finance leases and hire purchase contracts	-	188
Trade creditors	-	1,741
Taxation and social security	338	152
Accruals and deferred income	-	1,645
Proposed Dividends	-	2,864
	<u>338</u>	<u>6,590</u>

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

	31 December 2002 £'000	30 September 2001 £'000
Obligations under finance leases and hire purchase contracts	-	444
Amounts owed to group undertakings	-	1,599
	<u>-</u>	<u>2,043</u>

VOYAGER FOODS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2002****13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

Obligations under finance leases and hire purchase contracts fall due for repayment as follows:

	31 December	30 September
	2002	2001
	£'000	£'000
Within one year	-	188
Between one and five years	-	444
	<u>-</u>	<u>632</u>

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

14. PROVISION FOR LIABILITIES AND CHARGES

	31 December	30 September
	2002	2001
	£'000	£'000
Deferred tax		
At 1 October 2001	316	211
(Credited) / Charged in the period	(316)	105
At 31 December 2002	<u>-</u>	<u>316</u>

The deferred tax provision related to accelerated capital allowances.

15. SHARE CAPITAL

	31 December	30 September
	2002	2001
	£'000	£'000
Authorised		
250,000 Ordinary shares of £1 each	<u>250</u>	<u>250</u>
Called up, allotted and fully paid		
31,000 Ordinary shares of £1 each	<u>31</u>	<u>31</u>

VOYAGER FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2002

16. RECONCILIATION OF MOVEMENTS IN SHARE CAPITAL AND RESERVES

	Share Capital £'000	Share Premium Account £'000	Other Reserves £'000	Profit and Loss Account £'000	Total £'000
At 1 October 2001	31	1	35	784	851
Retained profit	-	-	-	1,005	1,005
At 31 December 2002	<u>31</u>	<u>1</u>	<u>35</u>	<u>1,789</u>	<u>1,856</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	31 December 2002 £'000	30 September 2001 £'000
Profit / (loss) for the financial year and net increase / (decrease) in shareholder's funds	1,005	(2,285)
Opening shareholder's funds	851	3,136
Closing shareholder's funds	<u>1,856</u>	<u>851</u>

18. PENSION COMMITMENTS

The total pension costs for the company were £19,361 (2001: £70,000).

19. 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.

VOYAGER FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31 DECEMBER 2002

20. RELATED PARTY TRANSACTIONS

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

21. PARENT COMPANY AND CONTROLLING PARTY

The company's parent company is Voyager Foods Holdings Ltd, a company registered in England and Wales.

The ultimate parent company and controlling party is Kerry Group plc, a company registered in the Republic of Ireland. The parent undertaking of the largest and smallest group which includes the company and for which group financials are prepared is Kerry Group plc. Copies of these financial statements can be obtained from Prince's Street, Tralee, County Kerry, Ireland.