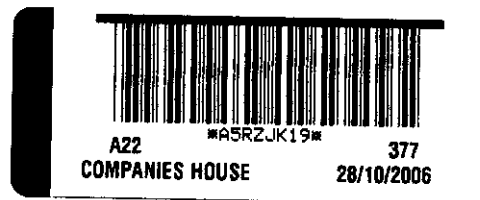


Company Number . Sc 59986

Caledonian Produce Limited

Annual Report and Accounts

For the fifty two weeks ended 31 December 2005



Caledonian Produce Limited

DIRECTORS' REPORT

The Directors submit their report and the audited accounts of the Company for the fifty two weeks ended 31 December 2005. Comparatives in these accounts are for the fifty two weeks ended 1 January 2005.

Principal Activities and Business Review

The Company is a wholly owned subsidiary in the Bakkavor Invest Group. The Company did not trade in the fifty two weeks ended 31 December 2005. The Directors consider the state of affairs of the Company at 31 December 2005 to be satisfactory. On 29 April 2005, the group headed by Geest plc (of which Caledonian Produce Limited was a subsidiary undertaking) was acquired by Bakkavor Invest Limited and on 28 July 2005 Geest plc delisted and was renamed Geest Limited.

Results and Dividend

The result for the period after taxation was £nil (2004: £nil). Dividends of £nil (2004: £nil) were paid.

Directors and their interests

The Directors who held office throughout the period were:

JM Pullen	(resigned 30 September 2005)
DE Durrant	(resigned 25 November 2005)
D Aitchison	(resigned 19 April 2005)
GJ Voyle	(appointed 30 September 2005, resigned 26 May 2006)
J Punnett	(appointed 25 November 2005)
MS Archer	(appointed 19 April 2005)
A Gudmundsson	(appointed 22 May 2006)

JM Pullen held a beneficial interest in nil (2004: 132,045) ordinary shares of Geest PLC as at 30 September 2005.

DE Durrant held a beneficial interest in nil (2004: 2,491) ordinary shares of Geest PLC as at 25 November 2005.

All Directors' beneficial interests in the shares of Geest PLC were reduced to nil on 13 May 2005 when the shares were acquired by Bakkavor hf for 655.0 pence per share. GJ Voyle received £188,640 in loan notes in lieu of some of the proceeds from the sale of above shares. The loan notes were issued by Bakkavor Invest Limited on 27 May 2005.

As at 1 January 2005 and also at 3 January 2004, D Aitchison was interested in options to acquire ordinary shares in Geest PLC as follows:

Geest Company share option scheme 1996

Date granted	Option price	No. of options at 1 January 2005	Granted	Exercised / sold	Lapsed	No. of options at 19 April 2005
23.04.2003	406.0p	2,909				2,909
13.04.2004	521.5p		2,636			2,636

Further details of the above share option scheme are given in the Geest PLC annual report. The share options may be exercised between 3 and 10 years from the date of grant.

A number of Directors participated in the Geest PLC Long Term Incentive Plan (LTIP) and Executive Co Investment Plan (COIP), on 1 January 2005. As a result of the purchase of Geest PLC by Bakkavor hf, all schemes were closed on 10 May 2005 with the transfer of a number of shares. These shares were then acquired by Bakkavor hf on 13 May 2005.

Under these plans JM Pullen received the following awards over shares in Geest PLC:

LTIP Performance Cycle	Interest at 1 January 2005	Shares transferred 10 May 2005	Lapsed	Interest at 30 September 2005
2002 to 2005 (4 years)	16,443	6,851	9,592	
2003 to 2006 (4 years)	31,603	9,218	22,385	
2004 to 2007 (4 years)	37,333	6,222	31,111	

COIP	Investment shares at 1	Shares subject of match	Total potential match, based

Caledonian Produce Limited

Performance Cycle		January 2005		on 31 March
2003 to 2005 release 2006	Award lapsed 10 May 2005	15,152	25,253	75,760
2004 to 2006 release 2007	Award lapsed 10 May 2005	11,428	19,369	58,107

DIRECTORS' REPORT (Continued)

Award dates 8 October 2003 and 19 April 2004, Mid market price at date of awards 457 pence and 525 pence

Under these plans DE Durrant has received the following awards over shares in Geest PLC

LTIP Performance Cycle	Interest at 1 January 2005	Shares transferred 10 May 2005	Lapsed	Interest at 25 November 2005
2002 to 2005 (4 years)	2,551	1,063	1,488	
2003 to 2006 (4 years)	5,418	1,580	3,838	
2004 to 2007 (4 years)	5,333	889	4,444	

The directors do not have any other disclosable interests

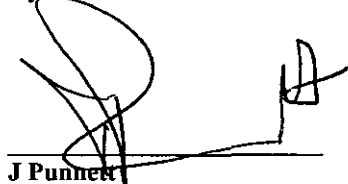
No director had a beneficial interest in any contract or arrangement to which the company was party during the year

During 2005 the Company entered into indemnity deeds containing "qualifying third party indemnity provisions", as defined at section 309B of the Companies Act 1985, with all directors in respect of certain liabilities which may attach to them in their capacity as directors or former directors of the Company

Auditors

During the year KPMG resigned as auditors of the company and Deloitte & Touche LLP were appointed to fill the resulting vacancy Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditor annually and Deloitte and Touche LLP will therefore continue in office

By order of the Board



J Punnett
Director

26 July 2006

Caledonian Produce Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, 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 accounts;
- Prepare the accounts 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Caledonian Produce Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALEDONIAN PRODUCE LIMITED

We have audited the financial statements of Caledonian Produce Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 8. 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 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 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 United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 other transactions with the company is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Birmingham

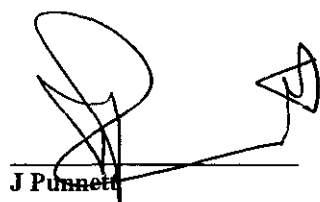
27 July 2006

Caledonian Produce Limited

BALANCE SHEET As at 31 December 2005

£000	Notes	31 December 2005	1 January 2005
Current assets			
Debtors	2	47,037	46,941
Cash at bank and in hand			96
		47,037	47,037
Current liabilities			
Creditors amounts falling due within one year	3	(46,942)	(46,942)
Net current assets		95	95
Net Assets		95	95
Capital and reserves			
Called up share capital	4	44	44
Share premium account	5	48	48
Profit and loss account	6	3	3
Equity shareholder's funds	7	95	95

These accounts were approved by the Board of Directors on 26 July 2006 and were signed on its behalf by



J Punnett

Director

The accompanying notes are an integral part of this balance sheet

Caledonian Produce Limited

NOTES TO THE BALANCE SHEET

1. Statement of Accounting Policies

The principal accounting policies adopted are described below, they have all been applied consistently throughout the year and the preceding year

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses either the period under review or the preceding financial period. There have been no movements in shareholders' funds during the year under review or the preceding financial period.

Cash flow statement

In accordance with Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Bakkavor hf.

Related party transactions

As the Company is a wholly owned subsidiary of Bakkavor hf, the Company has taken advantage of the exemption contained within Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the Group. The consolidated accounts of Bakkavor hf, within which this Company is included, can be obtained from the address given in note 8.

2. Debtors

£000	31 December 2005	1 January 2005
Amounts owing by Group undertakings	47,037	46,941

3. Creditors

£000	31 December 2005	1 January 2005
Amounts falling due within one year		
Bank overdraft (unsecured)		1
Amounts owing to Group undertakings	46,942	46,941
	46,942	46,942

4. Called up Share capital

£	31 December 2005	1 January 2005
Authorised, allotted, called up and fully paid		
"A" Ordinary shares of £1 each	10,000	10,000
"B" Ordinary shares of £1 each	34,250	34,250
	44,250	44,250

The "A" equity shares in issue entitle the holder to one vote per share held and to a restricted amount of any dividend distribution made. The "B" equity shares in issue have very limited voting rights but entitle the holder to full amounts of any dividend distributions made.

5. Share premium account

£000	31 December 2005	1 January 2005
Share premium	48	48

6. Profit and loss account

£000	31 December 2005	1 January 2005
Opening balance	3	3
Retained profit/accumulated (loss)		
Closing balance	3	3

Caledonian Produce Limited

NOTES TO THE BALANCE SHEET (Continued)

7. Reconciliation of movements in equity shareholder's funds

£000	31 December 2005	1 January 2005
Retained profit/accumulated (loss)		
Equity shareholder's funds at beginning of the year	95	95
Equity shareholder's funds at end of the year	95	95

8. Ultimate parent company

The Company is a subsidiary of Geest Overseas Holdings Limited which holds 39% of the voting shares and 100% of the non voting shares. The remaining 61% of the voting shares are held by the Geest Foods Discretionary Trust.

The company's ultimate parent company from 1 January 2005 to 28 April 2005 was Geest plc. On 29 April 2005, the group headed by Geest plc was acquired by Bakkavor Invest Limited which became the ultimate parent undertaking from that date. The company's ultimate parent company and ultimate controlling party since 29 April is Bakkavor hf, a company registered in Iceland.

The results of Caledonian Produce Limited are consolidated into those of the ultimate holding company, Bakkavor Group Hf, a company registered in Iceland for which group accounts are prepared copies of which are available from Hamraborg, 200 Kopavogur, Iceland.

The smallest group of which the company is a member, and for which consolidated financial statements are drawn up, is that headed by Bakkavor Invest Limited, a company registered in England and Wales.