

Company Number : Sc 59986

Caledonian Produce Limited

Annual Report and Accounts

For the fifty two weeks ended 1 January 2005



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COMPANIES HOUSE 13/10/2005

Caledonian Produce Limited

DIRECTORS' REPORT

The Directors submit their report and the audited accounts of the Company for the fifty two weeks ended 1 January 2005. Comparatives in these accounts are for the fifty three weeks ended 3 January 2004.

Principal Activities and Business Review

The Company is a wholly owned subsidiary in the Geest PLC Group. The Company did not trade in the fifty two weeks ended 1 January 2005. The Directors consider the state of affairs of the Company at 1 January 2005 to be satisfactory.

On 13 May 2005 the Geest PLC Group was acquired by Bakkavör hf. Following this acquisition on 18 May 2005 Geest PLC changed its name to Geest Limited. Accordingly, all references to Geest PLC within these accounts should be read as Geest Limited.

Results and Dividend

The result for the period after taxation was £nil (2003: £903,000). Dividends of £nil (2003: £48,504,000) were paid.

Directors and their interests

The Directors who held office throughout the period were:-

JM Pullen
DE Durrant
D Aitchison

The interests of JM Pullen who is a Director of the ultimate parent company, Geest PLC, are disclosed in the annual report of that Company.

As at 1 January 2005 DE Durrant held a beneficial interest in 2,491 (2003: 2,491) ordinary shares of Geest PLC.

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 3 January 2004	Granted	Exercised / sold	Lapsed	No. of options at 1 January 2005
11.04.2002	776.5p	1,448	-	-	(1,448)	-
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 participate in the Geest PLC Long Term Incentive Plan (LTIP) and Executive Co-Investment Plan (COIP), details of these plans are disclosed in the Geest PLC annual report. Under this plan DE Durrant has received the following awards over shares in the ultimate parent company Geest PLC.

LTIP Performance Cycle	Interest at 3 January 2004	Shares transferred	Awarded	Lapsed	Interest at 1 January 2005
2001 to 2004: (4 years)	3,814	-	-	(3,814)	-
2002 to 2005: (4 years)	2,551	-	-	-	2,551
2003 to 2006: (4 years)	5,418	-	-	-	5,418
2004 to 2007: (4 years)	-	-	5,333	-	5,333

The mid-market price of shares at 1 January 2005 was 633.75p (2003: 453p) and the price range during 2004 was 425.6p to 634.75p.

The awards received by JM Pullen under this plan are disclosed in the Geest PLC annual report. The Directors had no other disclosable interests.

Caledonian Produce Limited

DIRECTORS' REPORT (Continued)

Disabled Employees

Applications for employment by disabled persons are fully and fairly considered having regard to the aptitudes and abilities of the applicant. Training and career opportunities are available to all employees and in the event of an employee developing a disability, every effort is made to ensure that their employment within the Company continues and they receive suitable retraining.


Employee Involvement

The Company continues to provide all employees, both directly and through their departmental managers, with all relevant information on matters of concern to them as employees. The Company is committed by its policy to encourage the involvement of all staff through training and Company announcements.

Auditors

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditor annually and KPMG Audit Plc will therefore continue in office.

By order of the Board



JM Pullen
Director

19 May 2005

Caledonian Produce Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF CALEDONIAN PRODUCE LIMITED

We have audited the financial statements on pages 5 to 9.

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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 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 transactions with the company is not disclosed.

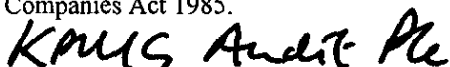
Basis of audit opinion

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 1 January 2005 and of its result for the fifty two week period then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc

Chartered Accountants

Registered Auditor

Nottingham

19 May 2005

Caledonian Produce Limited

PROFIT AND LOSS ACCOUNT

For the fifty two weeks ended 1 January 2005

£000	Notes	52 weeks ended 1 January 2005	53 weeks ended 3 January 2004
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Other operating income	4	-	900
Operating profit		-	900
Interest receivable	5	-	4
Profit on ordinary activities before taxation	2	-	904
Taxation on profit on ordinary activities	6	-	(1)
Profit for the financial period		-	903
Dividends	7	-	(48,504)
Retained profit/accumulated (loss) for the period	12	-	(47,601)

The Company had no other recognised gains or losses in either the current or preceding period other than the profit/(loss) for the period which all relates to discontinued activities.

Caledonian Produce Limited

BALANCE SHEET

As at 1 January 2005

£000	Notes	1 January 2005	3 January 2004
Current assets			
Debtors	8	46,941	46,959
Cash at bank and in hand		96	78
		47,037	47,037
Current liabilities			
Creditors: amounts falling due within one year	9	(46,942)	(46,942)
Net current assets		95	95
Net Assets		95	95
Capital and reserves			
Called up share capital	10	44	44
Share premium account	11	48	48
Profit and loss account	12	3	3
Equity shareholders' funds	13	95	95

These accounts were approved by the Board of Directors on 19 May 2005 and were signed on its behalf by:

J M Pullen

Director

Caledonian Produce Limited

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts.

1.a. Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Consolidated accounts have not been presented as permitted by Section 228 of the Companies Act 1985.

1.b. Cash flow statement

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

1.c. Related party transactions

As the Company is a wholly owned subsidiary of Geest PLC, 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 Geest PLC, within which this Company is included, can be obtained from the address given in note 14.

1.d. Turnover

Turnover represents the net invoiced value of goods and services to external customers in the UK excluding value added and sales taxes. No segmental analysis has been presented as the Company only has one class of business.

1.e. Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Provision is made for deferred taxation in accordance with FRS 19 'Deferred Tax'.

Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to receive more, tax.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Caledonian Produce Limited

NOTES TO THE ACCOUNTS (Continued)

2. Profit on ordinary activities before taxation

Profit on ordinary activities is stated after charging:

£000	52 weeks ended 1 January 2005	53 weeks ended 3 January 2004
Fees paid to the auditor – audit services	-	1

3. Remuneration of Directors

The Directors received no remuneration from this Company nor from any other Company for their services to this Company.

Details of the Directors interests in the shares of the ultimate parent company, Geest PLC, are given in the Directors' report on pages 1 and 2.

4. Other operating income

Other operating income of £900,000 in the 53 weeks ended 3 January 2004 represented the write off of a loan with a group undertaking.

5. Interest receivable and similar income

£000	52 weeks ended 1 January 2005	53 weeks ended 3 January 2004
Bank interest	-	4

6. Taxation

Analysis of charge in the period

£000	52 weeks ended 1 January 2005	53 weeks ended 3 January 2004
Current taxation		
UK Corporation tax at 30% (2003: 30%)	-	1
Adjustment in respect of prior periods	-	-
Taxation charge on ordinary activities	-	1

The effective corporation tax rate for 2004 is 30% (2003: 30%) compared with a standard corporation tax rate of 30% (2003: 30%).

Factors affecting the current tax charge for the period

£000	52 weeks ended 1 January 2005	53 weeks ended 3 January 2004
Profit on ordinary activities before taxation	-	904
Profit on ordinary activities before taxation at the standard rate of UK corporation tax of 30% (2003: 30%)	-	271
Factors affecting charge for period:		
Income taxed in previous period	-	(270)
Total current tax charge	-	1

Caledonian Produce Limited

NOTES TO THE ACCOUNTS (Continued)

7. Dividends

£000	52 weeks ended 1 January 2005	53 weeks ended 3 January 2004
Dividends paid on "A" Ordinary shares	-	48,504

8. Debtors

£000	1 January 2005	3 January 2004
Amounts owing by Group undertakings	46,941	46,959

9. Creditors

£000	1 January 2005	3 January 2004
Amounts falling due within one year:		
Bank overdraft (unsecured)	1	-
Amounts owing to Group undertakings	46,941	46,942
	46,942	46,942

10. Share capital

£	1 January 2005	3 January 2004
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.

11. Share premium account

£000	1 January 2005	3 January 2004
Share premium	48	48

12. Profit and loss account

£000	1 January 2005	3 January 2004
Opening balance	3	47,604
Retained profit/accumulated (loss)	-	(47,601)
Closing balance	3	3

13. Reconciliation of movements in equity shareholders' funds

£000	1 January 2005	3 January 2004
Retained profit/accumulated (loss)	-	(47,601)
Equity shareholders' funds at beginning of the year	95	47,696
Equity shareholders' funds at end of the year	95	95

14. 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. Geest Overseas Holdings Limited is a wholly owned subsidiary of Geest PLC which is considered to be the ultimate holding company, which is incorporated in Great Britain and registered in England and Wales. Accounts for this company can be obtained from the Company Secretary, Geest PLC, Midgate House, Midgate, Peterborough, PE1 1TN. The remaining 61% of the voting shares are held by the Geest Foods Discretionary Trust.