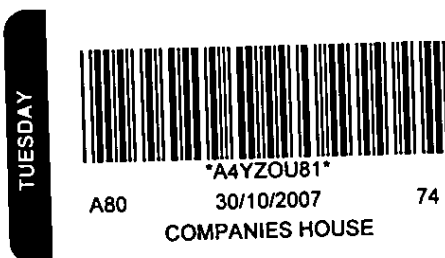


**Company Registration No. 00180927**

**Bakkavor Overseas Mechanisation  
Limited (formerly Geest Overseas  
Mechanisation Limited)**

**Report and Financial Statements**

**30 December 2006**



**Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

**Report and financial statements 2006**

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**Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

**Report and financial statements 2006**

**Officers and professional advisers**

**Directors**

A Gudmundsson (appointed 22 May 2006)

**Secretary**

J Punnett

**Registered Office**

5<sup>th</sup> Floor  
3 Sheldon Square  
Paddington Central  
London  
W2 6HY

**Bankers**

Barclays Bank PLC  
10 Hall Place  
Spalding  
Lincolnshire  
PE11 1SR

**Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
Birmingham

# **Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

## **Directors' report**

The directors present their annual report and the audited financial statements for the 52 week period ended 30 December 2006

On 23 November 2006, the company changed its name from Geest Overseas Mechanisation Limited to Bakkavor Overseas Mechanisation Limited

### **Principal activities**

The company is a wholly owned subsidiary in the Bakkavor Invest Group. The company did not trade in the fifty two weeks ended 30 December 2006 or in the prior year. The directors consider the state of affairs of the company at 30 December 2006 to be satisfactory.

### **Directors and their interests**

The directors who served throughout the period were as follows

A Gudmundsson	(appointed 22 May 2006)
G Voyle	(resigned 26 May 2006)

During 2006, the Company entered into indemnity deeds containing "qualifying third party indemnity provisions", as defined in 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. These indemnity provisions remained effective at the date on which these financial statements were signed.

The interests of A Gudmundsson in the shares of the ultimate parent company, who was also a Director of Bakkavor Group hf the ultimate parent company, are set out in that company's Annual Report and Accounts.

The Directors had no other disclosable interests.

### **Auditors**

Each of the persons who is a director at the date of approval of these financial statements confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

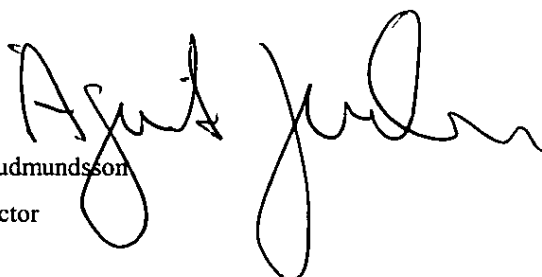
**Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

**Directors' report (continued)**

**Auditors (continued)**

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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

  
A Gudmundsson  
Director

30 October 2007

## **Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

## **Independent auditors' report to the members of Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

We have audited the financial statements of Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited) for the 52 weeks ended 30 December 2006 which comprise the balance sheet, the cash flow statement and the related notes 1 to 10. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union are set out in the statement of directors' responsibilities.

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 and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information in the directors' report is 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 and the other information contained in the financial statements for the above period 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. Our responsibilities do not extend to any further information outside 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.

**Independent auditors' report to the members of Bakkavor  
Overseas Mechanisation Limited (formerly Geest Overseas  
Mechanisation Limited) (Continued)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 December 2006 and of its result for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors

*30 October 2007*

Birmingham



**Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

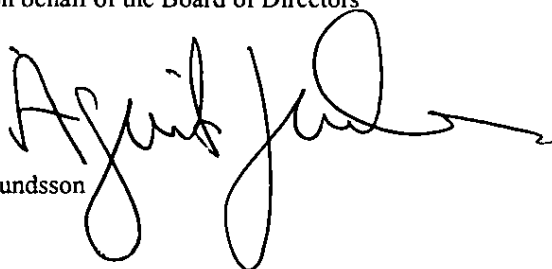
**Balance Sheet**  
**30 December 2006**

	Note	30 December 2006 £'000	31 December 2005 £'000
<b>Current assets</b>			
Trade and other receivables	4	23,128	22,995
Cash and cash equivalents	4	-	133
<b>Net assets</b>		<u>23,128</u>	<u>23,128</u>
<b>Equity</b>			
Share capital	5	32	32
Share premium	6	30,470	30,470
Retained earnings	6	(7,374)	(7,374)
<b>Total equity</b>		<u>23,128</u>	<u>23,128</u>

The financial statements were approved by the Board of Directors on 30 October 2007

Signed on behalf of the Board of Directors

A Gudmundsson  
Director



The accompanying notes are an integral part of this balance sheet

**Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

**Cash Flow Statement  
30 December 2006**

		<b>52 weeks ended 30 December 2006 £'000</b>	<b>52 weeks ended 31 December 2005 £'000</b>
	<b>Note</b>		
Net cash from operating activities	7	(133)	-
Net decrease in cash and cash equivalents		(133)	-
Cash and cash equivalents at beginning of period		133	133
Cash and cash equivalents at end of period		-	133

# **Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

## **Notes to the accounts**

**52 weeks ended 30 December 2006**

### **1. General information**

Bakkavor Overseas Mechanisation Limited is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Directors' Report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 7	<i>Financial instruments disclosures</i>
IFRS 8	<i>Operating segments</i>
IFRIC 7	<i>Applying the Restatement Approach under IAS 29</i>
IFRIC 8	<i>Scope of IFRS 2</i>
IFRIC 9	<i>Reassessment of embedded derivatives</i>
IFRIC 10	<i>Interim financial reporting and impairments</i>
IFRIC 11	<i>IFRS 2 group and treasury share transactions</i>
IFRIC 12	<i>Service concession arrangements</i>

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company except for additional disclosures on capital and financial instruments when the relevant standards come into effect for periods commencing on or after 1 January 2007.

### **2. Significant accounting policies**

#### **Basis of accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for the first time. The disclosures required by IFRS1 concerning the transition from UK GAAP to IFRSs are given in note 10. The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. No income statement is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses either in the period under review or in the preceding period.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

# **Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

## **Notes to the accounts (continued) 52 weeks ended 30 December 2006**

### **2. Significant accounting policies (continued)**

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument

#### ***Trade receivables***

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### ***Financial liabilities and equity***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

### **3. Accounting estimates and judgements**

#### **Critical accounting judgements and key sources of estimation uncertainty in applying the company's accounting policies**

The preparation of the financial statements in conformity with adopted IFRS requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year then ended. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

Estimates are used in the accounting for allowances for uncollectible receivables, taxes and contingencies. Estimates and assumptions are reviewed periodically and effects of revisions are reflected in the financial statements in the period that an adjustment is determined to be required.

In the process of applying the Company's accounting policies, which are described in note 2, management has not had to make any judgements that have a significant effect on the amounts recognised in the financial statements.

**Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

**Notes to the accounts (continued)**  
**52 weeks ended 30 December 2006**

**4. Other financial assets**

**Trade and other receivables**

	30 December 2006 £'000	31 December 2005 £'000
Amounts receivable from related parties	23,128	22,995

The directors consider that the carrying amount of trade and other receivables approximates their fair value

**Cash and cash equivalents**

	30 December 2006 £'000	31 December 2005 £'000
Cash and cash equivalents	-	133

Cash and cash equivalents comprise cash held by the company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value

**Credit risk**

The company's only financial asset is receivables from related parties

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

**Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

**Notes to the accounts (continued)**  
**52 weeks ended 30 December 2006**

**5. Share capital**

	30 December 2006 £	31 December 2005 £
<b>Authorised</b>		
Ordinary shares of £1 each	750,002,500	750,002,500

	30 December 2006 No	£'000	31 December 2005 No	£'000
<b>Allotted, called-up and fully paid</b>				
Ordinary shares of £1 each	32,430	32	32,430	32

**6. Reserves**

	Share Premium £'000	Retained earnings £'000
Balance at 2 January 2005, 1 January 2006 and 30 December 2006	30,470	(7,374)

**7. Notes to the cashflow statement**

	52 weeks ended 30 December 2006 £'000	52 weeks ended 31 December 2005 £'000
Operating cash flows before movements in working capital	-	-
(Increase)/decrease in receivables	(133)	-
Net cash from operating activities	(133)	-

**8. Related party transactions**

**Transactions**

During the year, the company entered into the following transactions with related parties

	Sale of goods		Purchase of goods		Amounts owed to related parties		Amounts owed by related parties	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Group companies	-	-	-	-	-	-	23,096	22,995

All transactions during the period represent funding payments and recharges

# **Bakkavor Overseas Mechanisation Limited (formerly Geest Overseas Mechanisation Limited)**

## **Notes to the accounts (continued)** **52 weeks ended 30 December 2006**

### **9. Controlling party**

The company's ultimate parent company and ultimate controlling party is Bakkavör Group hf, a company registered in Iceland. The largest group in which the results of the company are consolidated is that headed by Bakkavör Group hf. It has included the company in its Group financial statements, copies of which are available from Hamraborg, 200 Kopavoger, Iceland.

The directors consider Bakkavor Limited to be the immediate parent company.

### **10. Transition to International Financial Reporting Standards**

Bakkavor Overseas Mechanisation Limited has adopted International Financial Reporting Standards (IFRSs) as adopted by the EU with effect from 1 January 2006, with a transition date of 2 January 2005. There are no material adjustments to the income statement, balance sheet or cash flow as a result of this.