



KS FRUIT WASHERS LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

28 FEBRUARY 2002

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 28 February 2002

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KS FRUIT WASHERS LIMITED

COMPANY INFORMATION

DIRECTORS	Maurice Joseph Kelly John Colman Scott
SECRETARY	John Colman Scott
REGISTERED OFFICE	25 Westbrook Road, Trafford Park, Manchester M17 1AY, England.
REGISTERED NUMBER OF INCORPORATION	2841384
SOLICITORS	Peter H. Jones and Company, Goss Street, Roscommon.
BANKERS	Bank of Ireland, Bank House, 575 Barlow Moore Road, Chorlton-cum-Hardy, Manchester M21 8AE, England.
AUDITORS	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.

DIRECTORS' REPORT

for the year ended 28 February 2002

The directors present herewith their report and audited financial statements for the year ended 28 February 2002.

PRINCIPAL ACTIVITY

The company is engaged in the processing of foodstuffs.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 28 FEBRUARY 2002

The profit and loss account for the year ended 28 February 2002 and the balance sheet at that date are set out on pages 6 to 12. The profit on ordinary activities for the year before taxation amounted to Stg£9,257 compared with a profit of Stg£461 in the previous year.

DIVIDENDS

The directors of the company do not propose the payment of a dividend for the year.

DIRECTORS

The present directors are as listed on page 2 and, unless otherwise indicated, have served throughout the year.

DIRECTORS' INTERESTS IN SHARES

The interests of the directors and company secretary in the share capital of the company at the beginning and end of the year are as follows:

	<i>Number of ordinary shares 2002</i>	<i>Number of ordinary shares 2001</i>
Maurice Joseph Kelly	15,000	15,000
John Colman Scott	23,667	23,667

There were no changes in shareholdings between 28 February 2002 and the date of signing the financial statements.

IMPORTANT EVENTS SINCE THE YEAR END

There were no important events since the year end.

DIRECTORS' REPORT

for the year ended 28 February 2002 (Continued)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE FINANCIAL STATEMENTS**

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 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; 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 books of account which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the United Kingdom and comply with the provisions of 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.

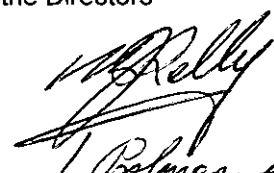
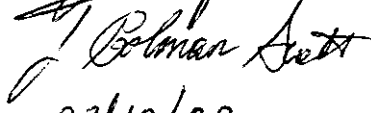
AUDITORS

A resolution to re-appoint Ernst & Young, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

On behalf of the Directors

Directors

Date:



23/12/02

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KS FRUIT WASHERS LIMITED**

We have audited the company's financial statements for the year ended 28 February 2002 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 14. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 with relevant legal and regulatory requirements and United Kingdom 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 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

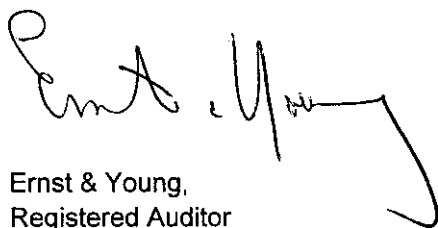
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KS FRUIT WASHERS LIMITED (Continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 28 February 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is written over the printed name.

Ernst & Young,
Registered Auditor

Dublin

Date:  23 December 2002

KS FRUIT WASHERS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 28 February 2002

	<i>Note</i>	<i>2002 Stg£</i>	<i>2001 Stg£</i>
Turnover	2	189,352	204,565
Cost of sales		(150,058)	(157,115)
Gross profit		39,294	47,450
Administrative expenses		(30,037)	(46,916)
Operating profit		9,257	534
Interest payable and similar charges	3	—	(73)
Profit on ordinary activities before taxation	4	9,257	461
Tax credit/(charge) on profit on ordinary activities	5	(2,333)	2,599
Retained profit for the financial year		6,924	3,060
Profit brought forward at beginning of year		11,422	8,362
Profit carried forward at end of year		18,346	11,422

There are no recognised gains or losses in either year other than the profit attributable to shareholders of the company.

KS FRUIT WASHERS LIMITED

BALANCE SHEET at 28 February 2002

ASSETS EMPLOYED	Note	2002 Stg£	2001 Stg£
FIXED ASSETS			
Tangible assets	6	7,021	17,214
CURRENT ASSETS			
Stocks	7	4,544	9,766
Debtors	8	81,640	47,279
Cash at bank and in hand		3,649	11,159
		89,833	68,204
CREDITORS (amounts falling due within one year)	9	(39,841)	(33,829)
NET CURRENT ASSETS		49,992	34,375
TOTAL ASSETS LESS CURRENT LIABILITIES		57,013	51,589
GOVERNMENT GRANT	10	—	(1,500)
		57,013	50,089

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CAPITAL AND RESERVES

Called up share capital	11	38,667	38,667
Profit and loss account		18,346	11,422
Shareholders' funds (all equity interests)	12	57,013	50,089

Approved by the Board on 23/12/02

Directors

NOTES TO THE FINANCIAL STATEMENTS

28 February 2002

1. ACCOUNTING POLICIES

(a) *Accounting convention*

The financial statements are prepared under the historical cost convention.

(b) *Depreciation*

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	25% straight line
Computer Equipment	25% straight line
Office equipment	25% straight line

(c) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes expenditure which has been incurred in the normal course of business in bringing the stocks to their present location and condition.

(d) *Government grants*

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

(e) *Cash flow statement*

Financial Reporting Standard Number 1 (Revised 1996), "Cash Flow Statements", exempts undertakings which qualify as small undertakings under company legislation from the requirement to present a cash flow statement. The company has availed of this exemption.

2. TURNOVER

Turnover, all of which arises from continuing operations, represents amounts invoiced by the company in respect of goods and services, excluding value added tax. All the turnover related to sales in the English market.

3. INTEREST PAYABLE AND SIMILAR CHARGES	2002 Stg£	2001 Stg£
Bank loans and overdraft interest	28	73

NOTES TO THE FINANCIAL STATEMENTS

28 February 2002 (Continued)

4.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2002 Stg£	2001 Stg£		
	The profit on ordinary activities before taxation, all of which arises from continuing operations, is stated after charging:				
	Auditors' remuneration	1,000	770		
	Depreciation	12,168	10,363		
		<u> </u>	<u> </u>		
5.	TAX ON PROFIT ON ORDINARY ACTIVITIES	2002 Stg£	2001 Stg£		
	Taxation based on the profit for the year:				
	Corporation tax	2,333	—		
	Prior period adjustments	—	(2,599)		
		<u> </u>	<u> </u>		
		2,333	(2,599)		
		<u> </u>	<u> </u>		
6.	TANGIBLE FIXED ASSETS				
	<i>Fixtures, fittings and equipment</i> Stg£	<i>Computer equipment</i> Stg£	<i>Office equipment</i> Stg£	<i>Total</i> Stg£	
	Cost				
	At 1 March 2001	115,603	1,529	610	117,742
	Additions during year	1,975	—	—	1,975
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 28 February 2002	117,578	1,529	610	119,717
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Depreciation				
	At 1 March 2001	98,771	1,147	610	100,528
	Charged in year	11,786	382	—	12,168
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 28 February 2002	110,557	1,529	610	112,696
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Net book amounts				
	At 28 February 2002	7,021	—	—	7,021
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 29 February 2001	16,832	382	—	17,214
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

KS FRUIT WASHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

28 February 2002 (Continued)

7.	STOCKS	2002 Stg£	2001 Stg£
	Work in progress	2,389	—
	Packing materials	2,155	9,766
		<u>4,544</u>	<u>9,766</u>

The replacement cost of stocks does not differ significantly from the figures shown above.

8.	DEBTORS	2002 Stg£	2001 Stg£
	<i>Amounts falling due within one year</i>		
	Trade debtors	76,181	45,297
	Prepayments and accrued income	5,459	1,982
		<u>81,640</u>	<u>47,279</u>

9.	CREDITORS (amounts falling due within one year)	2002 Stg£	2001 Stg£
	Trade creditors	34,305	4,938
	Corporation tax	2,333	—
	Other taxes and social security costs	1,439	8,149
	Accruals and deferred income	1,764	20,742
		<u>39,841</u>	<u>33,829</u>

10.	GOVERNMENT GRANTS	2002 Stg£	2001 Stg£
	At beginning of year	1,500	3,000
	Amortised in year	(1,500)	(1,500)
		<u>—</u>	<u>1,500</u>

NOTES TO THE FINANCIAL STATEMENTS

28 February 2002 (Continued)

11.	CALLED UP SHARE CAPITAL	2002	2001
		Stg£	Stg£
	<i>Authorised</i>		
	Ordinary shares of Stg£1 each	100,000	100,000
		<u> </u>	<u> </u>
	<i>Allotted, called up and fully paid</i>		
	Ordinary shares of Stg£1 each	38,667	38,667
		<u> </u>	<u> </u>
12.	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2002	2001
		Stg£	Stg£
	Shareholders' funds at beginning of year	50,089	47,029
	Profit for the financial year	6,924	3,060
		<u> </u>	<u> </u>
	Shareholders' funds at end of year	57,013	50,089
		<u> </u>	<u> </u>

13. DIRECTORS' INTERESTS IN SHARES

The interests of the directors and company secretary in the share capital of the company at the beginning and end of the year are as follows:

	<i>Number of ordinary shares 2002</i>	<i>Number of ordinary shares 2001</i>
Maurice Joseph Kelly	15,000	15,000
John Colman Scott	23,667	23,667

There were no changes in shareholdings between 28 February 2002 and the date of signing the financial statements.

14. CONTROLLING PARTIES AND RELATED PARTY TRANSACTIONS

During the year, the company sold services to National Food Imports Limited totalling Stg£189,352. This company is related by virtue of common directors and shareholders. At the year end, the balance owed by National Food Imports Limited to KS Fruit Washers Limited was Stg£41,876.