

Company No. 62539

CADBURY SCHWEPPE'S OVERSEAS LIMITED

ANNUAL REPORT AND ACCOUNTS

1993



CADBURY SCHWEPPE OVERSEAS LIMITED

BOARD OF DIRECTORS

N. D. Cadbury - Chairman

P. A. Cartmell

D. Jinks

D J Kappler

T. D. Owen (alternate for D Jinks)

G. T. Slater (alternate for N D Cadbury)

SECRETARY

J. A. Deeley

REGISTERED OFFICE

25 Berkeley Square  
London, W1X 6HT

AUDITORS

Arthur Andersen  
Chartered Accountants and Registered Auditors  
1 Surrey Street  
London WC2R 2PS

## CADBURY SCHWEPPEES OVERSEAS LIMITED

### Report of the Directors

The directors present their report, together with the audited accounts of the Company for the 52 weeks ended 1st January 1994 (the "year").

### Review of the business

The Company's immediate and ultimate parent company is Cadbury Schweppes plc. The principal activities of the Company are the holding of investments in overseas companies and an exporting company based in the United Kingdom. Details of changes in those investments during the year are set out below.

### Investments

The movements in investments held in the year are given in Note 12 to the Accounts.

During the year the Company was party to various capital transactions, the principal transactions being as follows:-

- (a) In February, the Company increased its ownership in The International Confectionery Company (Cadbury Egypt), thus it becomes now a subsidiary undertaking.
- (b) In March, the Company increased its ownership in Cadbury India Ltd which is now a subsidiary undertaking.
- (c) In April, the Company sold its investment in CSB Holdings SA to a fellow Group undertaking.
- (d) In September, the Company acquired shares in Pure Foods Pakistan Ltd (renamed Cadbury Pakistan Ltd) and it is now a subsidiary.
- (e) In October, Cadbury Schweppes Finance International was voluntarily liquidated.
- (f) In December, the Company acquired cumulative preference shares in Cadbury Schweppes Investments BV and loans given to Cadbury Schweppes Portugal SA were capitalised.

### Results and dividends

The profit on ordinary activities for the year, after taxation, was £38.1m (1992- £64.7m). The directors have paid an interim dividend of 236.8p per share (1992 - 132.3p). The retained loss deducted from reserves amounted to £6.9m (1992 profit added to reserves- £39.5m).

No final dividend is recommended (1992 - £nil).

### Future developments

The Company will continue to develop its existing activities in accordance with the requirements of the Cadbury Schweppes Group.

## CADBURY SCHWEPPE'S OVERSEAS LIMITED

### Directors and their interests

The directors at the date of this report are stated on page 1. All the directors held office throughout the year except for D J Kappler who was appointed subsequent to the year end on 4 January 1994. J Grout also held office during the year and resigned subsequent to the year end on 4 January 1994.

N D Cadbury and D Jinks are also directors of Cadbury Schweppes plc and, accordingly, their interests are disclosed in the Annual Report of that company.

The interests of the other directors holding office at the year end in the share capital of Cadbury Schweppes plc were as follows:-

#### Ordinary shares of 25p each

	<u>3 January 1993</u>	<u>1 January 1994</u>
J Grout	1,021	2,722
P A Cartmell	4,908	4,908
G T Slater	4,000	7,618
T D Owen	4,805	4,805

The following directors have been granted options under the Cadbury Schweppes plc Savings-Related Option Scheme over the following ordinary shares of 25p each:

#### No. of shares

	<u>3 January 1993</u>	<u>Movement in the year</u>			<u>1 January 1994</u>
		<u>Granted during year</u>	<u>Rights issue adjustment</u>	<u>Exercised during year</u>	
J Grout	6,906	1,879	84	(1,428)	7,441
P A Cartmell	8,108		124		8,232
G T Slater	6,641	1,879	58	(2,857)	5,721
T D Owen	4,874	939	75		5,888

The following directors have been granted options under the Cadbury Schweppes plc Share Option Scheme 1984 for Main Board Directors and Senior Executives:

#### No. of shares

	<u>3 January 1993</u>	<u>Movement in the year</u>			<u>1 January 1994</u>
		<u>Granted during year</u>	<u>Rights issue adjustment</u>	<u>Exercised during year</u>	
J Grout	95,000	21,000	1,314	(9,000)	108,314
P A Cartmell	61,000	21,000	932		82,932
G T Slater	27,000	15,000	411		42,411
T D Owen	19,000	10,000	288		29,288

In consequence of the Rights Issue of Cadbury Schweppes plc announced on 9 September 1993, options granted prior to that date have been adjusted both as regards the number of shares under option and the exercise prices in accordance with the Rules of the Schemes. Such adjustments received the necessary Inland Revenue approval.

## CADBURY SCHWEPPE'S OVERSEAS LIMITED

In respect of share options granted, for each of the above mentioned schemes, the range of exercise prices and the dates until which the options are exercisable, are shown in the Annual Report of Cadbury Schweppes plc.

None of the directors had any beneficial interest in the other securities of Cadbury Schweppes plc, or the company, or any other subsidiary undertaking of Cadbury Schweppes plc at any time during the year.

### Directors' and officers' liability insurance

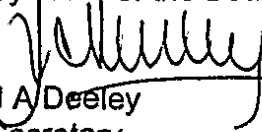
The Group has maintained insurance for directors and officers against liabilities in accordance with S.310 (3) (a) of the Companies Act 1985 (as amended).

### Auditors

In accordance with Section 386 of the Companies Act 1985 and the resolution passed by the company in General Meeting on 5 March 1991 the Company has elected to dispense with the annual re-appointment of auditors. Accordingly Arthur Andersen will continue as auditors.

3 May 1994

By order of the Board

  
J A Deeley  
Secretary

## CADBURY SCHWEPPES OVERSEAS LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO ACCOUNTS

The directors are required by UK company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. For this purpose it is necessary to make both judgements and estimates and this is done on a reasonable and prudent basis.

In preparing the accounts suitable accounting policies have been used and applied consistently, the principal of which are set out on page 10. Applicable accounting standards have been followed. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.

# CADBURY SCHWEPPE'S OVERSEAS LIMITED

## AUDITORS' REPORT

### To the Shareholders of Cadbury Schweppes Overseas Limited

We have audited the accounts on pages 7 to 16 which have been prepared under the historical cost convention and follow the accounting policies set out on page 10.

### Respective responsibilities of directors and auditors

As described on page 5 the Company's directors are responsible for the preparation of the accounts and it is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 1 January 1994 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



ARTHUR ANDERSEN  
Chartered Accountants &  
Registered Auditors  
1 Surrey Street  
London  
WC2R 2PS

3 May 1994

**CADBURY SCHWEPPE'S OVERSEAS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the 52 weeks ended 1 January 1994 (Note 2)**

	Notes	1993 £000	1992 £000
SALES	4	3,917	4,092
Cost of sales		-	-
GROSS PROFIT		3,917	4,092
Administrative expenses		(304)	(413)
		3,613	3,679
Other operating income		4,667	34,514
Other operating charges		(16,826)	(6,457)
TRADING PROFIT	5	(8,546)	31,736
Profit on sales of fixed asset investments		-	403
Income from fixed asset investments	7	43,187	30,600
Other interest receivable and similar income	8	8,573	8,571
		43,214	71,310
Interest payable and similar charges	9	(15)	(107)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		43,199	71,203
Tax on profit on ordinary activities	10	(5,065)	(6,553)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		38,134	64,650
Dividend	11	(45,000)	(25,137)
(Loss)/profit for the year		(6,866)	39,513
STATEMENT OF RETAINED PROFITS AND LOSSES			
Retained profit at beginning of the year		128,846	89,333
(Loss)/profit for the year		(6,866)	39,513
Retained profit at end of the year		121,980	128,846

The notes on pages 10 to 16 form part of these accounts  
Auditors' report on page 6



**CADBURY SCHWEPPE OVERSEAS LIMITED**

**RECOGNISED GAINS AND LOSSES**

**MOVEMENTS IN SHAREHOLDERS' FUNDS**

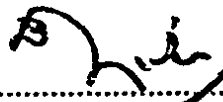

	1993 £000	1992 £000
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>		
Profit for the financial year being total recognised gains and losses for the year	<u>38,134</u>	<u>64,650</u>
<b>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
Total recognised gains and losses	38,134	64,650
Dividends to Ordinary Shareholders	<u>(45,000)</u>	<u>(25,137)</u>
Net (decrease)/increase in Shareholders' funds	<u>(6,866)</u>	<u>39,513</u>
<b>NOTE OF HISTORICAL COST PROFITS AND LOSSES</b>		
Profit on ordinary activities before taxation and historical cost profit on ordinary activities before taxation	<u>43,199</u>	<u>71,203</u>
Historical cost (loss)/profit attributable to ordinary shareholders	<u>(6,866)</u>	<u>39,513</u>

CADBURY SCHWEPPE'S OVERSEAS LIMITED

BALANCE SHEET AT 1 JANUARY 1994 (Note 2)

	Notes	1993 £000	1992 £000
<b>FIXED ASSETS</b>			
Investments	12	938,992	885,312
		<u>938,992</u>	<u>885,312</u>
<b>CURRENT ASSETS</b>			
Debtors	13	158,951	260,481
Cash		246	918
Creditors: Amounts falling due within one year	14	(23,367)	(20,177)
<b>NET CURRENT ASSETS</b>		<u>135,830</u>	<u>241,222</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,074,822</u>	<u>1,126,534</u>
Creditors: Amounts falling due after more than one year	15	(923,855)	(969,131)
Provisions for liabilities and charges	16	(1,600)	(1,170)
		<u>(925,455)</u>	<u>(970,301)</u>
<b>NET ASSETS</b>		<u>149,367</u>	<u>156,233</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	19,000	19,000
Share premium account		8,387	8,387
Profit and loss account		121,980	128,846
		<u>149,367</u>	<u>156,233</u>

On behalf of the Board

  
 ..... )  
 D Jinks )  
  
  
 ..... )  
 P A Cartmell )

Directors

3 May 1994

The notes on pages 10 to 16 form part of these accounts  
Auditors' report on page 6

CADBURY SCHWEPPE OVERSEAS LIMITED  
NOTES TO THE ACCOUNTS

1. Accounting Policies  
(a) Accounting convention

The accounts have been prepared in accordance with applicable accounting standards.

The accounts are prepared under the historical cost convention.

(b) Financial year

The annual accounts are made up to the Saturday nearest to 31 December. This results in a financial year of 53 weeks periodically.

(c) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the end of the financial year except when covered by an open foreign exchange contract in which case the rate of exchange specified in the contract is used. Profits and losses on exchange are credited or charged to the profit and loss account.

(d) Taxation

Corporation tax payable is provided on taxable profit at current rates. Provision is made for deferred taxation using the liability method, on the categories of timing differences listed below, except to the extent that these amounts are not regarded as likely to become payable in the foreseeable future.

The timing difference arise from income and expenditure in the accounts of the current year dealt with in other years for taxation purposes.

2. Accounts

As permitted by the Companies Act 1985, the Company, being the wholly-owned subsidiary undertaking of a company established under the law of an EC Member State, does not prepare group accounts.

The profit and loss accounts cover the 52 weeks from 3 January 1993 to 1 January 1994 and the 53 weeks from 29 December 1991 to 2 January 1993. The balance sheets for 1992 and 1993 have been drawn up at 2 January 1993 and 1 January 1994 respectively.

**CADBURY SCHWEPPES OVERSEAS LIMITED**  
**NOTES TO THE ACCOUNTS**

3. Ultimate Parent Company

The Company's parent company is Cadbury Schweppes plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group Financial Statements of Cadbury Schweppes plc are available from 25 Berkeley Square, London W1X 6HT.

In accordance with the provisions of Financial Reporting Standard No. 1, the Company has not prepared a cash flow statement because its parent, Cadbury Schweppes plc, which is incorporated in Great Britain, has prepared consolidated accounts which include the accounts of the Company for the period and which contain a cash flow statement.

4. Sales and Profit on Ordinary Activities before Taxation

Sales represent royalties receivable from overseas companies. The profit on ordinary activities represents these royalties together with dividends and other investment income less general expenses and interest.

An analysis of sales by geographical market is given below:-

	1993 £000	1992 £000
Africa	810	1,316
Pacific Rim	681	274
Europe	(146)	10
North America	2,572	2,492
	<u>3,917</u>	<u>4,092</u>

5. Trading Profit

Trading profit is after charging:

Auditors' remuneration	9	9
Exchange losses net of (gains)	<u>13,559</u>	<u>(28,176)</u>

6. Directors' emoluments

The directors are remunerated by Cadbury Schweppes plc in respect of their services to the Group as a whole and receive no emoluments in respect of Cadbury Schweppes Overseas Limited itself.

**CADBURY SCHWEPPE OVERSEAS LIMITED**  
**NOTES TO THE ACCOUNTS**

	1993 £000	1992 £000
7. <u>Income from fixed asset investments</u>		
Subsidiary undertakings - unlisted	42,966	30,024
Associated undertakings - unlisted	-	2
- listed	221	574
	<u>43,187</u>	<u>30,600</u>
8. <u>Other interest receivable and similar income</u>		
Interest receivable from other group undertakings	<u>8,573</u>	<u>8,571</u>
9. <u>Interest payable and similar charges</u>		
Interest on bank loans repayable after five years not by instalments	<u>15</u>	<u>107</u>
10. <u>Tax on profit on ordinary activities</u>		
Corporation tax at 33% (1992 - 33%)	23,898	38,889
Double taxation relief	(19,573)	(28,893)
	4,325	9,996
Overseas tax	1,279	1,237
Deferred taxation (note 16)	430	-
	6,034	11,233
(Overprovision)/underprovision in previous years		
- current	(969)	80
- deferred (note 16)	-	(4,760)
Charge for the year	<u>5,065</u>	<u>6,553</u>
11. <u>Dividend</u>		
Interim dividend	<u>45,000</u>	<u>25,137</u>

**CADBURY SCHWEPPE'S OVERSEAS LIMITED**  
**NOTES TO THE ACCOUNTS**

12. Investments

	Subsidiary undertakings £000	Associated undertakings Listed overseas £000	Unlisted overseas £000
Shares at cost at beginning of year	885,701	2,941	3,053
Exchange adjustment	6	-	-
Additions	67,973	1,498	
Transfer to other group undertakings	(5,392)	-	-
Disposals	(10,000)	-	-
Reclassification	3,131	(78)	(3,053)
	<u>941,419</u>	<u>4,361</u>	<u>-</u>
Amounts written off at beginning of year	(4,367)	-	(2,016)
Disposals	-	-	-
Profit and loss account	-	-	-
Transfer to other group undertakings	(405)	-	-
Reclassification	(2,016)	-	2,016
	<u>(6,788)</u>	<u>-</u>	<u>-</u>
Net book value at end of year	<u>934,631</u>	<u>4,361</u>	<u>-</u>

The market value of listed investments at 1 January 1994 was £6.8m (1992 £17.3m)

The reclassification represents associated undertakings becoming subsidiary undertakings.

**CADBURY SCHWEPPE'S OVERSEAS LIMITED**  
**NOTES TO THE ACCOUNTS**

Investments - continued

<u>Details of principal investments in Subsidiary Undertakings:</u>	<u>Country of incorporation and operation</u>	<u>Proportion of issued equity share capital held if not 100%</u>
*Cadbury International Ltd	Great Britain	
*Cadbury Ghana Ltd	Ghana	
*Cadbury Schweppes Holdings Ltd	Kenya	
*Cadbury Kenya Ltd	Kenya	
*Cadbury Confectionery Malaysia SB	Malaysia	
*Cadbury Schweppes (Zambia) Ltd	Zambia	
*Cadbury Schweppes Investments (Jersey) Ltd	Jersey	
Cadbury Schweppes Investments BV	Netherlands	
Cadbury Schweppes Australia Ltd	Australia	
Cadbury Confectionery Ltd	New Zealand	
Cadbury Beverages Inc	USA	
Cadbury Beverages Canada Inc	Canada	
Cadbury Ireland Ltd	Ireland	
Canada Dry Corporation Ltd	Ireland	
Cadbury Schweppes Holdings (Pty) Ltd	South Africa	
Cadbury Schweppes (South Africa) Ltd (listed)	South Africa	53
Chocolates Hueso SA	Spain	
Schweppes SA	Spain	
Citricos y Refrescantes SA	Spain	
Cadbury Schweppes GmbH	Germany	
Schweppes Belgium SA	Belgium	
Schweppes France SA	France	
Chocolat Poulain SA	France	
Cadbury Schweppes Bebidas Portugal SA	Portugal	
Cadbury Aguas Minerales SA de CV	Mexico	
*Cadbury India Ltd	India	51
*Cadbury Egypt	Egypt	80
*Cadbury Indonesia	Indonesia	
Cadbury Pakistan Ltd	Pakistan	

Companies marked \* are direct subsidiaries of Cadbury Schweppes Overseas Limited. The subsidiaries listed above are principally engaged in the manufacture and sale of confectionery and soft drinks. The above list is not exhaustive as this would involve a statement of excessive length.

<u>Details of principal Associated Undertakings:</u>	<u>Country of incorporation and operation</u>	<u>Equity interest held %</u>
<u>Listed</u>		
Cadbury Nigeria plc	Nigeria	40

**CADBURY SCHWEPPE'S OVERSEAS LIMITED**  
**NOTES TO THE ACCOUNTS**

	1993 £000	1992 £000
13. <u>Debtors</u>		
Trade debtors	1,945	1,948
Amounts owed by other group undertakings	130	-
Amounts owed by subsidiary undertakings	20,049	19,889
Amounts owed by associated undertakings	36	2,730
Loans to other group undertakings	1,430	88,191
Loans to subsidiary undertakings	135,361	144,807
Other debtors	-	2,916
	<u>158,951</u>	<u>260,481</u>
All amounts are receivable within one year.		
14. <u>Creditors - amounts falling due within one year</u>		
Amounts owed to other group undertakings	1,157	664
Current corporation tax	22,137	19,172
Other creditors	73	341
	<u>23,367</u>	<u>20,177</u>
15. <u>Creditors - amounts falling due after more than one year</u>		
Loans from parent company	923,855	963,251
Loans from other group undertakings	-	5,880
	<u>923,855</u>	<u>969,131</u>
16. <u>Provisions for liabilities and charges</u>		
Deferred taxation		
At beginning of year	1,170	5,930
Credited to profit and loss account	430	(4,760)
At end of year	<u>1,600</u>	<u>1,170</u>

The total liability for deferred taxation relates to miscellaneous short term timing differences.



CADBURY SCHWEPPE'S OVERSEAS LIMITED  
NOTES TO THE ACCOUNTS

17. Capital

	1993 £000	1992 £000
Authorised		
19,000,000 Ordinary Shares of £1 each	<u>19,000</u>	<u>19,000</u>
Called up		
19,000,000 Ordinary Shares of £1 each fully paid	<u>19,000</u>	<u>19,000</u>

18. The Company has guaranteed a loan from the European Investment Bank to Cadbury Schweppes plc. At 1 January 1994 the amount drawn down was equivalent to £51.5m (1992 - £55.0m).