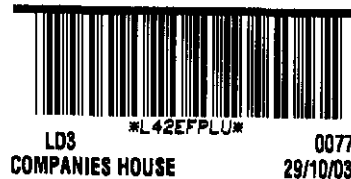


Registered Number: 149075

**CADBURY BEVERAGES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

**for the 52 weeks ended 29 December 2002**



CADBURY BEVERAGES LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

H Blanks  
N F K Franklin  
R E Little

SECRETARY

J E Hudspith

REGISTERED OFFICE

25 Berkeley Square  
LONDON W1J 6HB

INDEPENDENT AUDITORS

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
LONDON

## CADBURY BEVERAGES LIMITED

### DIRECTORS' REPORT

The Directors present their annual report together with the audited financial statements of Cadbury Beverages Limited (the "Company") for the 52 weeks ended 29 December 2002 (the "year").

#### Principal Activities

The Company is a subsidiary of Cadbury Schweppes plc.

The principal activities of the Company throughout the year were the sale under licence of Cadbury Schweppes branded soft drink products, and the provision of management services to a fellow member of the Cadbury Schweppes Group.

#### Review of the Business

The Directors expect the general level of activity to continue.

#### Results and Dividends

The audited accounts for the year ended 29 December 2002 are set out on pages 8 to 19.

The profit on ordinary activities for the financial year, after taxation, was £2,261,000 (2001: £27,000).

The Directors do not recommend the payment of a final dividend (2001: £nil).

#### Future Developments

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

#### Directors and their interests

The following Directors held office throughout the year (except as noted):

H Blanks

N F K Franklin

R E Little

J Bird (resigned 26 April 2002)

# CADBURY BEVERAGES LIMITED

## DIRECTORS' REPORT (CONTINUED)

The interests of the Directors holding office at year end in the share capital of Cadbury Schweppes plc are detailed below.

### Ordinary Shares of 12.5p each

	<u>30 December 2001</u>	<u>29 December 2002</u>
H Blanks	69,180	84,645
N F K Franklin	50,409	63,842
R E Little	13,183	21,120

The following Directors have been granted options under the Cadbury Schweppes plc Savings-Related Share Option Scheme 1982 over the following ordinary shares of 12.5p each:

### Number of Ordinary Shares over which options granted

	<u>30 December 2001</u>	<u>Granted during year</u>	<u>Exercised during year</u>	<u>29 December 2002</u>
H Blanks	6,215	502	682	6,035
N F K Franklin	14,169	-	-	14,169
R E Little	12,139	528	-	12,667

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

### Number of options over Ordinary Shares

	<u>30 December 2001</u>	<u>Granted during year</u>	<u>Exercised during year</u>	<u>29 December 2002</u>
R E Little	6,246	-	6,246	-

The following Directors have been granted options under the Cadbury Schweppes plc Share Option Plan 1994:

### Number of options over Ordinary Shares

	<u>30 December 2001</u>	<u>Granted during year</u>	<u>Exercised during year</u>	<u>29 December 2002</u>
H Blanks	145,500	32,000	32,000	145,500
N F K Franklin	175,000	40,000	-	215,000
R E Little	58,246	11,000	6,246	63,000

In respect of share options granted for each of the above mentioned schemes, the range of exercise prices and the periods within which the options are normally exercisable, are shown in the Annual Report and Form 20-F of Cadbury Schweppes plc.

## CADBURY BEVERAGES LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Policy on Payment to Suppliers

The Company adheres to the CBI Prompt Payers Code whereby the policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, ensure that the suppliers are made aware of the terms of payment and abide by the terms of payment. The Company's creditor days outstanding at the year end was 80 (2001: 33).

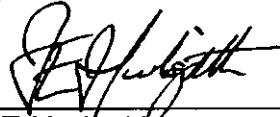
#### Auditors

During the year, Arthur Andersen resigned as the company's auditors. The directors used their powers under the Companies Act 1985 to appoint Deloitte & Touche as the Company's auditors to fill the vacancy created by Arthur Andersen's resignation.

Elective resolutions to dispense with holding Annual General Meetings, the laying of financial statements before the Company, and the appointment of auditors annually are currently in force. The auditors Deloitte & Touche, will therefore be deemed to have been re-appointed at the end of 28 days, beginning the day on which copies of this report and financial statements are sent to the members, unless a resolution is passed under Section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

17 July 2003

Approved by the Board of Directors and signed  
by Order of the Board



J E Hudspith  
Secretary

25 Berkeley Square  
LONDON W1J 6HB

## CADBURY BEVERAGES LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- 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 accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, 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 CADBURY BEVERAGES LIMITED

We have audited the financial statements of Cadbury Beverages Limited for the year ended 29 December 2002 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

The 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 accounting standards. Our responsibility, is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of Opinion**


We conducted our audit in accordance with United Kingdom 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 CADBURY  
BEVERAGES LIMITED (continued)

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 29 December 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 cursive script, reading "Deloitte & Touche".

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
LONDON

17 July 2003



# CADBURY BEVERAGES LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 29 December 2002

	<u>Notes</u>	<u>2002</u> <u>£000</u>	<u>2001</u> <u>£000</u>
<b>TURNOVER</b>	5	999	1,435
Cost of Sales		(950)	(1,430)
<b>GROSS PROFIT</b>		49	5
Other operating income/(expenses) (net)	6	2,319	(1,429)
<b>OPERATING PROFIT/(LOSS)</b>	7	2,368	(1,424)
Interest receivable and similar income	10	7	17
Interest payable and similar charges	11	(376)	(69)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,999	(1,476)
Tax credit on profit/(loss) on ordinary activities	12	262	1,503
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		2,261	27
<b>RETAINED PROFIT FOR THE YEAR</b>		2,261	27
<b>RETAINED PROFIT B/F</b>		923	896
<b>RETAINED PROFIT C/F</b>		3,184	923
		=====	=====

There are no recognised gains or losses in either year other than the profit for that year.

The accompanying notes form an integral part of this profit and loss account.

All profits were generated by continuing activities.

## CADBURY BEVERAGES LIMITED

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS Year ended 29 December 2002

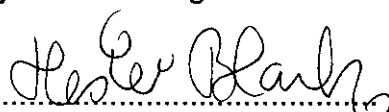
	<b><u>2001</u></b> <b><u>£000</u></b>	<b><u>2001</u></b> <b><u>£000</u></b>
<b>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
Retained profit for the financial year	2,261	27
	-----	-----
Net increase in shareholders' funds	2,261	27
Opening shareholders' funds	923	896
	-----	-----
Closing shareholders' funds	3,184	923
	=====	=====

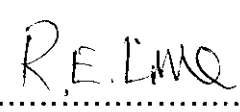
# CADBURY BEVERAGES LIMITED

## BALANCE SHEET 29 December 2002

	<u>Notes</u>	<u>2002</u> <u>£000</u>	<u>2001</u> <u>£000</u>
<b>CURRENT ASSETS</b>			
Stocks	13	11	11
Debtors: due within one year	14	22,112	13,362
Debtors: due after more than one year	15	967	357
Cash at bank and in hand		346	303
		-----	-----
		23,436	14,033
Creditors: Amounts falling due within one year	16	(19,962)	(12,670)
		-----	-----
<b>NET CURRENT ASSETS</b>		3,474	1,363
		-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,474	1,363
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
	17	(290)	(440)
		-----	-----
<b>NET ASSETS</b>		3,184	923
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	-	-
Profit and loss account		3,184	923
		-----	-----
<b>EQUITY SHAREHOLDER'S FUNDS</b>		3,184	923
		=====	=====

The financial statements on pages 8 to 19 were approved by the board of directors on 17 July 2003 and signed on its behalf by:

  
.....  
H Blanks

  
.....  
R E Little

The accompanying notes form an integral part of this balance sheet.

## CADBURY BEVERAGES LIMITED

### NOTES TO THE ACCOUNTS

Year ended 29 December 2002

#### **1. ACCOUNTING POLICIES**

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year.

##### **a) *Basis of Accounting***

The accounts are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

##### **b) *Financial Year***

The annual accounts are made up to the Sunday nearest to 31 December. Periodically this results in a financial year of 53 weeks.

##### **c) *Cashflow Statement***

In accordance with the provisions of Financial Reporting Standard No 1, the Company has not prepared a cashflow statement because its parent company, Cadbury Schweppes plc, which is incorporated in Great Britain, has prepared consolidated accounts which include the accounts of the Company for the financial year and a cashflow statement, and which are publically available.

##### **d) *Foreign Currencies***

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the exchange rate prevailing at that date, except in the case of third party transactions carried forward where rates fixed in the contracts are used. Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates ruling at the date of the transaction, or where appropriate at the rate of exchange in a related forward exchange contract. Exchange differences are taken to the profit and loss account.

##### **e) *Turnover***

Turnover represents the invoiced value of sales (net of trade discounts), excluding Value Added Tax.

## CADBURY BEVERAGES LIMITED

### NOTES TO THE ACCOUNTS Year ended 29 December 2002

#### **1. ACCOUNTING POLICIES (continued)**

##### **f) *Taxation***

Corporation tax payable is provided on the taxable profit at the current rate.

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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### **g) *Stocks***

Stocks are valued at the lower of cost and estimated net realisable value. Cost includes all expenditure incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price, less future costs expected to be incurred to disposal.

##### **h) *Pensions***

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members. Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company in separate trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

##### **i) *Leases***

No assets are held under finance leases. All leases are operating leases and the relevant annual rentals are charged wholly to the profit and loss account.

## CADBURY BEVERAGES LIMITED

### NOTES TO THE ACCOUNTS

Year ended 29 December 2002

#### **2. ACCOUNTS**

The profit and loss accounts cover the 52 weeks from 31 December 2001 to 29 December 2002 and the 52 weeks from 1 January 2001 to 30 December 2001. The balance sheets have been drawn up at 29 December 2002 and 30 December 2001 respectively.

#### **3. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY**

The Company's ultimate and immediate parent company and controlling party is Cadbury Schweppes Plc, registered in England and Wales. The only group into which the results of Cadbury Beverages Limited were consolidated at 29 December 2002 was that headed by Cadbury Schweppes plc, whose principal place of business is at 25, Berkley Square, London, W1J 6HB, England.

#### **4. RELATED PARTY TRANSACTIONS**

As a subsidiary of Cadbury Schweppes Plc, the Company has taken advantage of the exemption in FRS 8 "related party disclosures" not to disclose transactions with other members of the Group headed by Cadbury Schweppes Plc.

#### **5. TURNOVER**

Turnover represents income from sales of branded soft drinks. An analysis of turnover by geographical market is given below:

	<b>2002</b>	<b>2001</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
United Kingdom	80	96
Rest of Europe	567	1,093
Rest of World	352	246
	-----	-----
	999	1,435
	=====	=====

#### **6. OTHER OPERATING (INCOME)/EXPENSES (NET)**

	<b>2002</b>	<b>2001</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
Administrative expenses	22	18
Other operating (income)/expense	(2,341)	1,411
	-----	-----
	(2,319)	1,429
	=====	=====

## CADBURY BEVERAGES LIMITED

### NOTES TO THE ACCOUNTS Year ended 29 December 2002

#### **7. OPERATING PROFIT/(LOSS)**

Operating profit/(loss) is stated after charging:

	<b><u>2002</u></b> <b><u>£000</u></b>	<b><u>2001</u></b> <b><u>£000</u></b>
Depreciation on owned assets	-	128
Rentals on other operating leases	40	92
	=====	=====

The audit fee of the Company has been borne by a fellow member of the Cadbury Schweppes Group in the current year and prior year.

#### **8. DIRECTORS' REMUNERATION**

Remuneration of the directors in respect of their services to the company was as follows:

	<b><u>2002</u></b> <b><u>£000</u></b>	<b><u>2001</u></b> <b><u>£000</u></b>
Emoluments including salaries, benefits in kind and annual bonus	647 =====	601 =====

During the year, three directors (2001:three directors) were members of the Company's Defined benefit pension scheme. Contributions were made by the Company into a money purchase scheme for one director (2001:one) amounting to £20,813 (2001:£12,145 ).

The emoluments of the highest paid director were £313,334 (£281,970 in 2001). At year end, the accrued pension under the Company's defined benefit scheme for the highest paid director was £17,500 (£14,823 in 2001).

During the year, two directors (2001:none) exercised options over shares in the Company's parent, Cadbury Schweppes plc.

One director (2001:one) was remunerated by Cadbury Schweppes plc or its subsidiary undertakings for his services to the group as a whole. No remuneration was paid to him specifically in respect of his services to Cadbury Beverages.

# CADBURY BEVERAGES LIMITED

## NOTES TO THE ACCOUNTS Year ended 29 December 2002

### **9. EMPLOYEES AND EMOLUMENTS**

Particulars of employees' emoluments (including executive Directors) are shown below:

	<b><u>2002</u></b> <b><u>£000</u></b>	<b><u>2001</u></b> <b><u>£000</u></b>
Wages and salaries	4,264	2,987
Social security costs	495	348
Other pension costs	304	203
	-----	-----
	5,063	3,538
	=====	=====

The average number of employees (including Directors) employed by the Company in administration and selling was:

	<b><u>2002</u></b> <b><u>Number</u></b>	<b><u>2001</u></b> <b><u>Number</u></b>
Administration and selling	44	40
	=====	=====

### **10. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b><u>2002</u></b> <b><u>£000</u></b>	<b><u>2001</u></b> <b><u>£000</u></b>
Bank interest receivable	7	11
Group interest receivable	-	6
	-----	-----
	7	17
	=====	=====

### **11. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b><u>2002</u></b> <b><u>£000</u></b>	<b><u>2001</u></b> <b><u>£000</u></b>
Group interest payable	376	69
	=====	=====



# CADBURY BEVERAGES LIMITED

## NOTES TO THE ACCOUNTS Year ended 29 December 2002

### **12. TAX CREDIT ON ORDINARY ACTIVITIES**

The tax credit is based on the profit for the year and comprises:

	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b>
UK corporation tax:		
- current year (group relief)	(72)	(11)
Deferred tax:		
- in respect of short-term timing differences (Note 15)	(610)	(145)
Prior year adjustment	420	(1,347)
	-----	-----
	(262)	(1,503)
	=====	=====

The taxable charge below relates to the UK Corporation Tax rate applicable in each year to the effective rate obtained by computing the current tax charge as a percentage of profit before tax.

	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b>
UK corporation tax @ 30%	600	(442)
Fixed assets	(48)	(31)
Capital provisions	(633)	516
Revenue Provisions	8	(57)
Administration expenses	1	3
Prior year adjustment	-	-
	-----	-----
	(72)	(11)
	=====	=====

The tax charge is expected to remain consistent over future years.

#### **Prior year adjustment**

The prior year adjustment relates to a concession by the company to the Inland Revenue concerning the treatment of various provisions relating to a property owned by the company '28 Clarendon Road'. The company have conceded that these provisions should have been treated as General provisions rather than Specific provisions for Corporation Tax purposes. Accordingly, the adjustment is necessary to reflect the differing tax treatment of these two types of provision. The total adjustment comprises several adjustments made to the computations for the years ended 31 December 1998 to 2001.

# CADBURY BEVERAGES LIMITED

## NOTES TO THE ACCOUNTS Year ended 29 December 2002

<b>13. STOCKS</b>	<b>2002</b>	<b>2001</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
Finished goods and goods for resale	11	11
	=====	=====

The estimated replacement cost of stocks as at 29 December 2002 is not materially different from their balance sheet value.

<b>14. DEBTORS: DUE WITHIN ONE YEAR</b>	<b>2002</b>	<b>2001</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
Trade debtors	240	187
Amounts owed by Group undertakings	21,849	12,883
VAT	16	273
Other debtors	7	19
	-----	-----
	22,112	13,362
	=====	=====

<b>15. DEBTORS: DUE AFTER MORE THAN ONE YEAR</b>	<b>2002</b>	<b>2001</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
Deferred taxation at beginning of year	357	212
Current year profit and loss (Note 12)	610	145
	-----	-----
Deferred taxation at end of year	967	357
	=====	=====

The deferred tax asset in 2002 relates to the pension provision accruing due to the surplus on the pension fund and other provisions including the impact of the prior year adjustment discussed in Note 12.

<b>16. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2002</b>	<b>2001</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
Trade creditors	224	129
Amounts owed to Group undertakings	14,763	5,651
UK corporation tax payable	330	(29)
Accruals and deferred income	4,645	6,419
Dividends payable	-	500
	-----	-----
	19,962	12,670
	=====	=====

# CADBURY BEVERAGES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 29 December 2002

### **17. PROVISIONS FOR LIABILITIES AND CHARGES**

Provisions for liabilities and charges comprise:

	<b>Pensions</b>
	<b>2002</b>
	<b>£000</b>
At 30 December 2001	440
Amounts utilised	(175)
Interest charged during the year	25
	-----
At 29 December 2002	290
	=====

<b>18. CALLED UP SHARE CAPITAL</b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Authorised:		
10,000 ordinary shares of £1 each	£10,000	£10,000
	=====	=====
Allotted, called up and fully paid:		
5 ordinary shares of £1 each	£5	£5
	=====	=====

### **19. PENSION ARRANGEMENTS**

The Company is a member of the Cadbury Schweppes Group of companies which operates Group pension schemes for its UK subsidiaries.

The major scheme is the Cadbury Schweppes Pension Fund for which the last full valuation was carried out as at 5 April 2002 on the projected unit method when the market value of the assets was £1,336m. The level of funding on the assumptions shown below was 115%.

The principal long term assumptions used for the purposes of the actuarial valuation were as follows:

Rate of return on new investments	6.25%
Rate of return on existing investments	6.25%
Earnings increases	4.50%
Pensions increases	2.50%

The total pension costs for the Company were £304,000 (2001: £203,000) which together with the pension costs of other subsidiaries in the Group schemes were assessed by qualified actuaries based on the latest actuarial assessment. A provision of £290,000 (2001: £440,000) included in the balance sheet represents the accumulated excess of pension costs over the amounts actually contributed to the external funds of the Group schemes.

## CADBURY BEVERAGES LIMITED

### NOTES TO THE ACCOUNTS

Year ended 29 December 2002

#### **19. PENSION ARRANGEMENTS (continued)**

Additional disclosures regarding the group defined benefit pension scheme are required under the transitional provisions of FRS 17 "Retirement benefits". In accordance with FRS 17, the Company will account for its contributions to the scheme as if it were a defined contribution scheme because it is not possible to identify the company's share of the assets and liabilities in the scheme on a consistent and reasonable basis. The latest actuarial valuation of the scheme, prepared for the purposes of making the transitional disclosures in accordance with FRS 17 in the consolidated financial statements of the parent company, shows a deficit of £258m. Further details of this valuation can be found in the annual report of Cadbury Schweppes plc. The deficit on the group scheme will affect the Company through periodic adjustments to the Company's contribution rate as determined by the actuary.

#### **20. COMMITMENTS**

a) The Company leases motor vehicles. The minimum rentals payable in the following year under the foregoing leases are as follows:

	<b>2002</b>	<b>2001</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
Operating leases which expire		
- within one year	65	53
- within 2-5 years	84	71
	<u>149</u>	<u>124</u>
	<u>=====</u>	<u>=====</u>

b) In the normal course of business, the Company enters into forward commitments for the purchase and sale of foreign currencies. These commitments are only entered into on the basis of forecast requirements. No such contracts were outstanding at the end of the year.

#### **21. GUARANTEE**

At 29 December 2002, the Company had guaranteed an amount of £50,000 (2001:£50,000) to HM Customs and Excise in regard to deferment of duty.