

Registered Number: 149075

**Cadbury Beverages Limited**

Annual Report and Accounts  
For the 52 weeks ended 28 December 2003



# Cadbury Beverages Limited

## Directors and their advisors

### Directors

H Blanks  
N F K Franklin  
R E Little  
A Obieta

### Secretary

J E Hudspith

### Registered Office

25 Berkeley Square  
LONDON W1J 6HB

### Auditors

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
LONDON

# Cadbury Beverages Limited

## Report of the Directors

The Directors present their annual report together with the audited accounts of Cadbury Beverages Limited (the "Company") for the 52 weeks ended 28 December 2003 (the "year").

### Principal Activities

The Company is a subsidiary of Cadbury Schweppes plc.

The principal activity of the Company throughout the year was the sale under licence of Cadbury Schweppes branded soft drink products.

### Review of the Business

The Directors expect the general level of activity to continue.

### Results and Dividends

The audited accounts for the year ended 28 December 2003 are set out on pages 6 to 15.

The profit on ordinary activities for the financial year, after taxation, was £492,000 (2002: profit £2,261,000).

The Directors do not recommend the payment of a final dividend (2002: £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 Directors at the date of this report are as stated on page 1. All Directors held office throughout the year with the exception of A Obieta who was appointed on 18 July 2003.

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	
	29 December 2002	28 December 2003
H Blanks	84,645	95,673
N F K Franklin	63,842	86,915
R E Little	21,120	25,324
A Obieta	23,076*	23,081

\* At date of appointment

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:

	Movement in the year			
	29 December 2002	Granted during year	Exercised during year	28 December 2003
H Blanks	6,035	1,006	1,466	5,575
N F K Franklin	14,169	-	-	14,169
R E Little	12,667	1,278	3,610	10,335

# Cadbury Beverages Limited

## Report of the Directors (continued)

### Directors and their interests (continued)

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

Number of options over ordinary shares granted:

	Movement in the year			
	29 December 2002	Granted during year	Exercised during year	28 December 2003
H Blanks	145,500	45,000	-	190,500
N F K Franklin	215,000	75,000	-	290,000
R E Little	63,000	10,500	-	73,500
A Obieta	197,000*	-	-	197,000

\*At date of appointment

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.

None of the Directors had any other interest in the securities of Cadbury Schweppes plc, or the Company, or any other subsidiary of Cadbury Schweppes plc, at any time during the year.

### 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 nil (2002: 80).

### Auditors

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989.

The Company has elected to dispense with the obligation to appoint auditors annually, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985. The Company has also elected to dispense with the obligation to hold Annual General Meetings and to lay the financial statements before the company in General Meeting.

31 August 2004

By Order of the Board

25 Berkeley Square  
LONDON W1J 6HB



J E Hudspith  
Secretary

## Cadbury Beverages Limited

### Report of the Directors (continued)

#### **Statement of Directors' responsibilities in relation to accounts**

The directors are required by the Companies Act 1985 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 the financial year.

After making enquiries, the Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Directors consider that in preparing the accounts the Company has used appropriate policies that have been consistently applied and supported by reasonable and prudent judgements and estimates. All accounting standards that the Directors consider applicable, have been followed subject to any material departures disclosed and explained in the accounts.

The Directors have responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors have general responsibilities 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.

## Auditors' report

### **Independent Auditors' Report To The Members Of Cadbury Beverages Limited**

We have audited the accounts of Cadbury Beverages Limited for the year ended 28 December 2003 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes numbered 1 to 22. These accounts 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 accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the accounts in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the accounts 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 accounts, 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.

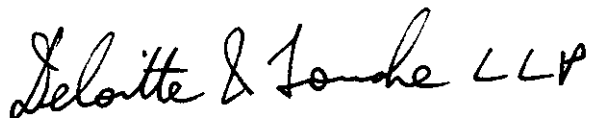
### **Basis of Opinion**

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 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 as at 28 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
LONDON

31 August 2004

# CADBURY BEVERAGES LIMITED

## Profit and Loss Account Year ended 28 December 2003

	Notes	2003 £000	2002 £000
<b>TURNOVER</b>	5	702	999
Cost of Sales		(583)	(950)
<b>GROSS PROFIT</b>		119	49
Other operating income (net)	6	717	2,319
<b>OPERATING PROFIT</b>	7	836	2,368
Interest receivable and similar income	10	128	7
Interest payable and similar charges	11	(251)	(376)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		713	1,999
Tax (charge)/credit on profit on ordinary activities	12	(221)	262
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		492	2,261
<b>RETAINED PROFIT FOR THE YEAR</b>		492	2,261
<b>RETAINED PROFIT B/F</b>		3,184	923
<b>RETAINED PROFIT C/F</b>		3,676	3,184

There are no recognised gains or losses in either year other than the profit for the year. Accordingly, no separate statement of total recognised gains and losses is presented.

All profits were generated by continuing activities.

# CADBURY BEVERAGES LIMITED

## Reconciliation of Movements in Shareholders' Funds Year ended 28 December 2003

	<b>2003</b> <b><u>£000</u></b>	<b>2002</b> <b><u>£000</u></b>
Retained profit for the financial year	492	2,261
Net increase in shareholders' funds	<u>492</u>	<u>2,261</u>
Opening shareholders' funds	3,184	923
Closing shareholders' funds	<u>3,676</u>	<u>3,184</u>

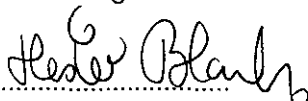


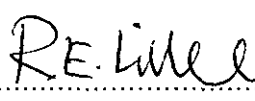
# CADBURY BEVERAGES LIMITED

## BALANCE SHEET 28 December 2003

	<u>Notes</u>	<u>2003</u> <u>£000</u>	<u>2002</u> <u>£000</u>
<b>FIXED ASSETS</b>			
Tangible assets	13	78	-
<b>CURRENT ASSETS</b>			
Stocks	14	78	11
Debtors: due within one year	15	8,657	22,112
Debtors: due after more than one year	16	693	967
Cash at bank and in hand		415	346
		<u>9,843</u>	<u>23,436</u>
Creditors: amounts falling due within one year	17	(4,356)	(17,962)
<b>NET CURRENT ASSETS</b>		<u>5,487</u>	<u>5,474</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,565</u>	<u>5,474</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18	(1,889)	(2,290)
<b>NET ASSETS</b>		<u><u>3,676</u></u>	<u><u>3,184</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	-	-
Profit and loss account		<u>3,676</u>	<u>3,184</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>		<u><u>3,676</u></u>	<u><u>3,184</u></u>

The accounts on pages 6 to 15 were approved by the board of directors on 31 August 2004 and signed on its behalf by:

.....   
H Blanks

.....   
R E Little

# CADBURY BEVERAGES LIMITED

## Notes to the Accounts Year ended 28 December 2003

### 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 (Revised), the Company has not prepared a cashflow statement because it is a wholly owned subsidiary of 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 publicly 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.

#### 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) ***Tangible Fixed Assets***

Tangible fixed assets are shown at cost.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life. The principal rates are as follows:

Leasehold improvements	4% per annum
Fixtures and fittings	10% per annum
Office equipment	20% per annum
Computer equipment	33% per annum

# CADBURY BEVERAGES LIMITED

## Notes to the Accounts Year ended 28 December 2003

### 1. ACCOUNTING POLICIES (continued)

#### h) 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.

#### i) 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.

#### j) 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.

### 2. ACCOUNTS

The profit and loss accounts cover the 52 weeks from 30 December 2002 to 28 December 2003 and the 52 weeks from 31 December 2001 to 29 December 2002. The balance sheets have been drawn up at 28 December 2003 and 29 December 2002 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 28 December 2003 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:

	2003 £000	2002 £000
United Kingdom	202	80
Rest of Europe	237	567
Rest of World	263	352
	<u>702</u>	<u>999</u>

# CADBURY BEVERAGES LIMITED

## Notes to the Accounts Year ended 28 December 2003

### 6. OTHER OPERATING INCOME

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Marketing and administrative expenses	114	22
Other operating income	(831)	(2,341)
	<u>(717)</u>	<u>(2,319)</u>

### 7. OPERATING PROFIT

Operating profit is stated after charging:

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Depreciation on owned assets	1	-
Rentals on other operating leases	55	40
	<u>55</u>	<u>40</u>

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>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Emoluments including salaries, benefits in kind and annual bonus	335	647
	<u>335</u>	<u>647</u>

The following directors, from the dates shown below, were remunerated by Cadbury Schweppes plc for their services to the group as a whole, during which time no remuneration was paid to them specifically in respect of their services to Cadbury Beverages Limited.

N Franklin	24 March 2003
H Blanks	8 September 2003

Additionally, one director was remunerated throughout the year 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 Limited

During the year, 3 directors (3 in 2002) were members of a Cadbury Schweppes defined benefit pension scheme. Contributions were made by the Company into a money purchase pension scheme for 1 director (1 in 2002) amounting to £4,266 (£20,813 in 2002).

The emoluments of the highest paid director were £166,984 (£313,334 in 2002). At year end, the accrued pension under the Company's defined benefit scheme for the highest paid director was £80,966 (£17,500 in 2002).

# CADBURY BEVERAGES LIMITED

Notes to the Accounts  
Year ended 28 December 2003

## 9. EMPLOYEES AND EMOLUMENTS

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

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	4,062	4,264
Social security costs	403	495
Other pension costs	348	304
	<u>4,813</u>	<u>5,063</u>

A total of £5,751,000 (2002: £5,541,000) of costs, including all employees' emoluments except £27,000 (2002: £17,000), has been recharged to other group companies.

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

	<b>2003</b>	<b>2002</b>
	<b>Number</b>	<b>Number</b>
Administration and selling	<u>41</u>	<u>40</u>

## 10. INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Bank interest receivable	6	7
Group interest receivable	122	-
	<u>128</u>	<u>7</u>

## 11. INTEREST PAYABLE AND SIMILAR CHARGES

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Group interest payable	<u>251</u>	<u>376</u>

## 12. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Current tax		
UK corporation tax	(6)	(72)
Adjustment in respect of prior periods	(47)	420
Total current tax charge/(credit)	(53)	348
Deferred tax charge/(credit)	274	(610)
<b>Total tax charge/(credit) for the year</b>	<u>221</u>	<u>(262)</u>

# CADBURY BEVERAGES LIMITED

## Notes to the Accounts Year ended 28 December 2003

### 12. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

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

	2003	2002
	<u>£000</u>	<u>£000</u>
UK corporation tax @ 30% (2002: 30%)	214	600
Accelerated capital allowances	(41)	(48)
Provisions	(165)	(633)
Pension movements	(15)	8
Administration expenses	1	1
Adjustment in respect of prior periods	(47)	420
	<u>(53)</u>	<u>348</u>

### 13. TANGIBLE FIXED ASSETS

The movement in fixed assets in the year was as follows:

	Plant and equipment <u>£000</u>
<b>COST:</b>	
At beginning of year	-
Additions	79
At end of year	<u>79</u>
<b>DEPRECIATION:</b>	
At beginning of year	-
Charge for year	(1)
At end of year	<u>(1)</u>
<b>NET BOOK VALUE</b>	
At end of year	<u>78</u>
At beginning of year	<u>-</u>

### 14. STOCKS

	2003	2002
	<u>£000</u>	<u>£000</u>
Finished goods and goods for resale	<u>78</u>	<u>11</u>

The estimated replacement cost of stocks as at 28 December 2003 is not materially different from their balance sheet value.

# CADBURY BEVERAGES LIMITED

Notes to the Accounts  
Year ended 28 December 2003

## 15. DEBTORS: DUE WITHIN ONE YEAR

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	217	240
Amounts owed by Group undertakings	8,341	21,849
VAT	33	16
Other debtors	13	7
Recoverable corporation tax	53	-
	<u>8,657</u>	<u>22,112</u>

## 16. DEBTORS: DUE AFTER MORE THAN ONE YEAR

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Deferred taxation at beginning of year	967	357
Current year profit and loss (Note 12)	(274)	610
Deferred taxation at end of year	<u>693</u>	<u>967</u>

## 17. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	-	224
Amounts owed to Group undertakings	1,647	14,763
UK corporation tax payable	-	330
Accruals and deferred income	2,709	2,645
	<u>4,356</u>	<u>17,962</u>

## 18. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges comprise:

	<b>Pension</b>	<b>Property</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 29 December 2002	290	2,000	2,290
Amounts utilised	(51)	(350)	(401)
Interest charged during the year	-	-	-
At 28 December 2003	<u>239</u>	<u>1,650</u>	<u>1,889</u>

The property provision is made for the expected costs to settle the onerous lease.

## 19. CALLED UP SHARE CAPITAL

	<b>2003</b>	<b>2002</b>
	<b>£10,000</b>	<b>£10,000</b>
Authorised: 10,000 ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>

Allotted, called up and fully paid:

# CADBURY BEVERAGES LIMITED

## Notes to the Accounts Year ended 28 December 2003

5 ordinary shares of £1 each

£5

£5

### 20. PENSION ARRANGEMENTS

The Company is a member of the Cadbury Schweppes Group of companies which operates Group pension schemes for its United Kingdom 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 £1,349m. 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 investments	6.25%
Earnings increases	4.50%
Pensions increases	2.50%

The total pension costs for the Company were £348,000 (2002: £304,000) 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 £239,000 (2002: £290,000) 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.

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 £244m. 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.

### 21. COMMITMENTS

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

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Operating leases which expire		
within one year	27	0
within 2-5 years	38	65
	<u>65</u>	<u>65</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.

### 22. GUARANTEE

At 28 December 2003, the Company had guaranteed an amount of £50,000 (2002: £50,000) to HM Customs and Excise in regard to deferment of duty.