

**Cadbury Limited**

## ANNUAL REPORT AND ACCOUNTS

**For the 52 weeks ended 30 December 2001**



# **CADBURY LIMITED**

## **Directors**

T J Bond  
I C Burrell  
A P Cosslett  
K W Dennis  
M C Denyard  
N G Fell  
A S P O'Flynn  
P E Hebblethwaite  
M E Keating

## **Registered Office**

P O Box 12  
Bournville Lane  
Bournville  
Birmingham  
B30 2LU

## **Secretary**

M L H Owen

## **Auditors**

Arthur Andersen  
Four Brindleyplace  
Birmingham  
B1 2HZ

# **CADBURY LIMITED**

## **Report of the Directors**

The directors present their Report, together with the audited accounts of Cadbury Limited, for the 52 weeks ended 30 December 2001 ("the year").

### **Principal Activity**

The principal activity of the Company remains the manufacture, marketing and sale of chocolate confectionery products to wholesale and retail outlets in the UK.

The Company is a subsidiary of Cadbury Schweppes plc.

### **Review of the Business and Future Developments**

During the year, Cadbury Limited continued to participate in the partnership, Cadbury Trebor Bassett, with Trebor Bassett Limited and The Lion Confectionery Company Limited. This agreement affords that the profits of the partnership should be shared between the businesses in accordance with the partners view of the respective values of Cadbury Limited, Trebor Bassett Limited and The Lion Confectionery Company Limited.

Under the terms of the partnership agreement, the business and affairs of the partnership are managed on its behalf by a Management Committee. The Management Committee comprises all of the directors of Cadbury Limited, excluding M E Keating.

During the year, the Company has successfully continued a programme of innovation and new product introduction and is in a good position to take advantage of opportunities that may arise in the future.

Prior to the year-end, the Partnership commenced a voluntary redundancy programme within the operations function.

### **Research and Development**

The Company has continued the programme of research and development of its products and production methods. Basic research in the confectionery field is undertaken for the Company by a fellow subsidiary.

## **CADBURY LIMITED**

### **Report of the Directors - continued**

#### **Post Balance Sheet Events**

On 31 December 2001, Cadbury Limited acquired the entire issued share capital of Cadbury International Limited being 500,000 ordinary shares of £1 each at a cost of £11,000,000 from a fellow subsidiary, Cadbury Schweppes Overseas Limited.

On 19 April 2002, Cadbury Schweppes plc entered into a share purchase agreement with Vantas International Limited to sell its entire share holding in Cadbury Limited. Vantas International Limited is a wholly owned subsidiary of Cadbury Schweppes plc and consequently the ultimate parent company of Cadbury Limited remains unchanged.

#### **Financial Reporting Standard No. 19 ('FRS19')**

The Company has adopted the new accounting standard FRS19 in the year. This standard requires deferred tax to be accounted for on a full provisioning basis as opposed to a partial provisioning basis as in prior years. The prior year results have been restated (see note 1 for further details).

#### **Results and Dividends**

The profit on ordinary activities for the financial year, after taxation, was £65,344,000 (2000: £73,537,000 restated).

An interim dividend of £20,000,000 was paid on 29 October 2001 (2000: £200,000,000).

#### **Directors and their Interests**

The directors at the date of this report are as stated on page 1.

The directors who served during the year and subsequently were as follows:

T J Bond	
I C Burrell	
A P Cosslett	
K W Dennis	
M C Denyard	
N G Fell	appointed 2 July 2001
P E Hebblethwaite	
M E Keating	
A S P O'Flynn	appointed 17 December 2001
M G Smith	resigned 1 February 2001

# CADBURY LIMITED

## Report of the Directors - continued

### Directors and their Interests (continued)

The interests of the directors, who held office at 30 December 2001, in the share capital of Cadbury Schweppes plc were as follows:

#### Ordinary Shares of 12.5p each

	<u>As at 01/01/2001</u> <u>or date of</u> <u>appointment if</u> <u>later</u>	<u>As at</u> <u>30/12/2001</u>
T J Bond	8,982	26,391
I C Burrell	4,316	11,074
A P Cosslett	174,960	188,189
K W Dennis	61,586	70,136
M C Denyard	14,579	26,670
P E Hebblethwaite	10,427	19,010
M E Keating	253,745	271,435
A S P O'Flynn	1,142	1,142

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 options over Ordinary Shares

	<u>As at 01/01/2001</u> <u>or date of</u> <u>appointment if</u> <u>later</u>	<u>Movement in the year</u>		<u>As at</u> <u>30/12/2001</u>
		<u>Granted</u> <u>during year</u>	<u>Exercised</u> <u>during year</u>	
T J Bond	6,363	-	(1,774)	4,589
K W Dennis	15,015	-	(2,210)	12,805
M C Denyard	8,590	-	(1,768)	6,822
P E Hebblethwaite	11,721	1,298	(5,324)	7,695
M E Keating	7,199	-	(1,774)	5,425
A S P O'Flynn	4,907	-	-	4,907

# CADBURY 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 Scheme 1984 for Main Board Directors and Senior Executives over the following ordinary shares of 12.5p each:

#### Number of options over Ordinary Shares

	<u>As at 01/01/2001</u> <u>or date of</u> <u>appointment if</u> <u>later</u>	<u>Movement in the year</u>		<u>As at</u> <u>30/12/2001</u>
		<u>Granted</u> <u>during year</u>	<u>Exercised</u> <u>during year</u>	
T J Bond	12,410	-	(12,410)	-
K W Dennis	48,302	-	(6,340)	41,962
P E Hebblethwaite	31,234	-	-	31,234
M E Keating	73,422	-	-	73,422

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

#### Number of options over Ordinary Shares

	<u>As at 01/01/2001</u> <u>or date of</u> <u>appointment if</u> <u>later</u>	<u>Movement in the year</u>		<u>As at</u> <u>30/12/2001</u>
		<u>Granted</u> <u>during year</u>	<u>Exercised</u> <u>during year</u>	
T J Bond	128,658	30,000	-	158,658
I C Burrell	105,000	30,000	-	135,000
A P Cosslett	150,000	150,000	-	300,000
K W Dennis	205,482	30,000	-	235,482
M C Denyard	92,000	30,000	-	122,000
N T Fell	-	70,000	-	70,000
P E Hebblethwaite	183,318	27,500	-	210,818
M E Keating	178,648	35,000	-	213,648
A S P O'Flynn	60,000	-	-	60,000

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.

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

## CADBURY LIMITED

### Report of the Directors - continued

#### Disabled Employees

The Company employs a number of people who are disabled, not all of whom are formally registered disabled persons in UK terms. If an employee becomes disabled it is standard practice, in all but the most extreme circumstances, to offer an alternative job and provide retraining where necessary.

#### Employment Involvement

The policy of informing and consulting with employees has continued by means of regular newsletters and employees are encouraged to present their views and suggestions in respect of the Company's performance. Employees are also eligible to participate in the Cadbury Schweppes plc Savings-Related Share Option Scheme, with options to purchase shares in the ultimate holding company after a period of regular savings as defined under the terms of the scheme.

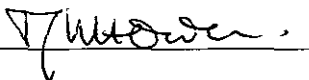
#### Auditors

In accordance with Section 386 of the Companies Act 1985 and the resolution passed by the Company in the General Meeting on 9 May 1996 the Company has elected to dispense with the annual re-appointment of auditors. Accordingly, Arthur Andersen will continue as auditors.

24 July 2002

On behalf of the Board

P O Box 12  
Bournville Lane  
Bournville  
Birmingham  
B30 2LU



M L H Owen  
Secretary

## **CADBURY LIMITED**

### **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 has 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 accounting 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 accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the accounts 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.



# **CADBURY LIMITED**

## **Independent Auditors' Report**

### **To the Shareholders of Cadbury Limited**

We have audited the accounts of Cadbury Limited for the year ended 30 December 2001, which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 22. These accounts have been prepared under the accounting policies set out therein.

### **Respective Responsibilities of Directors and Auditors**

The directors' responsibilities for preparing the Annual Report the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom 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 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 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 circumstances of the company, 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.

CADBURY LIMITED

Independent Auditors' Report - continued

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 December 2001 and of the company's 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 'Arthur Andersen'.

Arthur Andersen  
Chartered Accountants and Registered Auditors  
Four Brindleyplace  
Birmingham  
B1 2HZ  
24 July 2002

# CADBURY LIMITED

## Profit and Loss Account

For the 52 weeks ended 30 December 2001

	Notes	2001 £000	2000 (restated) £000
<b>Turnover</b>	4	-	354,852
Cost of sales		-	(213,863)
<b>Gross profit</b>		-	140,989
Net operating expenses	5	-	(93,588)
<b>Operating profit</b>		-	47,401
Share of profits in partnership		109,047	72,618
<b>Total operating profit including partnership</b>		109,047	120,019
Fundamental restructuring costs	6	-	(162)
Share of partnership fundamental restructuring costs	7	(12,541)	(12,128)
<b>Profit on ordinary activities before interest and taxation</b>	8	96,506	107,729
Share of interest receivable and similar income	12	561	19,994
Share of interest payable and similar charges	13	(1,271)	(22,002)
<b>Profit on ordinary activities before taxation</b>		95,796	105,721
Taxation on profit on ordinary activities	14	(30,452)	(32,184)
<b>Profit for the financial year</b>		65,344	73,537
Dividends paid and proposed on equity shares	15	(20,000)	(200,000)
<b>Retained profit for the financial year</b>		45,344	(126,463)

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

There is no material difference between the result as disclosed in the profit and loss account and the result on a historic cost basis.

## Statement of Total Recognised Gains and Losses

For the 52 weeks ended 30 December 2001

	Note	2001 £000	2000 (restated) £000
Profit for the financial year		65,344	73,537
<b>Total recognised gains for the year</b>		65,344	73,537
Prior year adjustment	18	(34,243)	
<b>Total gains recognised since the last annual report and accounts</b>		31,101	

# CADBURY LIMITED

## Balance Sheet as at 31 December 2000

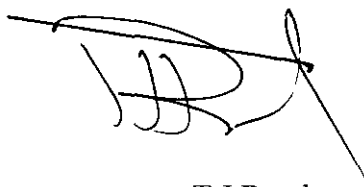
	Notes	2001 £000	2000 (restated) £000
<b>Fixed Assets</b>			
Investments	16	200,598	153,999
		<u>200,598</u>	<u>153,999</u>
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	17	(44,107)	(43,555)
<b>Net Current Liabilities</b>		<u>(44,107)</u>	<u>(43,555)</u>
<b>Total Assets less Current Liabilities</b>		156,491	110,444
<b>Provisions for Liabilities and Charges</b>	18	(26,795)	(26,092)
<b>Net Assets</b>		<u>129,696</u>	<u>84,352</u>
<b>Capital and Reserves</b>			
Called up share capital	19	49,675	49,675
Capital reserve	20	9,825	9,885
Profit and loss account	20	70,196	24,792
<b>Shareholders' Funds, All Equity</b>		<u>129,696</u>	<u>84,352</u>

The accompanying notes form an integral part of this Balance Sheet.

These accounts were approved by the Board of Directors and were signed on its behalf on 24 July 2002.



A P Cosslett  
Managing Director



T J Bond  
Director

## **CADBURY LIMITED**

### **Notes to the Accounts – 30 December 2001**

#### **1. Accounting Policies**

The accounts have been prepared on a going concern basis and in accordance with applicable accounting standards, consistently applied throughout the year and the preceding year, with the exception of the accounting standards adopted in the current year.

The following Financial Reporting Standards have been adopted in these accounts:

The transitional disclosure requirements of Financial Reporting Standard (“FRS”) 17 “Retirement Benefits” have been adopted in the year, but these have no effect on the primary financial statements.

FRS 18 “Accounting Policies” has been adopted in full during the year. This has not led to a restatement of prior year results.

FRS 19 “Deferred Tax” has been adopted in full during the year. The adoption of FRS 19 has resulted in a restatement of prior year results due to the impact of recognising increased levels of deferred tax assets and liabilities. Further details regarding the change in accounting policy resulting from the adoption of FRS 19 are set out below and in note 18.

#### **Accounting Convention**

The accounts are prepared under the historical cost convention.

#### **Financial Year**

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

## **CADBURY LIMITED**

### **Notes to the Accounts – 30 December 2001**

#### **1. Accounting Policies (continued)**

##### **Partnership Agreement**

On 17 July 2000, the Company formed a partnership, Cadbury Trebor Bassett, along with Trebor Bassett Limited and The Lion Confectionery Company Limited. Since that date, the Company has no longer traded under its own account, as all trading has been undertaken by the partnership. Under the terms of the partnership agreement, the Company is entitled to a share of the profits of the partnership as determined by the Management Committee. This is shown within "Share of profits in partnership".

Under the terms of the Partnership agreement, the beneficial interest of all assets and liabilities used in the business of the partners was transferred to the Partnership on 31 December 2000. Accordingly, these assets are no longer disclosed in the accounts of Cadbury Limited, with the exception of corporation tax, deferred tax, investments and inter-company balances greater than one year, which remain in the company. In exchange for this transfer of all other assets, Cadbury Limited received an investment in the partnership, which is disclosed in investments.

These accounts should be read in conjunction with the accounts of the other partners and the Cadbury Trebor Bassett Partnership accounts.

##### **Foreign Currency**

Transactions denominated in foreign currencies are translated into sterling at the actual rate prevailing at the date of the transaction or, where appropriate, at the rate of exchange in a related forward contract. Assets and liabilities denominated in foreign currencies at the year-end are translated at the middle market rates at the balance sheet date. Any exchange differences are taken to the profit and loss account as they arise.

# **CADBURY LIMITED**

## **Notes to the Accounts – 30 December 2001**

### **1. Accounting Policies (continued)**

#### **Taxation**

Corporation tax payable is provided on the taxable profit at the current rate. Deferred tax 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 tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

On adoption of FRS19 the Company has changed its accounting policy in respect of deferred taxation and the effect of this restatement is set out in note 18.

#### **Cash Flow Statement**

In accordance with the provisions of Financial Reporting Standard No. 1, the Company has not prepared a cash flow statement because its ultimate parent company, Cadbury Schweppes plc, which is incorporated in England and Wales, has prepared consolidated accounts which include the accounts of the Company for the financial year, and which are publicly available.

### **2. Annual Accounts**

The profit and loss account covers the 52 weeks from 1 January 2001 to 30 December 2001 and the balance sheets for 2001 and 2000 have been drawn up at 30 December 2001 and 31 December 2000 respectively.

### **3. Ultimate Parent Company**

The Company's ultimate parent Company is Cadbury Schweppes plc, a company registered in England and Wales. Copies of the Group Accounts of Cadbury Schweppes plc are available from 25 Berkeley Square, London, W1J 6HB.

# CADBURY LIMITED

## Notes to the Accounts – 30 December 2001

### 4. Turnover and Profit on Ordinary Activities Before Taxation

Turnover and profits principally arose from the manufacture and sale of confectionery products within the United Kingdom, and entirely from the Company's continuing operations.

### 5. Net Operating Expenses

Since the formation of the partnership on 17 July 2000, all operating expenses have been borne by the partnership.

	2001 £000	2000 £000
Distribution costs, including marketing	-	65,545
Administrative expenses	-	27,505
Other operating charges	-	538
	<u>-</u>	<u>93,588</u>

### 6. Exceptional item – Fundamental restructuring costs

	2001 £000	2000 £000
Reorganisation	<u>-</u>	<u>162</u>

Reorganisation costs of £162,000 in 2000 relate to costs associated with the integration of Cadbury Limited, Trebor Bassett Limited and The Lion Confectionery Company Limited as part of a Group wide restructuring programme. This resulted in a reduced taxation charge of £48,600. The reorganisation resulted in the management, sales force and administration of all three businesses becoming integrated.



# CADBURY LIMITED

## Notes to the Accounts – 30 December 2001

### 7. Exceptional items - Share of partnership fundamental restructuring costs

	2001 £000	2000 £000
Termination of operations	-	372
Reorganisation	12,541	11,756
	<u>12,541</u>	<u>12,128</u>

Termination of operations costs in 2000 of £372,000 includes the Company's share of the cost of the partnership associated with the closure of the Maidstone and Colchester production sites and the transfer of production to sites in Chesterfield and Sheffield. This resulted in a reduced taxation charge of £111,600 in 2000.

Reorganisation costs of £12,541,000 (2000: £11,756,000) relate to the Company's share of the costs of the partnership associated with the integration of Cadbury Limited, Trebor Bassett Limited and The Lion Confectionery Company Limited as part of a Group wide restructuring programme. This has resulted in a reduced taxation charge of £3,762,300 (2000: £3,526,800). The reorganisation has resulted in the management, sales force and administration of all three businesses becoming integrated.

### 8. Profit on ordinary activities before interest and taxation

Since the formation of the partnership on 17 July 2000, all operating costs have been borne by the partnership.

Profit on ordinary activities before interest and taxation is stated after charging:

	2001 £000	2000 £000
Depreciation on owned assets	-	18,169
Depreciation on assets held under finance leases	-	2,100
Operating lease rentals - plant & machinery	-	1,366
- other	-	374
Auditors' remuneration - audit fees	-	50
- other fees	-	23
Research and development expenditure	-	2,042

## CADBURY LIMITED

### Notes to the Accounts – 30 December 2001

#### 9. Pension Arrangements

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

The major scheme is the Cadbury Schweppes plc Pension Fund for which the last full valuation was carried out at 5 April 1999 on the projected unit method. At this date the market value of the assets was £1,277m and the level of funding on an actuarial basis was 114%.

The principal assumptions were that, on average, the rate of return on fund assets would be 7.25%, the rate of salary increases would be 5%, past and future pensions would increase by 3% per annum and dividend growth would be 4.25%.

The total pension costs for the Company were £nil (2000: £3,824,000) which, together with the pension costs of other subsidiaries in the group schemes, were assessed by qualified actuaries based on the latest actuarial assessment.

Additional disclosures regarding the group defined benefit pension scheme are required under the transitional provisions of Financial Reporting Standard ("FRS") No. 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 accounts of the ultimate parent company, shows a surplus of £95m. Further details of this valuation can be found in the annual report of Cadbury Schweppes plc.

# CADBURY LIMITED

## 10. Directors' Emoluments

	Total for all Directors 2001 £'000	Total for all Directors 2000 £'000
Emoluments paid or receivable for qualifying services	1,835	1,723

During the year, 1 director (3 in 2000) received or was due shares under long term incentive schemes. During the year, 9 directors (9 in 2000) were members of the Company's defined benefit pension scheme. Contributions were made by the Company into a money purchase pension scheme for 3 directors (3 in 2000) amounting to £79,120 (£36,995 in 2000).

The emoluments of the highest paid director were £542,689 (£318,422 in 2000). At year end, the accrued pension under the Company's defined benefit scheme for the highest paid director was £28,568 (£210,270 in 2000).

During the year 3 directors (3 in 2000) exercised options over shares in the Company's parent, Cadbury Schweppes plc.

1 director (4 in 2000) 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 Limited.

During the year, the directors provided their services to the Cadbury Trebor Bassett partnership, and consequently the cost of all directors' emoluments was borne by the partnership.

# CADBURY LIMITED

## Notes to the Accounts – 30 December 2001

### 11. Employees and Emoluments

Since the formation of the partnership on 17 July 2000, employee emoluments have been borne by the partnership although all employees remain employed by Cadbury Limited.

	2001	2000
The average number of employees employed by the Company was:		
Production	2,463	2,580
Distribution, selling and marketing	1,001	542
Administration	301	344
	<u>3,765</u>	<u>3,466</u>
	<b>2001</b>	<b>2000</b>
	<b>£000</b>	<b>£000</b>
Employees' emoluments comprised:		
Wages and salaries	-	49,418
Social security costs	-	4,214
Other pension costs	-	3,824
	<u>-</u>	<u>57,456</u>

### 12. Share of Interest Receivable and Similar Income

	2001	2000
	£000	£000
Interest receivable on external loans and deposits	397	19,678
Interest receivable on inter-company loans and deposits	164	316
	<u>561</u>	<u>19,994</u>

### 13. Share of Interest Payable and Similar Charges

	2001	2000
	£000	£000
Interest payable to fellow subsidiary undertakings	-	20,623
Interest payable on overdrafts and bank loans	104	63
Finance leases	1,167	1,316
	<u>1,271</u>	<u>22,002</u>

# CADBURY LIMITED

## Notes to the Accounts – 30 December 2001

### 14. Taxation on Profit on Ordinary Activities

The tax charge comprises:

	2001	2000 (restated)
	£000	£000
UK corporation tax	29,873	48,395
Deferred taxation	(2,171)	(16,211)
	<u>27,702</u>	<u>32,184</u>
Adjustment in respect of prior years		
UK corporation tax	(124)	-
Deferred taxation	2,874	-
	<u>30,452</u>	<u>32,184</u>

The differences between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2001	2000
	£000	£000
<b>Profit on ordinary activities before taxation</b>	<u>95,796</u>	<u>105,721</u>
UK corporation tax at 30%	28,739	31,716
Add / (less) 30% tax effect of:		
Depreciation less capital allowances	1,428	1,297
Finance leases	(618)	341
Short-term timing differences	(359)	14,564
Permanent differences	683	477
	<u>29,873</u>	<u>48,395</u>

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

The prior year corporation tax adjustments reflect agreement of several years' tax computations. Details of deferred taxation are given in note 18.

# CADBURY LIMITED

## Notes to the Accounts – 30 December 2001

### 15. Dividends paid and proposed on equity shares

	2001 £000	2000 £000
Interim paid of 40p per ordinary share (2000: 403p)	<u>20,000</u>	<u>200,000</u>

### 16. Investments

Cost and net book value:	Investment in partnership £000
At beginning of the year	153,999
Additions	<u>46,599</u>
At end of the year	<u>200,598</u>

The investment in the partnership represents the interest in the partnership received in exchange for the transfer of certain assets and liabilities to the partnership.

### 17. Creditors: Amounts Falling Due Within One Year

	2001 £000	2000 £000
UK corporation tax	<u>44,107</u>	<u>43,555</u>
	<u>44,107</u>	<u>43,555</u>

# CADBURY LIMITED

## Notes to the Accounts – 30 December 2001

### 18. Provisions for Liabilities and Charges

The provision for liabilities and charges relate solely to deferred taxation as follows:

	<b>Deferred taxation (restated) £000</b>
At beginning of the year (in prior year accounts)	(8,151)
Prior year adjustment	34,243
At beginning of the year (restated)	26,092
Charged during the year	703
At end of the year	<u>26,795</u>

A deferred tax liability has been recorded relating to accelerated capital allowances (“ACAs”) and short-term timing differences on provisions. The movement in the year is as follows:

	<b>2001 ACAs £000</b>	<b>2001 Short term timing differences £000</b>	<b>2001 Total £000</b>	<b>2000 (restated) £000</b>
At beginning of the year	35,394	(9,302)	26,092	42,303
Profit and loss account	<u>(2,139)</u>	<u>2,842</u>	<u>703</u>	<u>(16,211)</u>
At end of the year	<u>33,255</u>	<u>(6,460)</u>	<u>26,795</u>	<u>26,092</u>

The company has unrecognised deferred taxation liabilities on property revaluations as follows:

	<b>2001 £000</b>	<b>2000 (restated) £000</b>
Not provided in accounts:		
Properties	<u>3,649</u>	<u>2,210</u>
	<u>3,649</u>	<u>2,210</u>

# CADBURY LIMITED

## Notes to the Accounts – 30 December 2001

### 18. Provisions for Liabilities and Charges (continued)

The effect of the FRS19 restatement is as follows:

	2001	2000 as previously stated	FRS 19 re- statement	2000 (restated)
	£000	£000	£000	£000
<b>Tax on profit on ordinary activities:</b>				
Deferred tax (credit) on timing differences	<u>(2,533)</u>	<u>(14,564)</u>	<u>(1,647)</u>	<u>(16,211)</u>
<b>Balance Sheet:</b>				
Deferred tax (asset) / liability on timing differences	<u>31,710</u>	<u>(8,151)</u>	<u>34,243</u>	<u>26,092</u>
Reserves at the beginning of the year – shareholders funds	<u>(34,243)</u>	<u>118,595</u>	<u>(34,243)</u>	<u>84,352</u>

### 19. Called up Share Capital

	2001 £000	2000 £000
Authorised:		
50,000,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Called up, allotted and fully paid:		
49,675,000 Ordinary shares of £1 each	<u>49,675</u>	<u>49,675</u>



# CADBURY LIMITED

## Notes to the Accounts – 30 December 2001

### 20. Reconciliation of Movements in Shareholders' Funds (All Equity) and Movement on Reserves

	Share Capital	Capital Reserve	Profit and Loss Account (restated)	Total
	£000	£000	£000	£000
At beginning of the year	49,675	9,885	59,035	118,595
Prior year adjustment	-	-	(34,243)	(34,243)
At beginning of the year (restated)	49,675	9,885	24,792	84,352
Profit for the year	-	-	65,344	65,344
Dividends	-	-	(20,000)	(20,000)
Transfer between reserves	-	(60)	60	-
At end of the year	49,675	9,825	70,196	129,696

Upon transfer of the revalued assets to the partnership on 31 December 2000 in accordance with the accounting policies set out on page 12, the associated revaluation reserve was transferred to a non-distributable capital reserve. Transfers between the capital reserve and the profit and loss account reserve will continue to be made in future years in order to amortise surpluses over the remaining useful lives of the properties.

### 21. Post Balance Sheet Events

Details of post balance sheet events are disclosed in the Directors' Report.

### 22. Related Party Transactions

The Company has taken advantage of the exemption under the rules of Financial Reporting Standard No.8 – 'Related party disclosures' not to disclose related party transactions with other Cadbury Schweppes plc group companies as over 90% of the voting rights of the Company are controlled by the ultimate parent company, Cadbury Schweppes plc, and the consolidated accounts of the ultimate parent company are publicly available.

**Cadbury Trebor Bassett**

**ANNUAL REPORT AND ACCOUNTS**

**For the 52 weeks ended 30 December 2001**

# **CADBURY TREBOR BASSETT**

## **Partners**

Cadbury Limited  
Trebor Bassett Limited  
The Lion Confectionery Company Limited

## **Management Committee**

T J Bond  
I C Burrell  
A P Cosslett  
K W Dennis  
M C Denyard  
N G Fell  
P E Hebblethwaite  
A S P O'Flynn

## **Principal Office**

Hertford Place  
Denham Way  
Maple Cross  
Hertfordshire  
WD3 9XB

## **Auditors**

Arthur Andersen  
Four Brindleyplace  
Birmingham  
B1 2HZ

# **CADBURY TREBOR BASSETT**

## **Report of the Management Committee**

The Management Committee present their Report on behalf of the partners, together with the audited accounts of Cadbury Trebor Bassett, for the 52 weeks ended 30 December 2001 ("the year").

### **Principal Activities**

The principal activity of the Partnership is the manufacture, marketing and sale of chocolate and sugar confectionery products to wholesale and retail outlets in the UK.

### **Review of the Business and Future Developments**

During the year, the Partnership Cadbury Trebor Bassett continued to exist between Cadbury Limited, Trebor Bassett Limited and The Lion Confectionery Company Limited. This agreement affords that the profits of the Partnership be shared between the businesses in accordance with the partners' view of the respective values of Cadbury Limited, Trebor Bassett Limited and The Lion Confectionery Company Limited.

During the period, the Partnership has successfully continued a programme of innovation and new product introduction and is in a good position to take advantage of opportunities that may arise in the future.

Prior to the year end the Partnership commenced a redundancy programme within operations.

### **Research and Development**

The Partnership has continued the programme of research and development for its products and production methods. Basic research in the confectionery field is undertaken for the Partnership by a subsidiary of Cadbury Schweppes plc.

### **Post Balance Sheet Events**

No circumstances have arisen or events occurred since the balance sheet date in respect of matters, which would require adjustment or disclosure in the accounts.

### **Results and Distribution of Profit**

The profit on ordinary activities for the financial year before distribution was £116,064,000 (2000 (24 week period): £72,751,000).

A net distribution of profits of £116,064,000 (2000 (24 week period): £72,751,000) has been made to the Partners in accordance with the terms of the Partnership Agreement.

## **CADBURY TREBOR BASSETT**

### **Report of the Management Committee - continued**

#### **Policy on Payment to Suppliers**

The Partnership 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 suppliers are made aware of the terms of payment, and abide by the terms of payment. The Partnership's creditor days outstanding at the year-end were 70 days. (2000: 62 days)

#### **Disabled Employees**

The Partnership employs a number of people who are disabled, not all of whom are formally registered disabled persons in UK terms. If an employee becomes disabled it is standard practice, in all but the most extreme circumstances, to offer an alternative job and provide retraining where necessary.

#### **Employment Involvement**

The policy of informing and consulting with employees has continued by means of regular newsletters and employees are encouraged to present their views and suggestions in respect of the Partnership's performance. Employees are also eligible to participate in the Cadbury Schweppes plc Savings-Related Share Option Scheme, with options to purchase shares in the ultimate holding company after a period of regular savings as defined under the terms of the scheme.

#### **Charitable and Political Contributions**

During the year, the Partnership made charitable contributions of £175,000 (2000: £92,000). The Partnership made no political contributions during the year (2000: £nil).

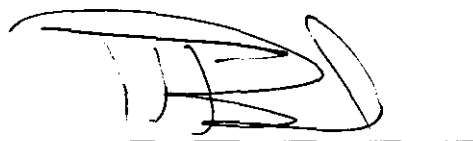
#### **Auditors**

The Partners have appointed Arthur Andersen to undertake an audit of the Partnership Accounts and prepare an Auditor's report thereon. Arthur Andersen will continue as auditors until such time as the Partners dispense with their services.

24 July 2002

By Order of the Management Committee

Hertford Place  
Denham Way  
Maple Cross  
Hertfordshire  
WD3 9XB



T J Bond

## **CADBURY TREBOR BASSETT**

### **Statement of Management Committees' responsibilities in relation to accounts**

The Management Committee are required by the Partnership and Unlimited Companies (Accounts) Regulations 1993 to prepare accounts for each financial year which give a true and fair view of the state of affairs and profit or loss of the Partnership as at the end of the financial period.

The Management Committee accept that they have a responsibility for preparing the accounts in accordance with applicable accounting standards and the provisions of the Companies Act 1985 ("the Act") which would have applied if the accounts were statutory accounts.

After making enquiries, the Management Committee have a reasonable expectation that the Partnership has 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 Management Committee consider that in preparing the accounts the Partnership has used appropriate accounting policies, as set out on pages 9 to 11, that have been consistently applied and supported by reasonable and prudent judgements and estimates. All accounting standards that the Partners consider applicable have been followed, subject to any material departures disclosed and explained in the accounts.

The Management Committee has responsibility for ensuring that the Partnership keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership, and which enable them to ensure that the accounts comply with the Partnership and Unlimited Companies (Accounts) Regulations 1993. The Partners have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Partnership and to prevent and detect fraud, error and non-compliance with laws and regulations.

# **CADBURY TREBOR BASSETT**

## **Independent Auditors' Report**

### **To the Partners of Cadbury Trebor Bassett**

We have audited the accounts of Cadbury Trebor Bassett for the year ended 30 December 2001, which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 23. These accounts have been prepared under the accounting policies set out therein.

### **Respective Responsibilities of Partners and Auditors**

The Partners' responsibilities for preparing the Annual Report and accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Management Committees' responsibilities in relation to the accounts.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and have been properly prepared on the basis set out on page 4. We also report to you if, in our opinion, the Report of the Management Committee is not consistent with the accounts, if the Partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

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

**Independent Auditors' Report - continued**

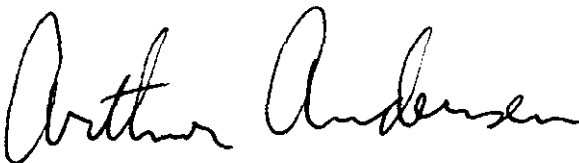
**Basis of Audit Opinion**

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 Partners in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Partnership, 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 Partnership's state of affairs at 30 December 2001 and of its profit for the year then ended and have been properly prepared on the basis set out on page 4.

A handwritten signature in cursive script, reading "Arthur Andersen".

Arthur Andersen  
Chartered Accountants and Registered Auditors  
Four Brindleyplace  
Birmingham  
B1 2HZ  
24 July 2002



# CADBURY TREBOR BASSETT

## Profit and Loss Account

For the 52 weeks ended 30 December 2001

	Notes	52 weeks ended 30 December 2001 £000	24 weeks ended 31 December 2000 £000
<b>Turnover</b>	4	964,567	524,652
Cost of sales		(568,389)	(317,146)
<b>Gross profit</b>		396,178	207,506
Net operating expenses	5	(265,031)	(120,170)
<b>Operating profit</b>		131,147	87,336
Fundamental restructuring costs	6	(15,083)	(14,585)
<b>Profit available for distribution</b>	7	116,064	72,751
Distribution to partners	11	(116,064)	(72,751)
<b>Result for the financial period</b>		-	-

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

There are no recognised gains or losses other than the result for the period.

There is no material difference between the result as disclosed in the profit and loss account and the result on a historical cost basis.

# CADBURY TREBOR BASSETT

## Balance Sheet as at 30 December 2001

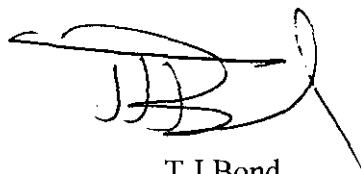
	Notes	2001 £000	2000 £000
<b>Fixed Assets</b>			
Tangible fixed assets	12	281,506	297,015
		<u>281,506</u>	<u>297,015</u>
<b>Current Assets</b>			
Stocks	13	123,128	120,079
Debtors	14	511,903	503,969
Cash at bank and in hand		25,591	25,203
		<u>660,622</u>	<u>649,251</u>
Creditors: Amounts falling due within one year	15	(270,072)	(310,158)
<b>Net Current Assets</b>		<u>390,550</u>	<u>339,093</u>
<b>Total Assets Less Current Liabilities</b>		<u>672,056</u>	<u>636,108</u>
Creditors: Amounts falling due after more than one year	16	(210,623)	(225,817)
<b>Provisions for liabilities and charges</b>	17	(10,851)	(17,060)
<b>Net Assets</b>		<u>450,582</u>	<u>393,231</u>
<b>Capital and Reserves</b>			
Partners capital	18	450,582	393,231
<b>Partnership Funds</b>		<u>450,582</u>	<u>393,231</u>

The accompanying notes form an integral part of this Balance Sheet.

These accounts were approved by the Partnership and were signed on its behalf on 24 July 2002.



A P Cosslett



T J Bond

# **CADBURY TREBOR BASSETT**

## **Notes to the Accounts – 30 December 2001**

### **1. Accounting Policies**

The accounts have been prepared on a going concern basis and in accordance with applicable accounting standards, consistently applied throughout the year and the preceding year with the exception of the accounting standards adopted in the current year.

The following *Financial Reporting Standards* have been adopted in these accounts:

The transitional disclosure requirements of Financial Reporting Standard (“FRS”) 17 “Retirement Benefits” have been adopted in the year, but these have no effect on the primary financial statements.

FRS 18 “Accounting Policies” has been adopted in full during the year. This has not led to a restatement of prior year results.

#### **Accounting Convention**

The accounts are prepared under the historical cost convention, modified to include the revaluation of land and buildings.

#### **Financial Year**

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

#### **Partnership Agreement**

On 17 July 2000, Cadbury Limited, Trebor Bassett Limited and The Lion Confectionery Company Limited entered into a partnership agreement and formed Cadbury Trebor Bassett. Since that date, these Companies have traded exclusively for, and on behalf of, the Partnership. The terms of the partnership agreement, affords the profits of the Partnership to be distributed between the partners in accordance with the wishes of the Management Committee.

Under the terms of the Partnership agreement, the beneficial interest of all assets and liabilities used in the business of the partners was transferred to the Partnership on 31 December 2000. Accordingly, these assets are now disclosed in the accounts of the Cadbury Trebor Bassett Partnership.

These accounts should be read in conjunction with the accounts of the partners.

# CADBURY TREBOR BASSETT

## Notes to The Accounts - 30 December 2001

### 1. Accounting Policies (continued)

#### Foreign Currency

Transactions denominated in foreign currencies are translated into sterling at the actual rate prevailing at the date of the transaction or, where appropriate, at the rate of exchange in a related forward contract. Assets and liabilities denominated in foreign currencies at the year-end are translated at the middle market rates at the balance sheet date. Any exchange differences are taken to the profit and loss account as they arise.

#### Sales

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

#### Research and Development

Expenditure on research and development is charged to the profit and loss account as incurred.

#### Government Grants

Revenue grants are credited to the profit and loss account. Capital grants are amortised over the estimated lives of the qualifying assets.

#### Tangible Fixed Assets

Depreciation is charged on the original cost or subsequent valuation of assets of the partners (excluding assets in course of construction) in equal annual amounts over the expected lives of the assets, as follows:

Freehold buildings	40 years
Plant and machinery	2 to 10 years

Short leasehold properties are depreciated over the life of the lease. In specific cases, higher depreciation rates are used, for example, for high-speed machinery, machinery subject to technology changes, and machinery with a high obsolescence factor. Land is not depreciated.

## **CADBURY TREBOR BASSETT**

### **Notes to the Accounts – 30 December 2001**

#### **1. Accounting Policies (continued)**

##### **Fixed Assets Held Under Leases**

Where assets are financed by leasing arrangements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as obligations under finance leases. Depreciation on leased assets is charged to the profit and loss account on the same basis as shown above. Leasing payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account.

All other leases are 'operating leases' and the relevant annual rentals are charged wholly to the profit and loss account in the year in which they are incurred.

##### **Stocks and Work in Progress**

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Cost is purchase price, or production cost in the case of the products manufactured by the Partnership. Production cost consists of direct material and labour costs together with a reasonable proportion of factory overheads, including depreciation, on the basis of normal levels of activity. Provision is made for obsolete, slow moving or defective items where appropriate.

##### **Pension Costs and Other Post Retirement Benefits**

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.

##### **Cash Flow Statement**

In accordance with the provisions of Financial Reporting Standard No. 1, the Partnership has not prepared a cash flow statement because its ultimate parent company Cadbury Schweppes plc, which is incorporated in England and Wales, has prepared consolidated accounts which include the accounts of the Partnership for the financial year, and which are publicly available.

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 2. Annual Accounts

The profit and loss account covers the 52 weeks from 1 January 2001 to 30 December 2001. The balance sheets for 2001 and 2000 have been drawn up at 30 December 2001 and 31 December 2000 respectively.

### 3. Ultimate Parent Company

The Partnership's ultimate parent company is Cadbury Schweppes plc, a company registered in England and Wales. The results of the Partnership have been consolidated into the Group Accounts. Copies of the Group Accounts of Cadbury Schweppes plc are available from 25 Berkeley Square, London, W1J 6HB.

### 4. Turnover and Operating Profit

Turnover and profits principally arose from the manufacture and sale of confectionery products within the United Kingdom, and entirely from the Partnership's continuing operations.

### 5. Net Operating Expenses

	52 weeks ended 30 December 2001 £000	24 weeks ended 31 December 2000 £000
Distribution costs, including marketing	177,392	77,061
Administrative expenses	86,548	42,728
Other operating charges	1,091	381
	<u>265,031</u>	<u>120,170</u>

Administrative expenses above include £3,111,000 (2000: £4,435,000) in respect of the cost of business reconfiguration and rationalisation.

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 6. Exceptional items – Fundamental restructuring costs

	52 weeks ended 30 December 2001 £000	24 weeks ended 31 December 2000 £000
Termination of operations	-	447
Reorganisation	15,083	14,138
	<u>15,083</u>	<u>14,585</u>

Termination of operations costs of £447,000 in 2000 relate to costs of closure of the Maidstone and Colchester production sites and the transfer of the production to sites in Chesterfield and Sheffield.

Reorganisation costs of £15,083,000 (2000: £14,138,000) relate to costs associated with the integration of Cadbury Limited, Trebor Bassett Limited and The Lion Confectionery Company Limited as part of a Group wide restructuring programme. The reorganisation has resulted in the management, sales force and administration of all three businesses becoming integrated.

### 7. Profit available for distribution

Profit available for distribution is stated after charging:

	52 weeks ended 30 December 2001 £000	24 weeks ended 31 December 2000 £000
Depreciation on owned assets	43,961	20,119
Depreciation on assets held under finance leases	2,117	1,879
Operating lease rentals - plant & machinery	4,942	2,501
- other	621	1,068
Auditors' remuneration - audit fees	185	92
- non-audit fees	122	20
Research and development expenditure	4,567	1,904

## CADBURY TREBOR BASSETT

### Notes to the Accounts – 30 December 2001

#### 8. Pension Arrangements

The Partners are members of the Cadbury Schweppes plc group of companies, which operates group pension schemes for its UK subsidiaries.

The major scheme is the Cadbury Schweppes plc Pension Fund for which the last full valuation was carried out at 5 April 1999 on the projected unit method. At this date the market value of the assets was £1,277m and the level of funding on an actuarial basis was 114%.

The principal assumptions were that on average the rate of return on fund assets would be 7.25%, the rate of salary increases would be 5%, past and future pensions would increase by 3% per annum and dividend growth would be 4.25%.

The total pension cost of the partnership, borne on behalf of the partners, was £6,683,000 (2000: £3,657,000) 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 £2,285,000 (2000: £6,194,000) included within provisions for liabilities and charges represents the cumulative 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 Financial Reporting Standard ("FRS") No. 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 accounts of the parent company, shows a surplus of £95m. Further details of this valuation can be found in the annual report of Cadbury Schweppes plc.



# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 9. Employees and Emoluments

Since the formation of the Partnership on 17 July 2000, employee emoluments have been borne by the Partnership although all employees remain employed by the partners.

	<b>52 weeks ended 30 December 2001 £000</b>	<b>24 weeks ended 31 December 2000 £000</b>
The average number of employees employed by the Partners on behalf of the Partnership was:		
Production	4,155	4,631
Distribution, selling and marketing	1,170	1,155
Administration	466	444
	<u>5,791</u>	<u>6,230</u>

	<b>52 weeks ended 30 December 2001 £000</b>	<b>24 weeks ended 31 December 2000 £000</b>
Employees' emoluments comprised:		
Wages and salaries	113,227	60,860
Social security costs	11,069	4,881
Other pension costs	6,683	3,657
	<u>130,979</u>	<u>69,398</u>

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 10. Taxation on profit available for distribution

The Partnership is not subject to UK Corporation Tax. Tax on the Partnership profits is accounted for in the relevant partners' accounts.

### 11. Distribution to partners

	52 weeks ended 30 December 2001 £000	24 weeks ended 31 December 2000 £000
Distribution of profit available for distribution to the partners:		
Cadbury Limited	96,506	60,490
Trebor Bassett Limited	18,973	11,894
The Lion Confectionery Company Limited	585	367
	<u>116,064</u>	<u>72,751</u>

The trading profit of the partnership has been distributed back to the partners in accordance with the wishes of the Management Committee.

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 12. Tangible Fixed Assets

	Freehold land & buildings £000	Short leasehold land & buildings £000	Plant & machinery £000	Assets in course of construction £000	Total £000
<b>Cost or Valuation:</b>					
At 1 January 2001	92,411	281	600,740	46,891	740,323
Additions	50	-	1,370	30,578	31,998
Transfers on completion	6,877	-	40,029	(46,906)	-
Transfers from Group companies	-	-	1	-	1
Disposals	(319)	-	(6,917)	(124)	(7,360)
Reclassification	(5,158)	(221)	(1)	5,544	164
At 30 December 2001	<u>93,861</u>	<u>60</u>	<u>635,222</u>	<u>35,983</u>	<u>765,126</u>
At professional valuation	70,710	-	-	-	70,710
At cost	<u>23,151</u>	<u>60</u>	<u>635,227</u>	<u>35,983</u>	<u>694,421</u>
	<u>93,861</u>	<u>60</u>	<u>635,227</u>	<u>35,983</u>	<u>765,131</u>
<b>Accumulated Depreciation:</b>					
At 1 January 2001	(9,961)	(121)	(433,226)	-	(443,308)
Charge for the year	(1,834)	(9)	(44,235)	-	(46,078)
Disposals	123	-	5,807	-	5,930
Reclassification	(71)	70	(163)	-	(164)
At 30 December 2001	<u>(11,743)</u>	<u>(60)</u>	<u>(471,817)</u>	<u>-</u>	<u>(483,620)</u>
<b>Net Book Values:</b>					
At 30 December 2001	<u>82,118</u>	<u>-</u>	<u>163,405</u>	<u>35,983</u>	<u>281,506</u>
At 1 January 2001	<u>82,450</u>	<u>160</u>	<u>167,514</u>	<u>46,891</u>	<u>297,015</u>

Freehold land and buildings include land of £23,609,000 (2000: £23,770,000), which has not been depreciated.

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 12. Tangible Fixed Assets (continued)

Plant and machinery includes vehicles and fixtures and fittings. Assets in course of construction include payments on account.

Certain Partnership properties were revalued to £70,710,000, on an open-market basis by Fuller Peiser as at 20 September 1995, and the revised valuations have been incorporated in the accounts of the Partners from 30 December 1995.

If the revalued assets were stated on an historical cost basis the amounts would be as follows:

	2001 £000	2000 £000
Land and buildings at cost	59,285	67,731
Accumulated depreciation thereon	(13,522)	(16,980)
	<u>45,763</u>	<u>50,751</u>

### Finance Leases

	2001 £000	2000 £000
Included in fixed assets are:		
Plant and machinery under finance leases	83,019	83,625
Less accumulated depreciation	(81,646)	(79,529)
	<u>1,373</u>	<u>4,096</u>

### 13. Stocks

	2001 £000	2000 £000
Raw materials and consumables	27,237	25,790
Work in progress	13,825	19,088
Finished goods and goods for resale	82,066	75,201
	<u>123,128</u>	<u>120,079</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 14. Debtors

	2001 £000	2000 £000
Trade debtors	127,056	109,695
Amounts owed by Cadbury Schweppes plc	2,236	-
Amounts owed by fellow subsidiary undertakings	365,038	375,107
Loans to employees	1,574	569
Other debtors	2,314	2,003
Prepayments and accrued income	13,685	16,595
	<u>511,903</u>	<u>503,969</u>

Included within amounts owed by fellow subsidiary undertakings in 2000 was a \$52,500,000 short-term loan which was repaid on 19 January 2001, which earned interest at 6.41% per annum.

Also included within amounts owed by fellow subsidiary undertakings is a £352,278,000 (2000: £129,500,000) loan on which no repayment terms have been fixed and interest is receivable at base rate.

### 15. Creditors: Amounts Falling Due Within One Year

	2001 £000	2000 £000
Current obligations under finance leases	2,233	2,486
Trade creditors	108,781	85,897
Amounts owed to Cadbury Schweppes plc	32,093	24,041
Amounts owed to fellow subsidiary undertakings	19,309	83,718
Other taxes and social security costs	39,187	40,018
Other creditors	49,018	2,289
Accruals and deferred income	19,451	71,709
	<u>270,072</u>	<u>310,158</u>

Included within amounts owed to Cadbury Schweppes plc is an unsecured Non-Interest Bearing Loan for £16,285,000 (2000: £15,694,000) on which no repayment terms have been fixed.

Included within amounts owed to fellow subsidiary undertakings in 2000 was a \$52,500,000 short-term loan which was repaid on 19 January 2001, which earned interest at 6.41% per annum.

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 16. Creditors: Amounts Falling Due After More Than One Year

	2001 £000	2000 £000
Obligations under finance leases	3,522	5,754
Amounts owed to fellow subsidiary undertakings	206,957	219,912
Government grants	144	151
	<u>210,623</u>	<u>225,817</u>

Included within amounts owed to fellow subsidiary undertakings is a \$300m (2000: \$300m) subordinated loan repayable on 25 May 2005 with a fixed interest rate of 8.625%. Cadbury Limited entered into an interest and currency swap with Cadbury Schweppes Finance plc to hedge these borrowings into Sterling and consequently remove the exchange rate risk on the loan.

### 17. Provisions for Liabilities and Charges

	Pension Provision £000	Reconfiguration Provision £000	Total £000
As at 1 January 2001	6,194	10,866	17,060
(Credited)/charged during the year	(674)	18,194	17,520
Utilised during the year	<u>(3,235)</u>	<u>(20,494)</u>	<u>(23,729)</u>
As at 30 December 2001	<u>2,285</u>	<u>8,566</u>	<u>10,851</u>

The 2001 reconfiguration provision has been substantially utilised in the first half of 2002. The timing of payment of the pension provision is uncertain but expected to be significantly after one year.

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 18. Partners' Capital

	Cadbury Limited £000	Trebor Bassett Limited £000	The Lion Confectionery Company Limited £000	Total £000
As at 1 January 2001	153,999	234,892	4,340	393,231
Profit for the year	96,506	18,973	585	116,064
Distribution to partners	(96,506)	(18,973)	(585)	(116,064)
Transferred from the partners	46,599	9,339	1,413	57,351
At 30 December 2001	<u>200,598</u>	<u>244,231</u>	<u>5,753</u>	<u>450,582</u>

The partners have transferred certain assets and liabilities to the partnership in exchange for an interest in the partnership.

### 19. Commitments for Capital Expenditure

	2001 £000	2000 £000
Commitments for capital expenditure are as follows:		
Contracted for but not provided in the accounts	<u>6,133</u>	<u>6,218</u>

### 20. Commitments under Finance Leases

The future minimum lease payments to which the company is committed under finance leases are as follows:

	2001 £000	2000 £000
Within one year	2,750	3,234
Two to five years	4,157	6,776
More than five years	-	131
	<u>6,907</u>	<u>10,141</u>
Less finance charges allocated to future periods	<u>(1,152)</u>	<u>(1,901)</u>
	<u>5,755</u>	<u>8,240</u>

# CADBURY TREBOR BASSETT

## Notes to the Accounts – 30 December 2001

### 21. Commitments under Operating Leases

During the next year, the Partnership is contracted to make payments under operating leases, which mature as follows:

	2001		2000	
	Land and Buildings	Other	Land and Buildings	Other
	£000	£000	£000	£000
Expiry Date:				
Within one year	30	35	-	1,153
Two to five years	71	1,692	86	3,163
More than five years	2,377	-	2,103	-
	<u>2,478</u>	<u>1,727</u>	<u>2,189</u>	<u>4,316</u>

### 22. Contingent Liabilities

Indemnities have been given to the Partnership's bankers totalling £2,000,000 (2000: £2,000,000).

### 23. Related Party Transactions

The Partnership has taken advantage of the exemption under the rules of Financial Reporting Standard No.8 – 'Related party disclosures' not to disclose related party transactions with other Cadbury Schweppes plc group companies as over 90% of the voting rights of the Partners are controlled by the ultimate parent company, Cadbury Schweppes plc, and the consolidated accounts of the ultimate parent company are publicly available.