

COMPANY REGISTRATION NUMBER 00155256

**CADBURY UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**TO 31 DECEMBER 2011**

WEDNESDAY



\*A1K7GLGY\*

A21

24/10/2012

#287

COMPANIES HOUSE

**CADBURY UK LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

<b>Contents</b>	<b>Page</b>
Directors' report	<b>1</b>
Independent auditors' report	<b>4</b>
Profit and loss account	<b>6</b>
Note of historical cost profits and losses	<b>7</b>
Balance sheet	<b>8</b>
Notes to the financial statements	<b>9</b>

# **CADBURY UK LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2011**

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 December 2011

### **Principal activities and business review**

Following the acquisition of Cadbury Plc by Kraft Foods Inc on 2 February 2010 the full integration of UK Kraft and Cadbury operations was completed on 27 June 2011. Prior to the integration the company's main purpose was to support the principal activity of the partnership who were responsible for the Cadbury confectionery cycle. Following the integration the principal activity continues to be support services for the UK Group and the Cadbury confectionery cycle, as such all operations are considered to be continuing.

As part of the integration the three partner companies of the Cadbury UK Partnership sold their underlying interest in the assets and liabilities of Cadbury UK Partnership to Kraft Foods UK Confectionery Production Limited (formally Cadbury Trebor Bassett Services Limited) at net book value in exchange for loan notes. Additionally, two of the partners, of which Cadbury UK Limited is one, sold part of their real estate to Kraft Foods UK Confectionery Production Limited at net book value in exchange for loan notes. All of the integration transactions have been carried out at net book value meaning no gain or loss has been made by the company. The value of these transactions is as follows:

On the 27 June 2011 Cadbury UK Limited sold its investment in the Cadbury UK Partnership for £458,972,492.

On the 27 June 2011 Cadbury UK Limited acquired fixed assets of £148,138 and provisions of £6,196,849 from Kraft Foods UK Confectionery Production Limited in return for a cash payment. The provisions relate to property leases held by Cadbury UK Limited.

On the 27 June 2011 Cadbury UK Limited acquired Intellectual Property of £8,776,000 from Trebor Bassett Limited at net book value in exchange for a loan note.

After the business integration, from 28 June 2011, the primary support service the company provides is that of a trademark owner. The company receives royalty income and incurs research and development costs, relating to these trademarks, from fellow Kraft Foods group subsidiaries. The company is also an employer of production employees and makes a recharge for their services to Kraft Foods UK Confectionery Production Limited.

Due to the straightforward nature of the business the company's directors are of the opinion that a detailed analysis using additional Key Performance Indicators is not necessary for an understanding of the development, performance or position of the business.

### **Results and dividends**

The profit for the year, after taxation, amounted to £188,072,000 (2010: £164,138,000). The directors have not recommended a dividend.

### **Principal risks, uncertainties and future outlook**

As the company provides services to Kraft Foods UK Confectionery Production Limited and ultimately Kraft Foods Europe, GmbH it has limited exposure to price risk, credit risk, liquidity risk and cash flow risk. These are not considered to be material for the assessment of the assets, liabilities and financial position of the company.

As a subsidiary of the Kraft Foods Group the directors also consider the business risk and uncertainties to be minimal and are further detailed in the ultimate parent company financial statements.

The directors expect the business to continue in line with the current year post integration performance.

# **CADBURY UK LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2011**

### **Directors**

The directors who served the company during the year and to the date of the financial statements being approved unless otherwise stated were as follows

D Harding-Smith	
S Mabley	(Appointed 13 June 2011)
D Pogson	(Resigned 13 June 2011)
R Doyle	(Resigned 13 June 2011)

### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information needed by the company's auditor in connection with preparing their report and to establish that the auditors are aware of that information.

### **Post balance sheet event**

On 4 August 2011 Kraft Foods Inc. announced its intention to split its North American grocery business from its global snacks group. This transaction was completed on 1 October 2012. This has no impact to the Company or these financial statements.

# **CADBURY UK LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2011**

### **Disabled employees**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **Employee policies and involvement**

It is the company's policy to ensure that no employee or job applicant is treated less favourably than another on the grounds of religion, sexual orientation, disability, race, creed, colour, nationality, ethnic or national origins, sex or marital status.

The company recognises the need to create and support a flexible working environment, incorporating where possible, family friendly policies.

The company believes in and supports the development of a working environment which encourages employee involvement in the business. Information about the company and its business is provided to all employees on matters likely to be of concern to them in team briefings, a company newsletter, an annual report and by other communications. Trade Union representatives and other employee groups regularly receive information about the business.

There are formal agreements with Trade Unions regarding consultation, discussion and negotiation. Joint consultative committees discuss safety and pension matters. Ad hoc consultative working parties consider particular issues.

### **Independent auditors**

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



D Harding-Smith

Director

Approved by the directors on 16 October 2012

# **CADBURY UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CADBURY UK LIMITED**

**YEAR ENDED 31 DECEMBER 2011**

We have audited the financial statements of Cadbury UK Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Note of Historical Cost Profits and Losses, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **CADBURY UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CADBURY UK LIMITED (continued)**

**YEAR ENDED 31 DECEMBER 2011**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Phil Harrold (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Birmingham

22 October 2012

**CADBURY UK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £000	2010 £000
<b>Turnover</b>	<b>2</b>	<b>107,293</b>	70,645
Cost of sales		<b>(53,848)</b>	<u>(70,645)</u>
<b>Gross profit</b>		<b>53,445</b>	–
Administrative expenses		<b>(24,452)</b>	–
Other operating income	<b>3</b>	<b>76,438</b>	<u>–</u>
<b>Operating profit</b>	<b>4</b>	<b>105,431</b>	–
Income from participating interests	<b>6</b>	<b>87,318</b>	162,280
Interest receivable and similar income		<b>1,452</b>	150
Interest payable and similar charges	<b>7</b>	–	<u>(1,261)</u>
<b>Profit on ordinary activities before taxation</b>		<b>194,201</b>	161,169
Tax on profit on ordinary activities	<b>8</b>	<b>(6,129)</b>	2,969
<b>Profit for the financial year</b>		<b>188,072</b>	<u>164,138</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the  
year as set out above

The notes on pages 9 to 18 form part of these financial statements.



# **CADBURY UK LIMITED**

## **NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**YEAR ENDED 31 DECEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Reported profit on ordinary activities before taxation	<b>194,201</b>	161,169
Realisation of gains recognised in previous periods	<b>(2,284)</b>	(60)
Historical cost profit on ordinary activities before taxation	<b><u>191,917</u></b>	<b><u>161,109</u></b>
Historical cost profit for the year after taxation	<b><u>185,788</u></b>	<b><u>164,078</u></b>

**The notes on pages 9 to 18 form part of these financial statements.**

# CADBURY UK LIMITED

## BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £000	2010 £000
<b>Fixed assets</b>			
Intangible assets	9	8,557	—
Tangible assets	10	146	—
Investments	11	31,049	402,703
		<u>39,752</u>	<u>402,703</u>
<b>Current assets</b>			
Debtors	12	596,418	30,161
Cash at bank		1	—
		<u>596,419</u>	<u>30,161</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(69,320)</u>	<u>(45,946)</u>
<b>Net current assets/(liabilities)</b>		<u>527,099</u>	<u>(15,785)</u>
<b>Total assets less current liabilities</b>		<u>566,851</u>	<u>386,918</u>
<b>Provisions for liabilities</b>			
Other provisions	14	<u>(4,919)</u>	<u>(13,058)</u>
<b>Net assets</b>		<u>561,932</u>	<u>373,860</u>
<b>Capital and reserves</b>			
Called-up equity share capital	16	49,675	49,675
Revaluation reserve	17	6,957	9,241
Profit and loss account	17	505,300	314,944
<b>Total shareholders' funds</b>	17	<u>561,932</u>	<u>373,860</u>

These financial statements were approved by the directors and authorised for issue on 16 October 2012, and are signed on their behalf by



D Harding-Smith  
Director

Company Registration Number 00155256

The notes on pages 9 to 18 form part of these financial statements.

**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

The financial statements are also prepared on the going concern basis and in accordance with the Companies Act 2006. The principal accounting policies which have been applied consistently throughout the period are set out below

**Consolidation**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

**Related parties transactions**

The company is a wholly owned subsidiary of Kraft Foods Inc, the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Kraft Foods group

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced and accrued during the period

**Other Operating Income**

Other operating income comprises amounts invoiced to Kraft Foods Europe GmbH. Income is recognised at the date of invoice

**Intangible assets**

Purchased Intellectual Property is capitalised in the year in which it arises and amortised over its useful economic life

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Intellectual Property                      -    20 years

**Tangible fixed assets**

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**1. Accounting policies *(continued)***

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- 40 years
Plant & Machinery	- 3 - 20 years

Freehold land is not depreciated

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

**Impairment**

The company carries out an impairment review of its intangible assets when a change in circumstances or situation indicates that those assets may have suffered an impairment loss. Impairment is measured by comparing the carrying amount of the asset with the recoverable amount of the associated income generating unit on a value-in-use basis. Value-in-use is calculated by discounting the expected future cash flows.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs**

The company is a participating employer in the Cadbury Pension Fund, a group operated defined benefit scheme for the benefit of the majority of its employees. The assets of the schemes are held separately from those of the company in an independently administered fund. As the company is not able to separately identify its share of the assets and liabilities of the group scheme it accounts for contributions as if they were to a defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account in the period to which they relate.

**Provisions for liabilities**

Provisions are recognised where there is a legal or constructive obligation to transfer economic benefits as a result of a past event. The effect of the time value of money on the provisions are not discounted unless material.

**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**1. Accounting policies *(continued)***

**Taxation**

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

**Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains and losses on settled transactions are reported in the profit and loss account. Monetary assets and liabilities in foreign currencies have been expressed in sterling at the rates ruling at the end of the period, except when covered by an open foreign exchange contract in which case the rate of exchange specified in the contract is used, and any gains or losses reported in the profit and loss account

**Financial instruments**

The company has no derivative financial instruments. Financial assets and liabilities are measured at historical cost

**Investment in subsidiary undertakings**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment

**Cadbury UK Partnership**

Prior to the dissolution of the Cadbury UK Partnership on 27 June 2011, Cadbury UK Limited as one of the partner companies was entitled to a share of the operating profit and interest of the Partnership as per the terms of the Partnership Agreement and as determined by the Management Committee. This share of operating profit from the first half of the year is shown within the Profit and Loss Account as "Income from participating interests". The company disposed of its investment in the Partnership on 27 June 2011 as disclosed in note 11

**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**1. Accounting policies *(continued)***

**Revaluation reserve**

The Company adopted the transitional arrangements in FRS 15 'Tangible fixed assets' in 1999, and retained the book values of certain freehold properties that were revalued prior to implementation of that standard. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

**2. Turnover**

The turnover for the financial year is attributable to pre integration activity of £27,845,751 and post integration activity of £79,447,148.

**3. Other operating income**

	<b>2011</b>	2010
	<b>£000</b>	£000
Other operating income	<u>76,438</u>	<u>—</u>

**4. Operating profit**

Operating profit is stated after charging

	<b>2011</b>	2010
	<b>£000</b>	£000
Directors' remuneration	—	—
Amortisation of intangible assets	219	—
Depreciation of owned fixed assets	2	—
Auditors' remuneration		
- as auditor	—	—
Operating lease costs		
- Property leases	<u>2,611</u>	<u>—</u>

The directors did not receive any emoluments for their services as directors of the company during the period. The directors were remunerated by other group companies and no recharges were made. It is not possible to apportion the proportion of the directors' work that was done for the company.

Audit fees for the company are borne on behalf of the UK group by a fellow subsidiary undertaking and not recharged to the company. An estimated allocation of the audit fee for the period is £40,000 (2010: £5,000).

**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**5. Particulars of employees**

The average number of staff employed by the company during the financial year amounted to

	<b>2011</b>	2010
	<b>No</b>	No
Number of production staff	<b><u>1,179</u></b>	<u>1,462</u>

The aggregate payroll costs of the above were

	<b>2011</b>	2010
	<b>£000</b>	£000
Wages and salaries	<b>41,615</b>	57,405
Social security costs	<b>3,547</b>	5,061
Other pension costs	<b>8,686</b>	8,179
	<b><u>53,848</u></b>	<u>70,645</u>

Other pension costs comprise contributions by the company to the Cadbury Pension Fund, a group operated defined benefit scheme of which Cadbury Holdings Limited is the sponsoring employer. With respect to the defined benefit scheme the contributions they receive are based upon the pension cost of the schemes members across the Kraft Foods group of companies as a whole. Due to the impact of group restructuring and transfers of pension scheme members between group companies, the company is unable to separately identify its share of the underlying assets and liabilities of the scheme on either a consistent or reasonable basis therefore accounts for the scheme as a defined contribution plan.

**Cadbury Pension Fund**

The latest full actuarial valuation of the pension fund was carried out as at 5 April 2010 using the projected unit credit method.

At 31 December 2011 the company actuary estimated the Cadbury Pension Fund had a deficit of £312,500,000 (2010 £242,700,000) under the projected unit credit method.

The company contributes to a defined contribution pension scheme and other pension arrangements. The cost to the company in relation to the defined contribution scheme was £42,706. There were no outstanding or prepaid contributions at the balance sheet date.

**6. Income from participating interests**

	<b>2011</b>	2010
	<b>£000</b>	£000
Income from participating interests	<b><u>87,318</u></b>	<u>162,280</u>

The 2011 value represents the income from the investment in the Cadbury UK Partnership prior to its dissolution on 27 June 2011.

**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**7. Interest payable and similar charges**

	<b>2011</b>	2010
	<b>£000</b>	<b>£000</b>
Finance charges	–	224
Interest payable on intercompany loans	–	185
Interest payable on overdraft and bank loans	–	125
Unwind of discount	–	727
	<u>–</u>	<u>1,261</u>

**8. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	<b>2011</b>	2010
	<b>£000</b>	<b>£000</b>
<b>Current tax:</b>		
<b>UK Taxation</b>		
In respect of the year		
Current year UK Corporation tax	<b>3,921</b>	1,732
Under/(Over) provision in prior year	<b>2,208</b>	(27,984)
Double taxation relief	<b>(3,921)</b>	(1,731)
<b>Foreign tax</b>		
Current tax on income for the year	<b>3,921</b>	1,731
Total current tax	<u><b>6,129</b></u>	<u>(26,252)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	–	23,283
Tax on profit on ordinary activities	<u><b>6,129</b></u>	<u>(2,969)</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26.50% (2010 - 28%)

	<b>2011</b>	2010
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation	<u><b>194,201</b></u>	<u>161,169</u>
Profit on ordinary activities multiplied by standard rate of tax	<b>51,463</b>	45,127
Expenses not deductible for tax purposes	<b>2,451</b>	806
Capital allowances for period in excess of depreciation	<b>4,656</b>	10,015
Short term timing differences	<b>(3,041)</b>	(1,935)
Adjustments to tax charge in respect of previous periods	<b>2,208</b>	(27,984)
Group relief not paid for	<u><b>(51,608)</b></u>	<u>(52,281)</u>
Total current tax (note 8(a))	<u><b>6,129</b></u>	<u>(26,252)</u>



**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**8. Taxation on ordinary activities** *(continued)*

**(c) Factors that may affect future tax charges**

The company has unrecognised deferred taxation (assets) as follows

	<b>2011</b>	2010
	<b>£000</b>	£000
Not provided for in financial statements		
Accelerated capital allowances	-	(27,084)
Short term timing differences	<b>(209)</b>	<b>(3,289)</b>
	<u><b>(209)</b></u>	<u><b>(30,373)</b></u>

On 19 July 2011, The Finance Act 2011 was enacted and reduced the rate of UK Corporation tax from 27% to 26% with effect from 1 April 2011 along with a further reduction to 25% with effect from 1 April 2012

At 31 December 2010 assets (measured at the substantially enacted rate at the balance sheet date of 27%) were not recognised as there was no expectation of reversal in the foreseeable future due to the availability of group tax losses. The unrecognised deferred tax assets were transferred as part of the disposal of the company's interest in the Cadbury UK Partnership

At 31 December 2011 assets (measured at the substantially enacted rate at the balance sheet date of 25%) were not recognised as there was no expectation of reversal in the foreseeable future due to the availability of group tax losses

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

**9. Intangible fixed assets**

<b>Intellectual Property</b>	<b>£000</b>
<b>Cost</b>	
Additions	<b>8,776</b>
<b>At 31 December 2011</b>	<u><b>8,776</b></u>
<b>Amortisation</b>	
Charge for the year	<b>219</b>
<b>At 31 December 2011</b>	<u><b>219</b></u>
<b>Net book value</b>	
<b>At 31 December 2011</b>	<u><b>8,557</b></u>

# CADBURY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

### 10. Tangible fixed assets

	Freehold Property £000	Plant & Machinery £000	Total £000
<b>Cost or valuation</b>			
Additions	108	40	148
<b>At 31 December 2011</b>	<u>108</u>	<u>40</u>	<u>148</u>
<b>Depreciation</b>			
Charge for the year	1	1	2
<b>At 31 December 2011</b>	<u>1</u>	<u>1</u>	<u>2</u>
<b>Net book value</b>			
<b>At 31 December 2011</b>	<u>107</u>	<u>39</u>	<u>146</u>

### 11. Investments

	Investment in Cadbury International Limited £000	Investment in Cadbury UK Partnership £000	Total £000
<b>Cost</b>			
At 1 January 2011	31,049	371,654	402,703
Additions	-	87,318	87,318
Disposals	-	(458,972)	(458,972)
<b>At 31 December 2011</b>	<u>31,049</u>	<u>-</u>	<u>31,049</u>

On 27 June 2011 Cadbury UK Limited sold its investment in the Cadbury UK Partnership for £458,972,492. The directors believe that the carrying value of the investments is supported by their underlying net assets.

The investment in Cadbury International Limited represents 100% of the share capital of the company.

### 12. Debtors

	2011 £000	2010 £000
Trade debtors	174	-
Amounts owed by group undertakings	572,126	27,953
Other debtors	22,110	2,208
Prepayments and accrued income	2,008	-
	<u>596,418</u>	<u>30,161</u>

Amounts owed by fellow subsidiary companies include non-trading balances which are unsecured, earn interest at the London Mean Rate less 0.25% and are repayable on demand.

**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**13. Creditors: Amounts falling due within one year**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	2	–
Amounts owed to group undertakings	61,374	31,049
Other taxation and social security	–	3,316
Other creditors	758	–
Accruals and deferred income	7,186	11,581
	<u>69,320</u>	<u>45,946</u>

Amounts owed to fellow subsidiary companies include non-trading balances which are unsecured, incur interest at the London Mean Rate less 0.25% and are repayable on demand

**14. Other provisions**

	<b>Reorganisation provision £000</b>	<b>Other provisions £000</b>	<b>Total £000</b>
Provided during period	13,058	–	13,058
Balance carried forward	13,058	–	13,058
Provided during period	–	4,919	4,919
Profit and Loss Account movement arising during the year	(13,058)	–	(13,058)
Balance carried forward current year	<u>–</u>	<u>4,919</u>	<u>4,919</u>

The reorganisation provision relates to the costs of the European integration in respect of the company's on-going focus on establishing and maintaining operating efficiency

**15. Commitments under operating leases**

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	<b>Land and buildings</b>	
	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Operating leases which expire		
Within 2 to 5 years	2,117	–
After more than 5 years	3,296	–
	<u>5,413</u>	<u>–</u>

**16. Share capital**

**Allotted, called up and fully paid:**

	<b>2011</b>	<b>2010</b>
	<b>No</b>	<b>No</b>
	<b>£000</b>	<b>£000</b>
49,675,000 Ordinary shares of £1 each	<u>49,675,000</u>	<u>49,675,000</u>

**CADBURY UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**17. Reconciliation of shareholders' funds and movement on reserves**

	Share capital	Revaluation reserve	Profit and loss account	Total share-holders' funds
	£000	£000	£000	£000
Balance brought forward	49,675	9,241	314,944	373,860
Profit for the year	–	–	188,072	188,072
Other movements				
Transfer to/from revaluation reserve	–	(2,284)	2,284	–
Balance carried forward	<u>49,675</u>	<u>6,957</u>	<u>505,300</u>	<u>561,932</u>

Following the acquisition of Cadbury by Kraft the accounting policy in respect of depreciating tangible fixed assets was revised to a maximum useful economic life for properties of 40 years

In 1999 the Company implemented FRS 15 "Tangible Fixed Assets" and therefore retained a revaluation reserve arising from the previous valuation policy adopted

As a result of the change of the estimated useful life of properties held within the Kraft UK Group the annual transfer of the revaluation reserve has been accelerated and an adjustment made between the revaluation reserve and the profit and loss reserve to reflect amounts realised

**18 Ultimate parent company**

At 31 December 2011 the immediate parent company was Kraft Foods UK IP & Production Holdings Limited

At 31 December 2011 the company's ultimate parent company and controlling party was Kraft Foods Inc, incorporated in the United States of America. This is the parent company of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Kraft Foods Inc are available on application from the Company Secretary, Cadbury House, Sanderson Road, Uxbridge, UB8 1DH