

Registered Number 465012

Cadbury Schweppes Finance plc

Annual Report and Accounts
for the 52 weeks ended 31 December 2006



CADBURY SCHWEPPES FINANCE PLC

Directors and advisors

Directors

D W Blakemore

K G Hanna

J M Mills

Secretary

J E Hudspith

Registered office

25 Berkeley Square

London

W1J 6HB

Auditors

Deloitte & Touche LLP

London

CADBURY SCHWEPPE'S FINANCE PLC

Report of the Directors

For the 52 weeks ended 31 December 2006

The Directors present their report, together with the audited financial statements of Cadbury Schweppes Finance plc (the "Company") for the 52 weeks ended 31 December 2006 (the "period")

Business Review and Principal Activities

The Company is a wholly owned subsidiary of Cadbury Schweppes plc. The principal activity of the Company is the management of funding and foreign currency exposure for the Cadbury Schweppes group of companies (the "Group"). The Company uses its banking relationships to obtain the most appropriate funding which is then used to finance companies throughout the Group. The Company also transacts foreign exchange deals, and derivative instruments to manage the debt instruments within the Group, and to mitigate foreign exchange and interest rate risk on behalf of the Group. Any gains or losses are passed onto the relevant companies.

There have not been any significant changes in the Company's principal activities in the period under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Directors believe that the Company's key performance indicators include those measures used to monitor adherence to the Group treasury policies which address risk management for the Group. These measures, and the risks which they mitigate for the Group, include fixed charge cover ratio to monitor foreign currency risk and the proportion of fixed rate debt to net borrowings to monitor interest rate risk. These and other measures are discussed in the Financial Instruments section below.

Details of significant events since the balance sheet date are contained in note 17 to the financial statements.

The company did not employ any staff during the year.

Results and dividends

The profit on ordinary activities for the financial year, after taxation, was £36,105,000 (1 January 2006 £37,828,000). During the year no interim dividend was paid (1 January 2006 £nil). The Directors do not recommend the payment of a final dividend (1 January 2006 £nil).

Future prospects

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

Directors and their interests

The Directors at the date of this report are as stated on page 1. R Moore, J G Fulton and C W Orchard all resigned as Directors of the Company, R Moore resigned as a Director on 9 June 2006, J G Fulton resigned on 30 June 2006 and C W Orchard resigned as a Director on 15 February 2007.

K G Hanna is a Director of Cadbury Schweppes plc and, accordingly, his interests are detailed in the Annual Report and Accounts of that company.

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

CADBURY SCHWEPPE'S FINANCE PLC

Report of the Directors (continued)

For the 52 weeks ended 31 December 2006

	Ordinary shares of 12 5p	
	1 January 2006	31 December 2006
D W Blakemore	364	15,183
J M Mills	10,948	35,196
C W Orchard	56,129	52,335

The following Directors have been granted options under the Cadbury Schweppes plc Savings-Related Share Option Scheme 1982

Number of ordinary shares over which options were granted

	Movement in the year		
	1 January 2006	Granted during year	Exercised during year
D W Blakemore	855	-	-
J M Mills	4,796	-	-
C W Orchard	4,783	-	1,039

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

Number of options over ordinary shares granted

	Movement in the year		
	1 January 2006	Granted during year	Exercised during year
J M Mills	20,000	-	-
C W Orchard	156,000	-	86,000

The following Directors have been granted options under the Cadbury Schweppes plc Share Option Plan 2004

Number of options over ordinary shares granted

	Movement in the year		
	1 January 2006	Granted during year	Exercised during year
D W Blakemore	18,500	-	-
J M Mills	44,500	-	-
C W Orchard	51,000	-	-

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 of Cadbury Schweppes plc

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

CADBURY SCHWEPPE'S FINANCE PLC

Report of the Directors (continued)

For the 52 weeks ended 31 December 2006

Directors' indemnities

Cadbury Schweppes plc has granted an indemnity to K G Hanna as a Director of Cadbury Schweppes plc. The indemnification covers actions carried out in his capacity as a Director of the Company. This indemnity is uncapped in amount, in relation to certain losses and liabilities which he may incur to third parties in the course of acting as a Director of the Company.

Policy on payment to suppliers

The Company adheres to the CBI Prompt Payers Code whereby the policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. The Company has no trade creditors, so the number of creditor days outstanding at the year end was nil (1 January 2006 nil).

Financial instruments

Market risk

The Cadbury Schweppes Group is exposed to market price risks in the form of currency risk and interest rate risk arising from its international business. The Company, in its capacity as a central finance company for the Group, utilises derivative financial instruments such as foreign exchange forwards, interest rate swaps and cross currency interest rate swaps, to lower funding costs, to diversify sources of funding, to alter interest rate exposures arising from mismatches between assets and liabilities or to achieve greater certainty of future costs for the Group. These instruments are entered into in accordance with policies approved by the Board of Directors of Cadbury Schweppes plc and are subject to regular review and audit.

Substantially all derivative financial instruments economically hedge specifically identified actual or anticipated transactions, movements in their fair value are highly negatively correlated with movements in the fair value of the transactions being hedged and the term of such transactions or any anticipated transactions are all in the normal course of business of the Group.

Credit risk

The Company is exposed to credit related losses in the event of non-performance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given the Company's policy of selecting only counterparties with high credit ratings. The exposure to credit loss of liquid assets is equivalent to the carrying value on the balance sheet. The maximum credit exposure of interest rate and foreign exchange derivative contracts is represented by the fair value of contracts with positive fair value at the reporting date. The Company has policies that limit the amount of credit exposure to any single financial institution. There were no significant concentrations of credit exposure at the year-end. Receivables are with other members of the Cadbury Schweppes Group. The Directors therefore believe there is no significant credit risk arising from receivables.

Liquidity risk

The Company seeks to achieve a balance between certainty of funding even at difficult times for the markets or the Company, and a flexible, cost-effective borrowings structure for the Group. The Company is responsible for maintaining the Group's policy which is to ensure that all projected net borrowing needs are covered by committed facilities. The objective for debt maturities is to ensure that the amount of debt maturing in any one year is not beyond the Company's means to repay and refinance. To this end the Group's policy provides that at least 75% of

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Report of the Directors (continued)

For the 52 weeks ended 31 December 2006

year-end net borrowings should have a maturity of one year or more and at least 50%, three years or more. Committed but undrawn facilities are taken into account for this test.

Currency risk

The Group operates internationally giving rise to exposure from changes in foreign exchange rates, particularly the US dollar. The Group does not hedge translation exposure and earnings because any benefit obtained from such hedging can only be temporary.

The Group seeks to relate the structure of borrowings to the trading cash flows that service them. The Company is responsible for the Group's policy of maintaining broadly similar fixed charge cover ratios for each currency bloc and ensuring that the ratio for any currency bloc does not fall below two times in any calendar year. The Company achieves this by raising funds in different currencies and using hedging instruments such as swaps.

The Group also has transactional currency exposures arising from its international trade. The policy is to take forward cover for all forecasted receipts and payments for as far ahead as the pricing structures are committed, subject to a minimum of three months' cover. The Company makes use of the forward foreign exchange markets to hedge these exposures for the Group.

Interest rate risk

The Group has an exposure to interest rate fluctuations on its borrowings. The Company manages these exposures for the Group using interest rate swaps, cross currency interest rate swaps and forward rate agreements. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The Group policy sets minimum and maximum levels of the total of net debt and preferred securities permitted to be at fixed or capped rates in various time bands, ranging from 50% to 100% for the period up to six months, to 0% to 30% when over five years. These percentages are measured with reference to the current annual average level of debt. It is the responsibility of the Company to ensure the Group adheres to this policy.

CADBURY SCHWEPPE'S FINANCE PLC

Report of the Directors (continued)

For the 52 weeks ended 31 December 2006

Auditors

Each of the persons who is a Director at the date of approval of this report confirms that

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- (b) the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985

The Company's auditors are Deloitte & Touche LLP, who are willing to continue in office and resolutions for their re-appointment and to prioritise the Directors to determine their remuneration will be proposed at the AGM

Notes 2 and 4 in the financial statements state the auditors' fees for audit and non-audit work respectively

30 April 2007

25 Berkeley Square
London
W1J 6HB

By order of the Board,



J E Hudspith
Secretary

CADBURY SCHWEPPE'S FINANCE PLC

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period, and of the profit or loss of the Company for the financial period

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 financial statements

The Directors consider that in preparing the financial statements 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 financial statements

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 financial statements comply with the Companies Act 1985. The Directors have general responsibilities for the system of internal control and 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

Independent Auditors' report to the members of Cadbury Schweppes Finance PLC

We have audited the financial statements of Cadbury Schweppes Finance PLC for the period ended 31 December 2006 which comprise the profit and loss account, statement of total recognised gains and losses, reconciliation of movements in equity shareholders' funds, the balance sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' report to the members of Cadbury Schweppes Finance PLC

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the 52 weeks then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and,
- The information in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

30 April 2007

CADBURY SCHWEPPE FINANCE PLC

Profit and loss account

For the 52 weeks ended 31 December 2006

	Notes	31 December 2006 £'000	1 January 2006 £'000
Operating income	3	266,497	281,982
Operating charges	4	(212,406)	(227,941)
Operating profit and profit on ordinary activities before taxation		54,091	54,041
Tax charge on profit on ordinary activities	6	(17,986)	(16,213)
Profit on ordinary activities after taxation		36,105	37,828
Retained profit for the year		36,105	37,828

All operations of the Company continued throughout both years and no operations were acquired or discontinued during the year

CADBURY SCHWEPPE'S FINANCE PLC

Balance Sheet

As at 31 December 2006

	Notes	31 December 2006 £'000	1 January 2006 £'000
Current assets			
Debtors - due within one year	8	4,196,072	4,458,246
Debtors - due after one year	9	433,464	690,648
Cash and cash equivalents		96,166	95,092
		<u>4,725,702</u>	<u>5,243,986</u>
Creditors – due within one year	10	<u>(3,755,904)</u>	<u>(4,397,140)</u>
Total assets less current liabilities, and net current assets		969,798	846,846
Creditors – due after one year	11	(798,427)	(768,109)
Provision for liabilities and charges	7	(732)	(1,404)
Net assets		<u>170,639</u>	<u>77,333</u>
Equity capital and reserves			
Called up share capital	12	12,000	12,000
Profit and loss account		104,409	68,691
Equity reserve		(2,068)	(3,358)
Convertible bond reserve		56,298	-
Equity shareholders' funds		<u>170,639</u>	<u>77,333</u>

Signed on behalf of the Board



J M Mills

30 April 2007

CADBURY SCHWEPPE'S FINANCE PLC

Statement of total recognised gains and losses

For the 52 weeks ended 31 December 2006

	31 December 2006 £'000	1 January 2006 £'000
Profit attributable to the shareholders of the company	36,105	37,828
FRS 26 transition reserve transfer	1,290	984
Deferred tax on FRS 26 transition reserve transfer	(387)	-
Total recognised adjusted profit attributable to shareholders of the company	37,008	38,812
Opening adjustment on adoption of FRS 26 - retained earnings	-	1,223
Opening adjustment on adoption of FRS 26 - equity reserve	-	(4,342)
Total recognised gains and losses since the last annual report	37,008	35,693

CADBURY SCHWEPPE'S FINANCE PLC

Reconciliation of movements in shareholders' funds

For the 52 weeks ended 31 December 2006

	Issued share capital £'000	FRS 26 Equity Reserve £'000	Profit and loss account £'000	Convertible bond reserve £'000	Total 31 December 2006 £'000	Total 1 January 2006 £'000
At beginning of the year	12,000	(3,358)	68,691	-	77,333	41,640
Transition adjustment to retained earnings for fair value hedges under FRS 26	-	-	-	-	-	1,223
Transition adjustment to reserves for cash flow hedges under FRS 26	-	-	-	-	-	(4,342)
At the beginning of the year - adjusted	12,000	(3,358)	68,691	-	77,333	38,521
Total recognised gains for the year			37,008		37,008	38,812
Amortisation of FRS 26 transition reserve		1,290	(1,290)		-	-
Equity valuation of convertible bond (see note 11)				56,298	56,298	-
At end of year	12,000	(2,068)	104,409	56,298	170,639	77,333

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the period and prior period.

a) Financial year

In prior periods, the Company's statutory accounts were made up to the Sunday nearest 31 December. This resulted periodically in a financial year of 53 weeks, although not in the periods covered by this report. For 2006 the statutory accounts are drawn up to 31 December. The profit and loss accounts cover the 52 weeks from 2 January 2006 to 31 December 2006 and the 52 weeks from 3 January 2005 to 1 January 2006. The balance sheets for 2006 and 2005 report the Company's position as at 31 December 2006 and 1 January 2005 respectively. For future years the Company's statutory accounts are to be drawn up on a calendar year basis.

b) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the end of the financial year. All profits and losses on exchange are credited or charged to the profit and loss account.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

d) Financial Instruments

Where it is permissible the Company seeks to apply hedge accounting to hedge relationships (principally under foreign exchange forward contracts and interest rate swaps) where it is practical to do so and reduces overall volatility. Due to the nature of its current hedging arrangements the Company does not apply hedge accounting at present. The Company continues to enter into these arrangements as they provide certainty over the exchange rates applying to the foreign currency transactions entered into by Cadbury Schweppes Group companies and the interest rate applying to the Group's debt. These arrangements result in fixed and determined cash flows. The Company believes that these arrangements remain effective, economic and commercial hedges.

Adoption of FRS 25 and FRS 26

The Company adopted FRS 25 "Financial Instruments: Disclosure and presentation" and FRS 26 "Financial Instruments: Measurement" from 3 January 2005.

The Company is required to recognise transitional adjustments in accounting for its financial instruments in accordance with the measurement requirements of FRS 26 at 3 January 2005.

Although the Company has taken the decision not to hedge account for current hedging arrangements, it is deemed to have hedge accounted under UK GAAP until 2 January 2005 and discontinued hedge accounting prospectively thereafter. FRS 26 requires the Company to recognise various transitional adjustments to account for those hedging relationships at 3 January 2005. The accounting for those hedging relationships at transition depends on the nature of the hedged item and the hedged risk.

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

Certain of the Company's cross currency swaps that were previously accounted for as fair value hedges of borrowings under UK GAAP were previously held on balance sheet as a result of changes in foreign exchange rates. In these cases, the difference between the derivative's fair value and its previously reported carrying value has been recognised directly in opening retained earnings. Changes in the fair value of the hedged borrowings due to the hedged risk that was previously not recognised have also been recognised in opening retained earnings. Adjustments to hedged borrowings will be recognised in future earnings on an amortised cost basis.

Other interest rate swaps and currency contracts that were previously accounted for as cash flow hedges of forecasted transactions under UK GAAP were not previously carried on the balance sheet. In these circumstances, the difference between the derivative's fair value and its previously reported carrying value has been recognised directly in equity. These deferred gains or losses will be recognised in future earnings at the time at which the hedged forecasted transaction is recognised in the profit and loss account.

Those swaps and currency contracts that were considered to be non-qualifying hedging instruments at the date of transition have been recognised at fair value with the difference between fair value and previously reported carrying value being recognised directly in opening retained earnings.

The following are the Company's accounting policies for financial instruments.

Recognition

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instruments on a trade date basis.

Derivative Financial Instruments

The Company manages exposures using hedging instruments that provide the appropriate economic outcome. Where it is permissible under FRS 26 the Company's policy will be to apply hedge accounting to hedging relationships where it is both practical to do so and its application reduces volatility.

Transactions that may be effective hedges in economic terms may not always qualify for hedge accounting under FRS 26. Due to the nature of many of the Company's hedging and derivative instruments it is unlikely that hedge accounting will be adopted for these hedging relationships. Consequently, movements in the fair value of derivative instruments, will be immediately recognised in the profit and loss account and may lead to increased volatility.

Derivative instruments are utilised by the Company to lower funding costs, to diversify sources of funding, to alter interest rate exposures arising from mismatches between assets and liabilities or to achieve greater certainty of future costs. These exposures fall into two main categories:

Transactional exposures

The Cadbury Schweppes Group has transactional currency exposures from its international trade. The Group's policy is to take forward cover for all forecasted receipts and payments (including inter-company transactions) for as far in advance as the pricing structures are committed, subject to a minimum of three months' cover. The Company makes use of the forward foreign exchange markets to hedge the Group's exposures. In principle these derivatives may qualify as "cash flow hedges" of future forecast transactions. To the extent that the hedge is

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Notes to accounts

deemed effective, the movements in the fair value of the derivative would be deferred in equity and released to the profit and loss account as the cash flows relating to the underlying transactions are incurred

Treasury hedging

Interest rate swaps, cross currency interest rate swaps and forward rate agreements are used to convert fixed rate borrowings to floating rate borrowings. In principle, these derivatives would qualify as "fair value hedges" of the underlying borrowings. To the extent that the hedge is deemed effective, the carrying value of the borrowings would be adjusted for changes in their fair value attributable to changes in interest rates through the profit and loss account. There would also be an adjustment to the profit and loss account for the movement in fair value of the hedging instrument that would offset, to the extent that the hedge is effective, the movement in the carrying value of the underlying borrowings.

Interest rate swaps and forward rate agreements are used to convert a proportion of floating rate borrowings to fixed rate. In principle, these transactions would qualify as "cash flow hedges" of floating rate borrowings. To the extent that the hedge is deemed effective the movement in the fair value of the derivative would be deferred in equity and released to the profit and loss account as the cash flows relating to the underlying borrowing are incurred. However, where these transactions hedge another derivative (e.g. fixed to floating rate interest rate swap), they would not qualify for hedge accounting under FRS 26 because the risk being hedged is a risk created by the use of derivatives.

Where it is neither practical nor permissible to apply hedge accounting to the Company's derivative instruments, the movements in the fair value of these derivatives instruments will be immediately recognised in the profit and loss account.

Borrowings

Borrowings are initially recognised at fair value plus any transaction costs associated with the issue of the relevant financial liability. Subsequent to initial measurement, borrowings are measured at amortised cost with the borrowings costs being accounted for on an accrual basis in the profit and loss account using the effective interest method. Accrued interest is recognised separately as other creditors, measured on a straight line basis against the expected post year end cashflow.

Loans and receivables

Loans and receivables are measured at amortised cost using the effective interest method.

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Notes to accounts

e) *Taxation*

The tax charge for the year includes the charge for tax currently payable and movements on deferred taxation. The current tax charge represents the estimated amount due that arises from the operations of the Company in the financial year and after making adjustments to estimates in respect of prior years.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

f) *Cash flow statement*

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

2. Auditors remuneration

Auditors' remuneration for the year of £41,600 (2005 £42,200) is borne by the ultimate parent undertaking, Cadbury Schweppes plc.

3 Operating income

	31 December 2006 £'000	1 January 2006 £'000
Interest on short-term deposits	6,532	1,366
Interest from group undertakings	259,965	246,331
Fair value gains on derivatives not in a hedging relationship	-	30,502
FRS 26 transition adjustment amortisation	-	3,783
	266,497	281,982

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

4. Operating charges

	31 December 2006 £'000	1 January 2006 £'000
Finance costs associated with derivatives and foreign currency operations	14,042	22,378
Interest payable to group undertakings	130,820	93,004
Interest payable on bank overdrafts and other short term borrowings	60,320	36,337
Interest payable on long term borrowings	4,209	74,541
Management charges	1,815	1,681
FRS 26 transition adjustment amortisation	1,200	-
	212,406	227,941

There were no amounts paid to the auditors in respect of non-audit fees in either year

5. Staff costs and Directors' emoluments

The average monthly number of employees (including executive Directors) was nil (1 January 2006 nil)

The Directors are remunerated by Cadbury Schweppes plc for their services to the group as a whole. No remuneration was paid to them specifically in respect of Cadbury Schweppes Finance plc in the current and prior year.

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Notes to accounts

6 Taxation on profit on ordinary activities

The tax charge comprises

	31 December 2006 £'000	1 January 2006 £'000
<i>Current tax</i>		
UK corporation tax at 30% (2005 30%)	16,597	11,381
Adjustments in respect of prior periods	2,448	-
Total current tax	19,045	11,381
<i>Deferred tax (note 7)</i>		
Origination and reversal of timing differences	18	4,832
Transfer from equity on FRS 26 transition adjustments	(387)	-
Adjustment in respect of prior years	(690)	-
Total deferred tax	(1,059)	4,832
Total taxation on profit on ordinary activities	17,986	16,213

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK 30% (2005 30%) The differences are explained below

	31 December 2006 £'000	1 January 2006 £'000
Profit on ordinary activities before tax	54,091	54,041
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2005 30%)	16,228	16,213
Amortisation relating to FRS 26 transition adjustment	310	(2,154)
Non-taxable gains and losses on economic hedges	59	(2,678)
Adjustments in respect of prior periods	2,448	-
Total current tax charge for the year	19,045	11,381

CADBURY SCHWEPPES FINANCE PLC

Notes to accounts

7 Provision for liabilities and charges

The following are the major deferred tax assets and liabilities recognised by the Company, and the movements thereon, during the current and prior reporting periods

	FRS 26 transition adjustment	Disregarded gains and losses on economic hedges	Total
	£'000	£'000	£'000
At 1 January 2006	78	(1,482)	(1,404)
Charge to profit and loss account for the year	(77)	59	(18)
Adjustments to profit and loss account in respect of prior periods	690	-	690
At 31 December 2006	<u>691</u>	<u>(1,423)</u>	<u>(732)</u>

8 Debtors – due within one year

	31 December 2006 £'000	1 January 2006 £'000
Loans to parent company	1,378,799	2,061,108
Loans to other group undertakings	2,741,921	2,309,984
Withholding Tax	77	-
Prepayments and accrued income	24,268	11,723
Derivative financial instruments	51,007	75,431
	<u>4,196,072</u>	<u>4,458,246</u>

Prepayments and accrued income includes interest receivable from group undertakings of £23.7 million (1 January 2006 £11.7 million)

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Notes to accounts

9. Debtors' amounts falling due after one year

	31 December 2006 £'000	1 January 2006 £'000
Loans to other group undertakings	427,458	656,165
Loans to parent company	6,006	34,483
	433,464	690,648

10. Creditors' amounts falling due within one year

	31 December 2006 £'000	1 January 2006 £'000
Bank overdrafts	15,420	54,616
Commercial paper	602,943	318,880
Cash collateral received	1,838	1,919
Medium Term Notes	255,939	659,541
Loans from other group undertakings	2,809,191	3,259,807
Other creditors	15,775	24,604
Current corporation tax	19,045	11,381
Derivative financial instruments	35,753	66,392
	3,755,904	4,397,140

Loans from other group undertakings are repayable at various dates throughout 2007 and bear interest at market rates. Other creditors include interest payable to group undertakings of £9.4 million (1 January 2006: £5.5 million).

The Medium-Term Notes have currency and interest rate swaps associated with them. Information on the effective interest rate and currency of borrowings is included in Note 16(c), and information on the maturity profile of borrowings is included in Note 16(e).

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

11. Creditors - amounts falling due after one year

	31 December 2006 £'000	1 January 2006 £'000
Medium-Term Notes	122,507	768,109
Group convertible debt	675,920	-
	<u>798,427</u>	<u>768,109</u>

The Euro Medium-Term Notes have currency and interest rate swaps associated with them. Information on the effective interest rate and currency of borrowings is included in Note 16(c), and information on the maturity profile of borrowings is included in Note 16(e).

The Company issued a zero-coupon convertible loan note, in the Principal Amount of £727,526,113, on 15 November 2006 to a Cadbury Schweppes group company. The note is convertible, at a rate of 1,097 irredeemable preference shares in the share capital of the Company, for every £1,000 of the principal amount by the Holder at maturity on 15 May 2008.

The fair value of the debt component of the convertible loan note has been calculated as the present value of the contracted future cashflows using an assumed market rate of interest of 5.52%. The equity component of the convertible note is calculated as the difference between the Principal Amount and the fair value of the debt component. The debt and equity components were measured at inception as £671,228,357 and £56,297,756 respectively.

12 Share capital

	31 December 2006 £'000	1 January 2006 £'000
Authorised		
48,000,000 ordinary shares of 25p each	<u>12,000</u>	<u>12,000</u>
Allotted, called up, and fully paid up		
48,000,000 ordinary shares of 25p each	<u>12,000</u>	<u>12,000</u>

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

13 Financial commitments

The Company is exposed to credit related losses in the event of non-performance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given the company's policy of selecting only counterparties with high credit ratings. The exposure to credit loss of liquid assets is equivalent to the carrying value on the balance sheet. The maximum credit exposure of interest rate and foreign exchange derivative contracts is represented by the fair value of contracts with a positive fair value at the reporting date.

Counterparties to financial instruments are limited to financial institutions with high credit ratings assigned by international credit rating agencies. The Company has ISDA Master Agreements with most of its counterparties to financial derivatives, which permits net settlement of assets and liabilities in certain circumstances, thereby reducing the Company's credit exposure to individual counterparties. The Company has policies that limit the amount of credit exposure to any single financial institution.

At the year end, the Company had \$82 million currency swaps with a financial institution with a credit quality lower than that permitted under Group Treasury Policy. \$3.6 million cash collateral has been obtained from the counterparty as security to mitigate against the higher credit risk. The book value of the cash collateral is equal to its fair value. There were no significant concentrations of credit exposure at the year end. A right of set-off existed at the balance sheet date between Group companies in the UK in respect of the collective borrowing facilities with Lloyds TSB Bank plc and Bank of America NT & SA. The Company has accepted joint and several liability for the liabilities of Cadbury Schweppes plc with Bank of America NT & SA. The net contingent liabilities under these agreements at the end of the year were £12.2 million (2005: 22.8 million).

The Company has guaranteed £1,971 million (2005 (restated): £2,146 million) of debt of other subsidiaries of Cadbury Schweppes plc and those subsidiaries have guaranteed the Company's indebtedness under its Medium-Term Note Programme.

14. Treasury risk management

The principal activity of the Company is the management of funding and foreign currency exposure for the Cadbury Schweppes Group.

The Company's financial instruments, other than derivatives, comprise borrowings, short term investments, cash and cash equivalents and various items, such as accruals and prepayments that arise directly from its operations.

No trading in financial instruments was undertaken by the Company during the period under review.

Derivative financial instruments are utilised by the Company to lower funding costs for the Cadbury Schweppes Group, to diversify sources of funding for the Cadbury Schweppes Group, to alter interest rate exposures arising from the mis-matches between assets and liabilities of the Cadbury Schweppes Group, or to achieve greater certainty of future costs of the Cadbury Schweppes Group. The derivatives used for this purpose are principally interest rate swaps, currency swaps and forward foreign currency contracts. These instruments are entered into in accordance with policies approved by the Board of Directors of Cadbury Schweppes plc as detailed in the Annual Report and Accounts of that company. The main risks arising from the Company's financial instruments are detailed in note 1 to the accounts on page 14.

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

15 Debtors analysis

a) The maturity and repayment profile of the Company's debtors is shown in the table below

31 December 2006

	External debtors and intercompany interest accruals	Debtors (Group)	Debtors (Parent)	Total
	£'000	£'000	£'000	£'000
Within one year or on demand	75,352	2,741,921	1,378,799	4,196,072
Between one and two years	-	420,410	-	420,410
Between two and three years	-	-	6,006	6,006
Between three and four years	-	7,048	-	7,048
	75,352	3,169,379	1,384,805	4,629,536
Amounts due within one year	(75,352)	(2,741,921)	(1,378,799)	(4,196,072)
Amount due for repayment after 12 months	-	427,458	6,006	433,464

1 January 2006

	External debtors and intercompany interest accruals	Debtors (Group)	Debtors (Parent)	Total
	£'000	£'000	£'000	£'000
Within one year or on demand	56,790	2,340,348	2,061,108	4,458,246
Between one and two years	-	314,315	24,631	338,946
Between two and three years	-	341,850	-	341,850
Between three and four years	-	-	9,852	9,852
	56,790	2,996,513	2,095,591	5,148,894
Amounts due within one year	(56,790)	(2,340,348)	(2,061,108)	(4,458,246)
Amount due for repayment after 12 months	-	656,165	34,483	690,648

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

15 Debtors analysis (continued)

b) Fixed rate debtors analysis

	31 December 2006		
	Fixed Rate Debtors	Weighted average interest rate	Weighted average time for which rate is fixed
	£'000	%	Years
Euro	190,701	5.141	2

	1 January 2006		
	Fixed Rate Debtors	Weighted average interest rate	Weighted average time for which rate is fixed
	£'000	%	Years
Euro	331,821	4.8	2.2
US Dollar Bloc	442,287	5.7	2.0
Others	9,852	1.8	3.1
	783,960	5.3	2.1

c) Floating rate debtors analysis

	31 December 2006	1 January 2006
	£'000	£'000
Sterling	2,462,735	2,357,037
Euro	313,987	447,279
US Dollar Bloc	1,672,365	1,097,469
Australia/New Zealand Dollars	35,055	-
Others	31,514	375,995
Intercompany debtors	4,515,656	4,277,780
Less intercompany payables netted against receivables on the balance sheet	(152,173)	-
Other non-interest bearing assets	75,352	87,154
	4,438,835	4,364,934

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

16. Borrowings, derivatives and other financial instruments

a) Analysis of net borrowings

	31 December 2006	1 January 2006
	£'000	£'000
Cash and cash equivalents	(96,166)	(95,092)
Bank overdrafts	15,420	54,616
Net cash	(80,746)	(40,476)
Current and non-current loans to parent company and other group undertakings	(4,554,184)	(5,061,740)
Short-term borrowings	3,669,911	4,240,147
Long-term borrowings	798,427	768,109
Net funds	(166,592)	(93,960)

b) Detailed analysis of liabilities

	31 December 2006	
	Amounts due within a year	Amounts due after a year
	£'000	£'000
Floating rate liabilities		
Commercial Paper	602,943	-
Other Notes maturing 2007	56,061	-
Group borrowings	2,809,191	-
Bank overdrafts	15,420	-
	3,483,615	-
Fixed rate liabilities		
5 0% USD Notes due 2007	146,507	-
4 875% GBP Notes due 2010	-	81,762
Other Notes maturing 2007-2010	53,371	40,745
	199,878	122,507
Non-interest bearing debt and other liabilities		
Group convertible debt	-	675,920
Fair value of derivatives not in a hedging relationship	35,753	-
Other creditors	36,658	-
	72,411	675,920
Total Gross Liabilities	3,755,904	798,427
Less cash and cash equivalents	(96,166)	-
Net Debt	3,659,738	798,427

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

16 Borrowings, derivatives and other financial instruments (continued)

b) Detailed analysis of liabilities (continued)

1 January 2006

	Amounts due within a year £'000	Amounts due after a year £'000
<i>Floating rate liabilities</i>		
Commercial Paper	318,880	-
Other Notes maturing 2006 – 2009	57,285	63,050
Group borrowings	3,259,807	-
Bank overdrafts	54,616	-
Money market loans	1,919	-
Fair value of derivatives not in a hedging relationship	66,392	-
Other creditors	38,496	-
	3,797,395	63,050
<i>Fixed rate liabilities</i>		
5 75% USD Notes due 2006	290,663	-
5 75% GBP Notes due 2006	249,824	-
5 0% USD Notes due 2007	-	174,855
4 875% GBP Notes due 2010	-	397,019
Other Notes maturing 2007-2010	61,769	133,185
	602,256	705,059
Total Gross Liabilities	4,399,651	768,109
Less cash and cash equivalents	(95,032)	-
Net Debt	4,304,619	768,109

CADBURY SCHWEPPE FINANCE PLC

Notes to accounts

16 Borrowings, derivatives and other financial instruments (continued)

c) Interest rate and currency of fixed rate borrowings

After taking into account the various interest rate and currency swaps entered into by the Company, the effective currency and interest rate exposures of the Company's borrowings were as follows

31 December 2006

	Fixed Rate Liabilities £'000	Weighted average interest rate %	Effect of cross currency swaps £'000	Effect of interest rate swaps £'000	Total fixed rate Liabilities £'000	Weighted average effective interest rate (including swaps) %	Weighted average time for which rate is fixed Years
Sterling	81,762	4.94		(99,816)	(18,054)	4.94	3.97
Euro	19,836	3.20	(19,820)	134,771	134,787	3.72	2.00
US Dollar Bloc	146,503	5.26		357,325	503,828	5.31	0.82
Australia/New Zealand Dollars	4,024	6.32	(4,024)		-	-	-
Others	70,260	2.49	(61,692)		8,568	1.23	2.11
	322,385	4.37	(85,536)	392,280	629,129	4.93	0.99

1 January 2006

	Fixed Rate Liabilities £'000	Weighted average interest rate %	Effect of cross currency swaps £'000	Effect of interest rate swaps £'000	Total fixed rate Liabilities £'000	Weighted average effective interest rate (including swaps) %	Weighted average time for which rate is fixed Years
Sterling	646,843	5.2	-	(250,000)	396,843	5.1	4.0
Euro	30,915	4.3	(20,610)	137,400	147,705	3.8	2.8
US Dollar Bloc	465,518	5.5	-	406,977	872,495	5.4	1.3
Australia/New Zealand Dollars	4,274	6.3	(4,274)	-	-	6.3	0.6
Others	159,765	2.3	(149,667)	-	10,098	1.0	3.1
	1,307,315	4.9	(174,551)	294,377	1,427,141	5.1	2.2

At the end of 2006, 16% (2005: 28%) of the Company's net borrowings were at fixed interest rates or converted to fixed rates using interest rate swaps and cross currency swaps. These fixed rate borrowings expose the Company to fair value interest rate risk. Other borrowings in the form of commercial paper, bank overdrafts and Group borrowings were arranged at floating rates, therefore exposing the Company to cash flow interest rate risk. The Company has a policy of matching cross currency and interest rate swaps to the maturity of the underlying debt. Therefore the maturity profile in the above table represents the interest repricing profile for fixed rate debt.

CADBURY SCHWEPPE FINANCE PLC

Notes to accounts

16 Borrowings, derivatives and other financial instruments (continued)

d) Currency analysis of floating rate borrowings

Floating rate borrowings bear interest based on short-term inter-bank rates (principally LIBOR applicable to periods of three months or less) or commercial paper rates. The cash and liquid resources, which are all at floating rates, yield interest based principally on short-term inter-bank rates (principally LIBOR applicable to periods of three months or less). The Company's floating rate borrowings by currency at 31 December 2006 were as follows

31 December 2006

	Floating rate liabilities £'000	Effect of cross currency swaps £'000	Effect of interest rate swaps £'000	Effect of currency swaps £'000	Floating rate liabilities (including swaps) £'000
Sterling	1,306,846		99,816	171,557	1,578,219
Euro	882,853	-	(134,771)	(313,767)	434,315
US Dollar Bloc	1,147,328	84,238	(357,325)	336,365	1,210,606
Others	298,761	(8,764)	-	(194,155)	95,842
	3,635,788	75,474	(392,280)	-	3,318,982
Less intercompany payables netted against receivables on the balance sheet	(152,173)	-	-	-	(152,173)
	3,483,615	75,474	(392,280)	-	3,166,809

1 January 2006

	Floating rate liabilities £'000	Effect of cross currency swaps £'000	Effect of interest rate swaps £'000	Effect of currency swaps £'000	Floating rate liabilities (including swaps) £'000
Sterling	1,653,470	-	250,000	592,663	2,496,133
Euro	1,054,443	-	(137,400)	92,479	1,009,522
US Dollar Bloc	1,057,419	188,942	(406,977)	(471,832)	367,553
Others	95,113	(14,391)	-	(213,310)	(132,589)
	3,860,445	174,551	(294,377)	-	3,740,619

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

16. Borrowings, derivatives and other financial instruments (continued)

e) Maturity of financial liabilities

The maturity and repricing profile of the Company's liabilities at 1 January 2006 is shown below

	31 December 2006	1 January 2006
	£'000	£'000
Within one year or on demand	3,755,904	4,399,651
Between one and two years	708,098	326,130
Between two and three years	8,567	35,129
Between three and four years	81,762	9,831
Between four and five years	-	397,019
	4,554,331	5,167,760

f) Borrowing facilities

The Cadbury Schweppes Group maintains certain committed floating rate facilities with banks as support for its debt capital markets programmes. The Company is a borrower and guarantor in respect of the Group's main committed banking facility for £1 billion maturing in 2010. (2005 the Group had a Revolving Credit Facilities of \$2 billion expiring in December 2007). This undrawn committed syndicated facility for £1 billion expires in 2010. The margins payable on drawings under this facility are between 22.5 basis points and 37.5 basis points per annum and commitment fees on undrawn amounts are between 6.75 basis points and 11.4 basis points per annum.

Under the terms of the undrawn committed facility, the Group is subject to a restrictive covenant under the facility agreement requiring that the ratio of 'EBITDA to adjusted net interest (both as defined in the agreement), calculated as at the end of each year will be no less than 3.5:1 calculated on the consolidated Group results for the period of approximately twelve months ending on the last day of the year. For the 2006 financial year end the ratio was 7 times (1 January 2006 6.9 times). The facility is subject to customary events of default, none of which are currently anticipated to occur.

g) Fair values of financial assets and financial liabilities

The fair values for public debt are based on quoted market prices. For short term loans and receivables with a maturity of less than one year the book values approximate the fair value because of their short term nature. The fair values of non public long term loans and receivables are estimated by discounting future contractual cash flows to net present values using at the current market interest rates available to the Company for similar financial instruments as at the year end.

For currency and interest rate derivatives, fair values are calculated using standard market calculation conventions with reference to the relevant closing market spot rates and forward foreign exchange and interest rates. The fair values of derivative instruments are based on the estimated amount the Company would receive or pay if the transaction was terminated. Financial derivatives are recorded on the balance sheet at fair value with changes in fair value being recognised immediately in the profit and loss account, except when the derivative has been designated as part of an effective cash flow hedge in which case up to all the gains and losses could be deferred into equity until the hedged transaction affects the profit and loss account.

CADBURY SCHWEPPES FINANCE PLC

Notes to accounts

16 Borrowings, derivatives and other financial instruments (continued)

g) Fair values of financial assets and financial liabilities (continued)

	31 December 2006	1 January 2006
	Fair Value £'000	Fair Value £'000
Derivatives		
Currency and interest rate swaps (assets)	24,790	37,557
Currency and interest rate swaps (liabilities)	(19,080)	(35,042)
External currency exchange contracts (assets)	19,482	19,234
External currency exchange contracts (liabilities)	(7,990)	(22,177)
Internal currency exchange contracts (assets)	6,735	18,640
Internal currency exchange contracts (liabilities)	(8,683)	(9,173)
Total assets	51,007	75,431
Total liabilities	(35,753)	(66,392)

	31 December 2006	
	Book Value £'000	Fair Value £'000
Assets		
Loans to parent company	1,384,805	1,384,805
Loans to other group undertakings	3,169,379	3,170,440
Cash	96,166	96,166
Prepayments and accrued income	24,685	24,685
Market value of non-hedging derivatives	51,007	51,007
Other debtor	78	78
	4,726,120	4,727,181

Liabilities:

Floating rate liabilities

Commercial Paper	602,943	602,943
Other Notes maturing 2007-2009	56,061	56,061
Group borrowings	2,809,191	2,809,191
Bank overdrafts	15,420	15,420
Fair value of derivatives not in a hedging relationship	35,753	35,753
Other creditors	36,658	36,658
	3,556,026	3,556,026

Fixed rate liabilities

Group borrowings	675,920	675,920
5 0% USD Notes due 2007	150,512	152,631
4 875% GBP Notes due 2010	77,491	74,805
Other Notes maturing 2007-2010	94,382	130,512
	998,305	1,033,868

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

16 Borrowings, derivatives and other financial instruments (continued)

g) Fair values of financial assets and financial liabilities (continued)

	1 January 2006	
	Book Value £'000	Fair Value £'000
Assets		
Loans to parent company	2,095,591	2,096,380
Loans to other group undertakings	2,966,149	2,919,124
Cash	95,092	95,092
Prepayments and accrued income	11,723	11,723
Market value of non-hedging derivatives	75,431	75,431
	5,243,986	5,197,750
Liabilities:		
Floating rate liabilities		
Commercial Paper	318,880	318,880
Other Notes maturing 2006-2009	120,335	121,605
Group borrowings	3,259,807	3,188,669
Bank overdrafts	54,616	54,616
Money market loans	1,919	1,919
Fair value of derivatives not in a hedging relationship	66,392	66,392
Other creditors	38,496	38,496
	3,860,445	3,790,577
Fixed rate liabilities		
5 75 USD Notes due 2006	290,663	291,541
5 75% GBP Notes due 2006	249,824	252,245
5 0% USD Notes due 2007	174,855	174,281
4 875% GBP Notes due 2010	397,019	398,820
Other Notes maturing 2006-2010	194,954	195,777
	1,307,315	1,312,664

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

Borrowings, derivatives and other financial instruments continued

h) Foreign exchange

The Company enters into forward foreign currency contracts to eliminate the currency exposures that arise on transactions denominated in foreign currencies. At 31 December 2006, the Company held contracts to exchange sterling for the following foreign currencies, the table represents the contracted sterling cashflows at the year end

Foreign Exchange Trades against GBP

	Current				2006 Non Current			
	USD £'000	EUR £'000	MXN £'000	Other £'000	USD £'000	EUR £'000	MXN £'000	Other £'000
Purchase	146,099	548,423	41,318	348,276	0	0	0	0
Sale	(436,698)	(222,386)	0	(156,742)	0	0	0	0
Total GBP equivalent notional	(290,599)	326,037	41,318	191,534	0	0	0	0

At 31 December 2006 the Company also held contracts to exchange US dollars against the following foreign currencies at future dates. The table below shows contracted US dollar cashflows against the presented foreign currencies translated into sterling at the year end spot rate

Foreign Exchange Trades against USD

	Current				2006 Non Current			
	CAD £'000	AUD £'000	EUR £'000	Other £'000	CAD £'000	AUD £'000	EUR £'000	Other £'000
Purchase	124,810	37,716	60,445	7,576				
Sale	(133,380)	(37,994)	(24,973)	(7,582)				
Total GBP equivalent notional	(8,570)	(278)	35,472	(6)	0	0	0	0

The following table shows the comparative position at 1 January 2006 for contracts held to exchange sterling and US dollars for the following currencies. The contract values are expressed in sterling at the year end spot rate

Foreign exchange trades against GBP

	Current				2005 Non-current			
	USD £'000	EUR £'000	MXN £'000	Other £'000	USD £'000	EUR £'000	MXN £'000	Other £'000
Purchase	340,664	692,635	-	34,422	-	13,424	-	-
Sale	(128,145)	(704,939)	(240,151)	(44,997)	-	(12,884)	-	-
Total GBP equivalent notional	212,519	(12,304)	(240,151)	(10,575)	-	540	-	-

Foreign exchange trades against USD

	Current				2005 Non-current			
	CAD £'000	AUD £'000	EUR £'000	Other £'000	CAD £'000	AUD £'000	EUR £'000	Other £'000
Purchase	239,595	1,282	42,918	66,199	-	-	-	-
Sale	(270,502)	(163)	(18,510)	(14,037)	-	-	-	-
Total GBP equivalent notional	(30,907)	1,119	24,408	52,162	-	-	-	-

CADBURY SCHWEPPES FINANCE PLC

Notes to accounts

16. Borrowings, derivatives and other financial instruments continued

h) Foreign exchange (continued)

At 31 December 2006 the Company had approximately £94,000 forward transactions relating to currencies other than USD or GBP maturing in 2007. All forward foreign exchange contracts mature within 12 months.

At 1 January 2006 the Company had approximately £228 million forward transactions relating to currencies other than USD or GBP maturing in 2006 and £0.4 million maturing in 2007. The majority of the forward foreign exchange contracts mature within 12 months. The maximum maturity of forward exchange contracts is June 2007.

i) Interest rate derivatives

The Company uses a combination of short-term and long-term cross currency and interest rate swaps to manage the currency and interest rate profile of its borrowings. Details of the fixed rate element of the swap portfolio are shown in the table below.

31 December 2006

		Notional Principal	Weighted average interest rate	Maturing in less than one year	Maturing in the second year	Maturing in the third year	Maturing in the fourth year	Maturing in the fifth year	After five years
		£'000	%	£'000	£'000	£'000	£'000	£'000	£'000
<i>Currency / Instrument</i>									
<i>Sterling</i>									
	Receive Fixed	(100,000)	4.88%	-	-	-	(100,000)	-	-
<i>Euro</i>									
	Receive Fixed	(20,216)	3.86%	(20,216)	-	-	-	-	-
	Pay Fixed	134,771	3.72%	-	67,385	67,386	-	-	-
<i>USD Dollar</i>									
	Receive Fixed	(918,836)	2.96%	(510,464)	(408,372)	-	-	-	-
	Pay Fixed	1,276,161	3.62%	714,650	561,511	-	-	-	-
<i>Other</i>									
	Receive Fixed	(65,716)	2.89%	(33,539)	(32,177)	-	-	-	-

1 January 2006

		Notional Principal	Weighted average interest rate	Maturing in less than one year	Maturing in the second year	Maturing in the third year	Maturing in the fourth year	Maturing in the fifth year	After five years
		£'000	%	£'000	£'000	£'000	£'000	£'000	£'000
<i>Currency / Instrument</i>									
<i>Sterling</i>									
	Receive Fixed	250,000	5.40%	150,000	-	-	-	100,000	-
<i>Euro</i>									
	Receive Fixed	20,610	3.86%	-	20,610	-	-	-	-
	Pay Fixed	137,400	3.72%	-	-	137,400	-	-	-
<i>USD Dollar</i>									
	Receive Fixed	1,046,511	2.96%	-	581,395	465,116	-	-	-
	Pay Fixed	1,453,488	3.62%	-	813,953	639,535	-	-	-
<i>Other</i>									
	Receive Fixed	153,941	2.46%	57,585	36,596	59,760	-	-	-

CADBURY SCHWEPPE'S FINANCE PLC

Notes to accounts

16. Borrowings, derivatives and other financial instruments continued

1) Interest rate derivatives continued

On swaps where fixed rates of interest are payable, the Company receives interest at floating rates of three months or six month LIBOR rates (or local equivalent). On swaps where fixed rates of interest are received, the Company pays interest at floating rates set at three month or six month LIBOR plus an average margin of 0.53% (2005 0.59%).

The differential to be paid or received on the current leg of swap agreements is accrued as interest rates change and is recognised within net interest expense in the periods that they arise over the lives of the respective agreements. The remaining cash flows to maturity of each swap are discounted at current market rates to determine the fair value of swap agreements at the year end.

17 Post balance sheet event

The Company invested US \$2,468,000,000 in preference shares issued by Cadbury Schweppes Overseas Limited, a Cadbury Schweppes group company, on 15 February 2007.

18 Ultimate parent undertaking

The Company's immediate, controlling and ultimate parent undertaking is Cadbury Schweppes plc, a company incorporated in Great Britain and registered in England and Wales. This is also the largest and the smallest group in which the results of the Company are consolidated. Copies of the Group Accounts of Cadbury Schweppes plc are available from 25 Berkeley Square, London, W1J 6HB.

As a subsidiary of Cadbury Schweppes plc, the Company has taken advantage of the exemption in FRS8 "Related party disclosures" not to disclose transactions with other members of the group headed by Cadbury Schweppes plc.