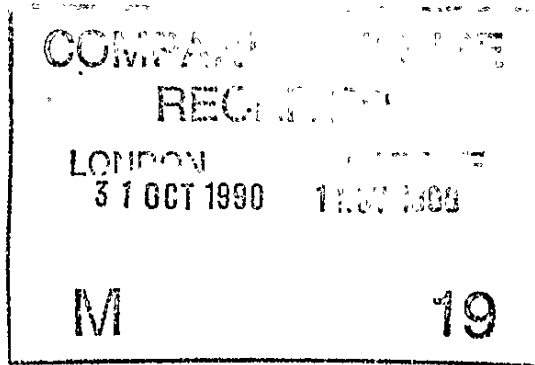


774059

GEO. BASSETT & CO. LIMITED

REPORT AND ACCOUNTS

30TH DECEMBER, 1989



GEO. BASSETT & CO. LIMITED
DIRECTORS' REPORT

The directors present their report and the audited accounts for the 9 month period ended 30th December, 1989. The comparative figures cover a 12 month period.

ACTIVITY

The activity of the company is the manufacture, distribution and sale of confectionery.

RESULTS

The results for the period are set out in the profit and loss account on page 4. The directors consider that the company's state of affairs at the period end was satisfactory.

DIVIDENDS

No dividend is recommended by the directors (31st March 1989 :£NIL).

DIRECTORS

The following were directors of the company throughout the period (except as otherwise stated):

H. B. Stokes	resigned	31.8.89
P. Ashmore		
K.C. Clow		
J.E. Cole		
J. Drumey		
S.C. Sargent	resigned	19.5.89
P. A. Green	appointed	22.5.89

According to the register required to be kept by section 325 of the Companies Act 1985, the interests of the remaining directors in the 25p ordinary shares of Cadbury Schweppes plc, at 30th December, 1989 and 31st March, 1989 were as follows:

	30th Dec. <u>1989</u> Number	31st Mar. <u>1989</u> Number
J.E. Cole	320	320

None of the directors has an interest in the shares of the company at 30th December, 1989. In accordance with Cadbury Schweppes plc's unconditional rights to acquire the entire share capital of Bassett Foods plc, directors' interests (including options) in the shares of Bassett Foods plc at 31st March, 1989 were subsequently relieved at the rate of 8 Cadbury Schweppes shares of 25p each for every 5 Bassett Foods plc ordinary shares of 25p held or 536p per share held.

FUTURE PROSPECTS

With effect from the 1st January, 1990 the company's trade assets and liabilities were transferred to Trebor Bassett Limited, a fellow subsidiary at their net book values at that date.

GEO. BASSETT & CO. LIMITED
DIRECTORS' REPORT

RESEARCH AND DEVELOPMENT

The company continues to direct its research and development activities towards the improvement of the quality and presentation of its existing range, and to product innovation and process improvement.

FIXED ASSETS

Information relating to changes in tangible fixed assets is given in note 7 to the accounts. In the opinion of the directors, the market value of the company's land and buildings is not significantly different to the book value at 30th December 1989.

DONATIONS

During the period the company made no charitable donations (31st March 1989:fnil)

EMPLOYEES

The company recognises the importance of good communications with employees. This is achieved through a variety of means which include an in-house bulletin, consultative factory and staff councils, and formal and informal briefing groups. Applications for employment by disabled persons are always fully considered having regard to the particular aptitudes and abilities of applicants and the company's requirements. In the event of employees becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. The training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees.

CLOSE COMPANY STATUS

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988 and there has been no change in this respect since 30th December, 1989.

AUDITORS

Our auditors, Coopers & Lybrand, are in the process of merging their practice with Deloitte Haskins & Sells and in the meantime have adopted Coopers & Lybrand Deloitte as their business name. They have signed the auditors' report in their new name. A resolution to re-appoint Coopers & Lybrand Deloitte as the company's auditors will be proposed at the annual general meeting.

By order of the board



Secretary

23rd February, 1990.

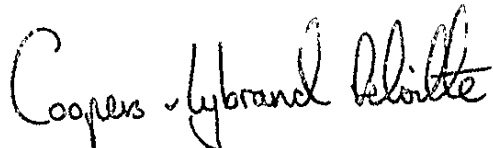
REPORT OF THE AUDITORS TO THE MEMBERS

of

GEO. BASSETT & CO. LIMITED

We have audited the accounts on pages 4 to 13 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30th December 1989 and of its loss and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads "Coopers Lybrand Deloitte".

COOPERS & LYBRAND DELOITTE
Chartered Accountants

Sheffield
23rd February, 1990

GEO. BASSETT & CO. LIMITED

PROFIT AND LOSS ACCOUNT

9 months ended 30th December, 1989

	Notes	30th Dec. 1989	31st Mar. 1989 (12 Months)
		£	£
Turnover	1	49,203,633	56,195,473
Cost of sales		(37,991,886)	(41,940,708)
Gross profit		11,211,747	16,254,765
Distribution costs		(8, 15)	(11,248,130)
Administrative expenses		(2, 91)	(2,395,011)
Operating result		(142,079)	2,611,624
Interest payable	3	(690,183)	(591,488)
(Loss)/profit on ordinary activities before taxation	2	(832,262)	2,020,136
Tax on (loss)/profit on ordinary activities	6	786,120	(1,657,245)
(Loss)/profit on ordinary activities after taxation	14	(£46,142)	£362,891
		=====	=====

The notes on pages 7 to 13 form part of these accounts.

Auditors' report, page 3.

GEO. BASSETT & CO. LIMITED

BALANCE SHEET - 30th December, 1989

	Notes	30th Dec. 1989 £	31st Mar. 1989 £
FIXED ASSETS			
Tangible fixed assets	7	15,896,718	13,066,417
CURRENT ASSETS			
Stocks	8	6,148,763	7,545,581
Debtors	9	7,311,806	6,892,653
Cash at bank and in hand		<u>3,486</u>	<u>6,583</u>
		<u>13,464,055</u>	<u>14,444,817</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft (unsecured)		(1,561,988)	(3,334,405)
Trade creditors		(4,944,088)	(5,410,188)
Amounts owed to group companies		(3,344,294)	(1,116,849)
Other creditors and accruals (including taxation and social security)	10	<u>(3,054,201)</u>	<u>(2,977,122)</u>
		<u>(12,904,571)</u>	<u>(12,838,564)</u>
NET CURRENT ASSETS		<u>559,484</u>	<u>1,606,253</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,456,202	14,672,670
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
PROVISIONS FOR LIABILITIES AND CHARGES	11	(1,477,966)	(1,483,136)
	12	<u>-</u>	<u>(816,830)</u>
		<u>£14,978,236</u>	<u>£12,372,704</u>
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	13	1,400,000	1,400,000
Revaluation reserve	14	2,651,674	-
Profit and loss account	14	<u>10,926,562</u>	<u>10,972,704</u>
		<u>£14,978,236</u>	<u>£12,372,704</u>
		=====	=====

These accounts were approved by the board on 23rd February, 1990.

)
) Directors
)

The notes on pages 7 to 13 form part of these accounts.

Auditors' report, page 3.

GEO. BASSETT & CO. LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

9 months ended 30th December, 1989

	30th Dec. 1989 <u>£</u>	31st Mar. 1989 (12 Months) <u>£</u>
SOURCE OF FUNDS		
(Loss)/profit on ordinary activities before taxation	(832,262)	2,020,136
Adjustments for items not involving the movement of funds:		
Depreciation	1,084,468	1,453,038
Exceptional write-down of fixed assets	859,000	-
Decrease in development grants	(5,170)	(6,894)
Loss on disposal of fixed assets	<u>33,000</u>	<u>30,894</u>
Total generated from operation:	1,139,036	3,497,174
Sale of fixed assets	163,125	75,969
Decrease in stocks	1,396,818	-
Increase in amounts due to group companies	2,564,102	-
Increase in creditors (excluding taxation)	<u>-</u>	<u>163,047</u>
	<u>5,263,081</u>	<u>3,736,190</u>
APPLICATION OF FUNDS		
Increase in debtors (excluding taxation)	754,810	103,460
Corporation tax paid	-	150,243
Purchase of tangible fixed assets	2,318,220	2,252,475
Increase in stocks	-	1,010,125
Decrease in amounts owed to group companies (excluding group relief)	-	1,060,811
Decrease in creditors (excluding taxation)	<u>420,731</u>	<u>-</u>
	<u>3,493,761</u>	<u>4,577,114</u>
INCREASE/(DECREASE) IN NET LIQUID FUNDS	<u>£1,769,320</u> =====	<u>£(840,924)</u> =====

(Net liquid funds comprise cash and bank balances less bank overdrafts).

Auditors' report, page 3.

GEO. BASSETT & CO. LIMITED

ACCOUNTING POLICIES

9 months ended 30th December, 1989

Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings.

Tangible fixed assets

Freehold land and buildings are shown at their revalued amount. Other fixed assets are shown at cost, any regional development grants being treated as deferred credits and amortised over the expected useful life of the asset concerned. The balance of unused grants is included in creditors falling due after more than one year.

Depreciation, calculated on cost or valuation, is provided on a straight line basis over the expected useful life of the asset.

The rates of depreciation per annum are:

Freehold buildings	2.5%
Long leasehold buildings	2.5% (10% for certain prefabricated buildings)
Short leasehold buildings	term of lease
Plant	5.0% - 20.0%
Motor vehicles	20.0% - 25.0%

Freehold land is not depreciated.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and comprises materials, direct labour and appropriate production overheads. Provision is made where necessary for obsolete, slow moving or defective stocks.

Deferred taxation

Provision is made for deferred taxation under the liability method on all timing differences, except to the extent that any deferral of tax may reasonably be expected to continue for the foreseeable future.

Research and development expenditure

Research and development expenses are charged against revenue in the period in which they are incurred.

Pension costs

The company is a member of the Bassett Foods plc group of companies which operates a group pension scheme for its UK subsidiaries.

The scheme is of the defined benefit type and the assets are held in external funds administered by trustees and managed professionally. Full valuations are carried out on a regular basis. The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. Details of the latest actuarial valuations of the scheme are disclosed in the accounts of Bassett Foods plc.

Operating leases

The costs in respect of operating leases are charged to the profit and loss account as they are incurred.

GEO. BASSETT & CO. LIMITED

NOTES TO THE ACCOUNTS

9 months ended 30th December, 1989

1. TURNOVER

Turnover represents amounts invoiced to customers, principally in the United Kingdom, net of discounts and value added tax. Sales to fellow group companies amounted to £7,790,806 (31st March 1989: £9,884,000)

2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

	30th Dec. 1989	31st Mar. 1989 (12 Months)
	£	£
Depreciation	1,084,468	1,453,038
Distribution contract cancellation costs	275,000	-
Write-down of redundant plant and consumable equipment	859,000	-
Directors' emoluments (including pension contributions):		
For management	149,121	230,152
Operating lease rentals:		
hire of plant and machinery	15,000	53,525
property	119,250	159,000
Auditors' remuneration	33,000	31,200
	=====	=====

3. INTEREST PAYABLE

	30th Dec. 1989	31st Mar. 1989 (12 Months)
	£	£
Group interest payable	690,183	591,488
	=====	=====

4. EMPLOYEES AND EMOLUMENTS

Information relating to employees (including executive directors) is as follows:

	30th Dec. 1989	31st Mar. 1989 (12 months)
	£	£
Employee costs during the period amounted to:		
Wages and salaries	10,384,056	12,713,288
Social Security costs	710,114	886,602
Other pension costs	165,443	394,488
	£11,259,613	£13,994,378
	=====	=====

Following an actuarial valuation of the pension scheme at 1st April, 1989, surplus funding has been used to reduce contributions over the future pensionable service lives of employees. The pension charge for the period has benefited accordingly.

Employee emoluments fall within the ranges:

	No.	No.
£30,001 - £35,000	-	3
£35,001 - £40,000	-	1

GEO. BASSETT & CO. LIMITED

NOTES TO THE ACCOUNTS

9 months ended 30th December, 1989

4. EMPLOYEES AND EMOLUMENTS (continued)

The average number of persons employed by the company during the period was as follows:

30th Dec. 1989		31st Mar. 1989	
Number Employed	Full-time Equivalent	Number Employed	Full-time Equivalent
2,190	1,500	2,194	1,472
=====	=====	=====	=====

5. DIRECTORS' REMUNERATION

The directors' emoluments (excluding pension contributions) were:

	30th Dec. 1989	31st Mar. 1989 (12 months)
	£	£
The Chairman	-	-
	=====	=====
Highest paid director	37,454	50,593
	=====	=====

The other directors had emoluments within the indicated ranges:

	Number	Number
£5,001 - £10,000	1	-
£15,001 - £20,000	1	-
£25,001 - £30,000	3	-
£40,001 - £45,000	-	4

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	30th Dec. 1989	31st Mar. 1989 (12 months)
	£	£
Corporation tax at a rate of 35% (Mar. 1989 - 35%)	31,710	1,112,926
Deferred taxation	(817,830)	230,742
	(786,120)	1,343,668
Prior year under provision	-	313,577
	£(786,120)	£1,657,245
	=====	=====

At the 30th December, 1989, the company's projection of future capital expenditure indicated that there would be no reversals of fixed asset timing differences within the foreseeable future. The amount previously provided for deferred taxation has therefore been released.

GEO. BASSETT & CO. LIMITED

NOTES TO THE ACCOUNTS

9 months ended 30th December, 1989

7. TANGIBLE FIXED ASSETS

a) Movement in the period

	<u>Land & Buildings</u>	<u>Plant & Motor vehicles</u>	<u>Total</u>
	£	£	£
<u>Cost</u>			
At 1st April 1989	4,579,111	17,749,779	22,328,890
Additions	41,434	1,085,455	1,126,889
Intra-group additions	1,302,637	8,236	1,310,873
Disposals	-	(2,185,683)	(2,185,683)
Reclassification	18,844	(18,844)	-
Revaluation (note 7(b))	1,315,890	-	1,315,890
At 30th December, 1989	<u>7,257,916</u>	<u>16,638,943</u>	<u>23,896,859</u>

Depreciation

At 1st April 1989	1,335,784	7,926,689	9,262,473
Charge for the period	108,076	976,392	1,084,468
Intra-group additions	116,850	2,692	119,542
Disposals	-	(1,130,558)	(1,130,558)
Revaluation (note 7(b))	(1,335,784)	-	(1,335,784)
At 30th December, 1989	<u>224,926</u>	<u>7,775,215</u>	<u>8,000,141</u>

Net book value

At 30th December, 1989	£7,032,990	£8,863,728	£15,896,718
	=====	=====	=====
At 31st March, 1989	£3,243,327	£9,823,090	£13,066,417
	=====	=====	=====

The net book value of land and buildings comprises:

	£
Freehold properties	3,870,155
Properties held on long lease	3,158,704
Properties held on short lease	<u>4,131</u>
	£7,032,990
	=====

b) The company's freehold and leasehold land and buildings were revalued by the directors with effect from 1 April 1989 based upon a valuation by Gooch & Wagstaff, Chartered Surveyors, on open market value for existing use basis. The excess of the valuation over net book value of £2,651,674 has been credited to a revaluation reserve.

c) The historical cost and related depreciation of the freehold land and buildings included at valuation is:-

Cost	5,942,026
Accumulated Depreciation	<u>(1,525,840)</u>
NBV	£4,416,186
	=====

LEO. BASSETT & CO., LIMITED

NOTES TO THE ACCOUNTS

9 months ended 30th December, 1989

7. TANGIBLE FIXED ASSETS, continued

d) Assets in the course of construction

Included in the above is expenditure on plant in the course of construction amounting to £548,400 upon which no provision for depreciation has been made.

e) Capital commitments

At 30th December, 1989, the directors had authorised capital expenditure:

	30th Dec. <u>1989</u> £	31st Mar. <u>1989</u> £
- against which orders had been placed	99,000	278,826
- authorised but not committed	<u>100,000</u>	<u>160,681</u>
	£199,000 =====	£439,507 =====

8. STOCKS

	30th Dec. <u>1989</u> £	31st Mar. <u>1989</u> £
- Raw materials and consumables	1,800,853	2,026,326
Work-in-progress	705,620	729,626
Finished goods and goods for resale	<u>3,642,290</u>	<u>4,789,629</u>
	£6,148,763 =====	£7,545,581 =====

In the opinion of the directors, there was no material difference between the balance sheet value of stocks and their estimated replacement cost at the balance sheet dates.

9. DEBTORS

	30th Dec. <u>1989</u> £	31st Mar. <u>1989</u> £
Trade debtors	6,424,898	5,649,889
Amounts owed by group companies	674,589	1,011,246
Prepayments and accrued income	144,432	139,538
Other debtors	<u>67,887</u>	<u>91,980</u>
	£7,311,806 =====	£6,892,653 =====

All the above amounts are due within one year.

GEO. BASSETT & CO. LIMITED

NOTES TO THE ACCOUNTS

9 months ended 30th December, 1989

10. OTHER CREDITORS AND ACCRUALS INCLUDING
TAXATION AND SOCIAL SECURITY

	<u>30th Dec.</u> <u>1989</u> £	<u>31st Mar.</u> <u>1989</u> £
Corporation tax	484,537	452,827
Social security and PAYE	341,525	364,189
Value Added Tax	1,530,969	1,141,513
Other creditors	142,219	628,898
Accruals	<u>554,951</u>	<u>389,695</u>
	£3,054,201	£2,977,122
	=====	=====

11. CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR

	<u>30th Dec.</u> <u>1989</u> £	<u>31st Mar.</u> <u>1989</u> £
Development grants	232,721	237,891
Amounts due to group companies	<u>1,245,245</u>	<u>1,245,245</u>
	£1,477,966	£1,483,136
	=====	=====

12. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts provided and unprovided for deferred tax in accordance with the company's accounting policy set out on page 7 are:

	<u>30th Dec. 1989</u>		<u>31st Mar. 1989</u>	
	<u>Amount</u> <u>Provided</u> £	<u>Amount</u> <u>Unprovided</u> £	<u>Amount</u> <u>Provided</u> £	<u>Amount</u> <u>Unprovided</u> £
Capital allowances in excess of depreciation	-	1,870,000	816,830	1,271,970
Potential liability on property revaluation surplus	-	145,000	-	-
	<u>-</u>	<u>£2,015,000</u>	<u>£816,830</u>	<u>£1,271,970</u>
	=====	=====	=====	=====

At the 30th December, 1989, a deferred taxation asset amounting to £1,000 arises in respect of short term timing differences. This has been included in prepayments and accrued income.

GEO. BASSETT & CO. LIMITED

NOTES TO THE ACCOUNTS

9 months ended 30th December, 1989

13. CALLED UP SHARE CAPITAL

	<u>30th Dec.</u> <u>1989</u> £	<u>31st Mar.</u> <u>1989</u> £
<u>Ordinary shares of £1 each:</u>		
Authorised, allotted and fully paid.	£1,400,000 =====	£1,400,000 =====

14. RESERVES

	<u>Note</u>	<u>Profit and</u> <u>Loss Account</u> £	<u>Revaluation</u> <u>Reserve</u> £
At 1st April 1989		10,972,704	-
Loss for the period		(46,142)	-
Revaluation surplus	7	-	2,651,674
		£10,926,562 =====	£2,651,674 =====

15. LEASE COMMITMENTS

Commitments in the next year under operating leases are:

	<u>Lease expiring</u>	<u>£</u>
Plant and vehicles	Within 2-5 years	3,400

16. ULTIMATE HOLDING COMPANY

The company regards Bassett Foods plc as its immediate holding company and its ultimate holding company as Cadbury Schweppes plc, both of which are incorporated in Great Britain.

Auditors' report, page 3