

Registered Number 1180657

Browning Limited

Annual Report & Financial Statements
for the 52 weeks ended 1 January 2006



BROWNING LIMITED

Directors and advisors

Directors

D W Blakemore

J M Mills

C W Orchard

Secretary

J E Hudspith

Registered office

25 Berkeley Square

London

W1J 6HB

Auditors

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

BROWNING LIMITED

Report of the Directors

For the 52 weeks ended 1 January 2006

The Directors present their report, together with the audited financial statements of Browning Limited (the 'Company'), for the 52 weeks ended 1 January 2006 (the 'year').

Review of the business and principal activities

The Company is a subsidiary of Cadbury Schweppes plc. The principal activities of the Company are the holding of investments for the Cadbury Schweppes Group.

Results and dividends

The loss on ordinary activities for the financial year, after taxation, was \$20,909,000 (2004: \$31,198,000 profit). The Directors do not recommend the payment of a final dividend (2004: \$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. T D Owen resigned as a Director of the Company on 15 April 2005 and G T Slater resigned as a Director of the Company on 9 June 2005. On 24 June 2005 M A C Clark resigned as a Director of the Company and D W Blakemore, J G Fulton, J M Mills and R Moore were appointed as Directors. Subsequent to the year end R Moore resigned as a Director of the Company on 9 June 2006 and J G Fulton resigned as a Director of the Company on 30 June 2006.

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

	Ordinary shares of 12.5p each	
	3 January* 2005	1 January 2006
D W Blakemore	190	364
J G Fulton	10,000	10,122
J M Mills	10,762	10,948
R Moore	28,152	28,600
C W Orchard	50,789	52,996

* Or date of appointment if later

BROWNING LIMITED

Report of the Directors (continued)

For the 52 weeks ended 1 January 2006

Directors and their interests (continued)

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
	3 January* 2005	Granted during year	Exercised during year	
D W Blakemore	-	855	-	855
J G Fulton	-	3,682	-	3,682
J M Mills	4,428	368	-	4,796
R Moore	2,816	256	-	3,072
C W Orchard	5,430	427	1,074	4,783

* Or date of appointment if later

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
	3 January* 2005	Granted during year	Exercised during year	
J M Mills	20,000	-	-	20,000
R Moore	90,000	-	72,000	18,000
C W Orchard	170,000	-	14,000	156,000

* Or date of appointment if later

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
	3 January* 2005	Granted during year	Exercised during year	
D W Blakemore	18,500	-	-	18,500
J G Fulton	17,500	-	-	17,500
J M Mills	46,500	-	-	46,500
R Moore	55,000	-	-	55,000
C W Orchard	31,000	20,000	-	51,000

* Or date of appointment if later

BROWNING LIMITED

Report of the Directors (continued)

For the 52 weeks ended 1 January 2006

Directors and their interests (continued)

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 Report & Accounts and Form 20-F of Cadbury Schweppes plc.

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

Financial instruments

Market risk

Browning Limited is exposed to market price risks in the form of currency risk and interest rate risk arising from its business. The company manages these risks by matching the terms and conditions of its assets and liabilities.

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 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. Most receivables are with other members of the Cadbury Schweppes Group. The Directors therefore believe there is no credit risk arising from receivables.

Auditors

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

27 October 2006

By order of the Board,

25 Berkeley Square
London
W1J 6HB



J E Hudspith
Secretary

BROWNING LIMITED

Statement of Directors' Responsibilities

For the 52 weeks ended 1 January 2006

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

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

Independent auditors' report to the members of Browning Limited

We have audited the financial statements of Browning Limited for the 52 weeks ended 1 January 2006 which comprise the profit and loss account, reconciliation of movements in equity shareholders' funds, the balance sheet and the related notes 1 to 17. 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

As described in the statement of Directors' responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant framework and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors for the above period 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 judgements 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 (continued)

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 1 January 2006 and of its loss for the 52 weeks then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

27 October 2006

BROWNING LIMITED

Profit and loss account

For the 52 weeks ended 1 January 2006 (note 2)

	Notes	2005 US\$'000	2004 US\$'000
Investment income	6	-	39,546
Interest receivable and similar income	7	46	100
Interest payable and similar charges	8	(21,334)	(11,522)
(Loss) / profit on ordinary activities before taxation		(21,288)	28,124
Tax on (loss) / profit on ordinary activities	9	379	3,074
(Loss) / profit on ordinary activities after taxation		(20,909)	31,198
Dividends paid	10	-	(30,000)
Retained (loss) / profit for the year		(20,909)	1,198
Retained profit at beginning of the year		3,347	2,149
Retained (loss) / profit at end of the year		(17,562)	3,347

There are no recognised gains or losses in either year other than the retained loss for each year and therefore no statement of total recognised gains and losses is required.

All operations of the Company continued throughout both years.

Reconciliation of movements in equity shareholders' funds

	2005 US\$'000	2004 US\$'000
Equity shareholders' funds at beginning of the year	354,441	353,243
(Loss) / profit for the financial year	(20,909)	31,198
Dividends paid during the year	-	(30,000)
Equity shareholders' funds at end of the year	333,532	354,441


BROWNING LIMITED

Balance sheet

As at 1 January 2006 (note 2)

	Notes	2005 US\$'000	2004 US\$'000
Fixed assets			
Investments	11	851,094	851,094
Current assets			
Debtors	12	8,608	4,114
Creditors: amounts falling due within one year	13	(520,702)	(500,767)
Net current liabilities		(512,094)	(496,653)
Total assets less current liabilities		339,000	354,441
Provisions for liabilities and charges	14	(5,468)	-
Net assets		333,532	354,441
Equity Capital and Reserves			
Called up share capital	15	157	157
Share premium account	16	350,937	350,937
Profit and loss account	17	(17,562)	3,347
Equity shareholders' funds		333,532	354,441

Signed on behalf of the Board


J M Mills

Directors


C W Orchard

27 October 2006

BROWNING LIMITED

Notes to the Financial Statements

1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and prior year with the exception of the adoption of FRS 25 "Financial Instruments: Disclosure and presentation" in the year.

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

The financial statements are prepared in US Dollars, being the functional currency of the Company.

b) Financial year

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

c) Financial instruments

The Company adopted FRS 25 "Financial Instruments: Disclosure and presentation" from 2 January 2005. Following the adoption of FRS 25 the following are the Company's accounting policies for financial instruments. The adoption of FRS 25 did not lead to a prior period adjustment. The comparatives have not been provided for all note disclosures as permitted under the transition provisions of FRS 25, but are presented in accordance with the accounting policies detailed in 1 d).

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.

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 profit and loss using the effective interest method. Accrued interest is recognised separately as other creditors.

Loans and receivables

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

d) The Company's accounting policies for financial instruments prior to adoption of FRS 25

Foreign currencies

Transaction differences arising from exchange rate variations on trading transactions are included within operating profits.

Monetary assets and liabilities in foreign currencies are translated into dollars at the rates ruling at the end of the financial year except when covered by an open foreign exchange contract, in which case the rate of exchange specified in the contract is used. All profits and losses on exchange are credited or charged to the profit and loss account.

BROWNING LIMITED

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Exchange differences arising on translation of foreign equity investments financed by foreign currency borrowings are dealt with through reserves, together with exchange differences on the related borrowings.

Investments

Fixed asset investments are shown at cost less provision for any impairment.

e) Taxation

Corporation tax payable is provided on the taxable profit at the current rate. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted substantively 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 and registered in England and Wales, has prepared consolidated financial statements which include the financial statements of the Company for the period and which are publicly available.

2 Accounts

As permitted by the Companies Act 1985 the Company, being a wholly owned subsidiary of a Company incorporated in Great Britain, does not prepare group accounts. The results of the Company are included in the audited financial statements of Cadbury Schweppes plc for the year ended 1 January 2006. The company is therefore exempt from the requirements to prepare Group accounts under Section 228 of the Companies Act 1985. These financial statements present information about the company as an individual undertaking and not as a group.

The profit and loss accounts cover the 52 weeks from 3 January 2005 to 1 January 2006 and the 53 weeks from 29 December 2003 to 2 January 2005. The balance sheets for 2005 and 2004 have been drawn up at 1 January 2006 and 2 January 2005 respectively.

3 Parent undertaking

The Company's 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 financial statements of Cadbury Schweppes plc are available from 25 Berkeley Square, London W1J 6HB.

The Company's immediate parent undertaking is Vantas International Limited.

BROWNING LIMITED

Notes to the Financial Statements (continued)

3 Parent undertaking (continued)

As a subsidiary of Cadbury Schweppes plc the Company has taken advantage of the exemption in FRS 8: "Related party disclosures" not to disclose transactions with other members of the group headed by Cadbury Schweppes plc.

4 Auditors remuneration

Auditors' remuneration is borne by the ultimate parent undertaking, Cadbury Schweppes plc.

5 Directors' emoluments and employee information

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 Browning Limited in either year.

Browning Limited had no employees in either year.

6 Investment income

	2005 US\$'000	2004 US\$'000
Dividends receivable from unlisted subsidiary undertakings	-	39,546

7 Interest receivable and similar income

	2005 US\$'000	2004 US\$'000
Interest receivable from other Group undertakings	45	81
Exchange gains during the year	-	19
	45	100

8 Interest payable and similar charges

	2005 US\$'000	2004 US\$'000
Interest payable to other Group undertakings	20,974	11,522
Exchange losses during the year	360	-
	21,334	11,522

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Notes to the Financial Statements (continued)

9 Taxation on profit on ordinary activities

	2005 US\$'000	2004 US\$'000
UK corporation tax credit	6,386	3,427
Overseas tax	(539)	(353)
Total current tax charge	5,847	3,074
Deferred taxation		
- Origination and reversal of timing differences	(3,237)	-
- Adjustment in respect of prior years	(2,231)	-
	(5,468)	-
Charge for the year	379	3,074

The table below reconciles the UK Corporation Tax rate applicable each year to the effective rate obtained by computing the current tax charge as a percentage of (loss)/profit before tax.

	2005 US\$'000	2004 US\$'000
(Loss)/profit on ordinary activities before taxation	(21,288)	28,124
UK corporation tax @ 30% (2004: 30%)	6,386	(8,437)
Non-taxable UK dividend income	-	11,864
	6,386	3,427
Overseas tax	(539)	(353)
Total current tax credit	5,847	3,074

The effective rate is expected to remain constant over future years.

10 Dividend paid

	2005 US\$'000	2004 US\$'000
Interim \$300 per share dividend paid	-	30,000

11 Investments

a)	2005 US\$'000	2004 US\$'000
Cost at beginning of the year	851,094	851,094
Additions	-	-
Cost at end of the year	851,094	851,094

During 2003 the Company acquired a 15% shareholding in Cadbury Limited and a 2% shareholding in Cadbury Adams USA LLC.

BROWNING LIMITED

Notes to the Financial Statements (continued)

11 Investments (continued)

b) Details of investments are as follows:

Name of investment	Country of incorporation and operation	Proportion of issued share capital
Cadbury Limited	United Kingdom	15%
Cadbury Adams USA LLC	USA	2%

The investments listed above are principally engaged in the manufacture and sale of confectionery.

12 Debtors

	2005 US\$'000	2004 US\$'000
Amounts owed by other Group undertakings	10	3
Loans to other Group undertakings	3,103	1,037
Corporation tax	5,495	3,074
	8,608	4,114

Loans to subsidiary and other Group undertakings bear interest at market rates.

All amounts are recoverable within one year.

13 Creditors: amounts falling due within one year

	2005 US\$'000	2004 US\$'000
Amounts owed to parent company	3,200	767
Amounts owed to other Group undertakings	111	-
Loans from parent company	500,000	500,000
Loans from other Group undertakings	17,391	-
	520,702	500,767

Amounts owed to parent company and amounts owed to other Group undertakings are repayable at various dates throughout 2006 and bear interest at market rates.

14 Provisions for liabilities and charges

	Deferred taxation US\$'000
At 3 January 2005	-
Charged to profit and loss account	5,468
At 1 January 2006	5,468

BROWNING LIMITED

Notes to the Financial Statements (continued)

14 Provisions for liabilities and charges (continued)

	2005 US\$'000	2004 US\$'000
Deferred tax is provided as follows:		
US timing differences	36,737	-
US tax losses available	(31,269)	-
	<u>5,468</u>	<u>-</u>

15 Called up share capital

	2005 US\$'000	2004 US\$'000
Authorised, allotted, called up and fully paid:		
100,000 ordinary shares of £1 each	<u>157</u>	<u>157</u>

During 2003, Browning Ltd issued 99,998 £1 shares in exchange for 15% of Cadbury Ltd, the market value of which was estimated to be £223,200,000. Both the shares and the share premium arising have been translated into USD at 1.573, the market rate on the date the transaction was completed.

16 Reserves

	Share premium account		Profit and loss account	
	2005 US\$'000	2004 US\$'000	2005 US\$'000	2004 US\$'000
At beginning of the year	350,937	350,937	3,347	2,149
Shares issued	-	-	-	-
(Loss)/profit for the financial year	-	-	(20,219)	1,198
At end of the year	<u>350,937</u>	<u>350,937</u>	<u>(16,872)</u>	<u>3,347</u>

17 Treasury risk management

The principal activities of the Company are the holding of investments for the Cadbury Schweppes Group. The Company's financial instruments comprise investments, borrowings, loans and other debtors. No trading in financial instruments was undertaken by the Company during the period under review.

The main risks arising from the Company's financial instruments are currency risk, credit risk and interest rate risk. The company manages these exposures by matching the terms and conditions of its assets and liabilities.