

**Company Registration No. 03006768**

**Cadbury Russia Limited**

**Annual Report and Financial Statements**

**for the year ended 31 December 2012**

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# **Cadbury Russia Limited**

## **Annual report and financial statements for the year ended 31 December 2012**

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# **Cadbury Russia Limited**

## **Directors and advisors for the year ended 31 December 2012**

### **Directors**

L A Cutler  
T E Jack  
C L M Jennings  
M B Foye (appointed 1<sup>st</sup> March 2013)

### **Secretary**

Cadbury Nominees Limited

### **Registered Office**

Cadbury House  
Sanderson Road  
Uxbridge  
UB8 1DH

### **Auditors**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

# **Cadbury Russia Limited**

## **Directors' report for the year ended 31 December 2012**

The Directors present their annual report, together with the audited financial statements of Cadbury Russia Limited (the "Company") for the year ended 31 December 2012 (the "year")

### **Principal activities**

The principal activity of the Company is that of a holding company

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integral to the principal risks of Mondeléz International Inc group of companies (the "group") and are not managed separately. Further information can be found in the Annual Report of Mondeléz International Inc, the Company's ultimate parent company

### **Results and dividends**

The loss for the financial year was US \$3,835,000 (2011 profit US \$20,169,000) and at the year end the Company had net assets of US \$68,288,000 (2011 US \$72,123,000). During the year no dividends were received (2011 US \$413,339,000) of which none were treated as returns of capital (2011 US \$123,427,000). No dividends were paid during the year (2011 US \$412,044,000).

### **Future prospects**

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

### **Going Concern**

On the basis of the current financial projections and facilities available to the Company, and with due regard to the Company's principal activities during 2012 and its position within the Group, the Directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they consider it appropriate to continue to adopt the going concern basis in preparing the annual report and accounts.

### **Directors and their interests**

The Directors who served throughout the year and up to the date of approval of these financial statements, except as noted are as listed on page 1.

### **Financial risk management**

#### *Market risk*

The company 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*

All receivables during 2012 were with other members of the Group. The Directors therefore believe there is no credit risk arising from these receivables.

#### *Liquidity risk*

The Company manages liquidity risk by monitoring the balance sheet position, net intercompany balance and funding requirements to ensure that the Company has access to sufficient available funds for planned operations.

# Cadbury Russia Limited

## Directors' report for the year ended 31 December 2012 (continued)

### Statement of directors' responsibilities for the year ended 31 December 2012

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

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

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

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

### Independent Auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

By order of the board



C L M Jennings  
13 August 2013

# **Independent auditors' report to the members of Cadbury Russia Limited**

We have audited the financial statements of Cadbury Russia Limited for the year ended 31 December 2012 which comprise the Profit and loss account, the Balance sheet, the Statement of recognised gains and losses, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

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

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

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

## **Independent auditors' report to the members of Cadbury Russia Limited (continued)**

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

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

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



Phil Harrold  
Senior Statutory Auditor  
For and on behalf of PricewaterhouseCoopers LLP  
Cornwall Court, 19 Cornwall Street, Birmingham B3 2DT  
Chartered Accountants and Statutory Auditors

15 August 2013

## Cadbury Russia Limited

### Profit and loss account for the year ended 31 December 2012

	Notes	2012 \$'000	2011 \$'000
Gain on disposal of fixed asset investment	4	-	21,458
Impairment charge	8	(3,834)	-
Operating expenses	5	(8)	(1,299)
Interest receivable and similar income	6	7	10
<b>(Loss) / Profit before taxation</b>		<b>(3,835)</b>	<b>20,169</b>
Tax on (loss) / profit on ordinary activities	7	-	-
<b>(Loss) / Profit for the financial year</b>		<b>(3,835)</b>	<b>20,169</b>

All activity is derived from continuing operations throughout both years

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

### Statement of recognised gains and losses for the year ended 31 December 2012

	2012 \$'000	2011 \$'000
(Loss) / Profit for the period	(3,835)	20,169
In specie dividend income	-	289,912
In specie dividend expense	-	(289,912)
<b>Total recognised (losses) / gains</b>	<b>(3,835)</b>	<b>20,169</b>



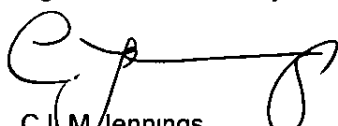
# Cadbury Russia Limited

## Balance sheet

As at 31 December 2012

	Notes	2012 \$'000	2011 \$'000
<b>Fixed assets</b>			
Investments	8	31,974	35,808
		<b>31,974</b>	35,808
<b>Current assets</b>			
Debtors	9	37,648	36,872
Cash at bank and in hand		-	1,012
		<b>37,648</b>	37,884
<b>Creditors, amounts falling due within one year</b>	10	<b>(1,334)</b>	(1,569)
<b>Net current assets</b>		<b>36,314</b>	36,315
<b>Net assets</b>		<b>68,288</b>	72,123
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	68,288	72,123
<b>Total shareholders' funds</b>	13	<b>68,288</b>	72,123

The financial statements on pages 6 to 13 were approved by the board of directors on 13 August 2013 and signed on its behalf by

  
C L M Jennings  
Director

Registered number 03006768

# Cadbury Russia Limited

## Notes to the financial statements for the year ended 31 December 2012

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### a) Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The accounts are prepared in US Dollars, being the functional currency of the Company. The principal accounting policies are set out below and have been applied consistently through the year.

#### b) 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.

##### *Loans and receivables*

Loans and receivables are measured at cost with the interest being recognised in the profit and loss.

#### c) Foreign currencies

Transactions denominated in foreign currencies are translated into US dollars at the actual rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the middle market rates at the balance sheet date.

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

#### d) Investments

Fixed asset investments are stated at cost less any provision for impairment. On the sale of a fixed asset investment the profit or loss on sale is recorded in operating profit. Impairments of fixed assets are charged to profit on ordinary operations before tax in the profit and loss account.

#### 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, 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 years 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.

## Cadbury Russia Limited

### Notes to the accounts (continued) for the year ended 31 December 2012

#### f) Dividends

Dividend income received in the form of in specie assets other than cash is recognised in the statement of recognised gains and losses. Dividend income received in the form of cash is recognised in the profit and loss account. All dividend expense is recognised in reserves. Where dividend income is received that reduces the value of the subsidiary held as an investment in the Company's accounts it is treated as a return of capital and the investment value is reduced by the value of the dividend receipt.

#### g) Cash flow statement, consolidated financial statements and related party transactions

In accordance with the provision of FRS 1, the Company has not prepared a cash flow statement or consolidated financial statements because its ultimate parent company, Mondelēz International Inc has prepared consolidated financial statements which include the financial statements of the Company for the year and which are publicly available. The financial statements presented here include information in relation to the Company only. The Company is also exempt under FRS 8 from disclosing related party transactions with entities that are wholly owned by the Group.

#### 2. Auditors' remuneration

Auditors' remuneration for the audit of the 2012 financial statements of US\$6,400 (2011 US\$20,000) is borne by another Group undertaking. There were no amounts paid to the auditors in respect of non-audit fees in either year.

#### 3. Directors' emoluments and employee information

The Directors are remunerated by Mondelez UK Holdings and Services Limited for their services to the Group as a whole. No remuneration was paid to them specifically in respect of Cadbury Russia Limited in either year. Cadbury Russia Limited had no employees in either year and no costs were recharged.

#### 4 Gain on disposal of fixed asset investment

	2012 \$'000	2011 \$'000
Gain on sale of investment	-	21,458

#### 5 Operating expenses

	2012 \$'000	2011 \$'000
Net exchange losses during the year	7	1,299
Administrative expenses	1	-
	8	1,299

# Cadbury Russia Limited

## Notes to the accounts (continued) for the year ended 31 December 2012

### 6. Interest receivable and similar income

	2012 \$'000	2011 \$'000
Interest receivable from Group undertakings	7	10

### 7. Tax on profit on ordinary activities

	2012 \$'000	2011 \$'000
UK corporation tax at 24.5% (2011: 26.5%)	-	-
Deferred tax	-	-
Total current tax credit / (charge)	-	-

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 before tax

	2012 \$'000	2011 \$'000
(Loss) / profit on ordinary activities before taxation	(3,835)	20,169
UK corporation tax at 24.5% (2011: 26.5%)	(941)	5,345
Group relief surrendered without payment	1	342
Non taxable loan waiver	-	(5,687)
Non taxable impairment provision	940	-
Total current tax credit / (charge)	-	-

On 17 July 2012, The Finance Act 2012 was enacted and reduced the rate of UK Corporation tax from 26% to 24% with effect from 1 April 2012 along with a further reduction to 23% with effect from 1 April 2013

In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2013 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 has been included in the Finance Act 2013. A further reduction to the main rate to 20% from 1 April 2015 has also been included in the Finance Act 2013. Neither of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

## Cadbury Russia Limited

### Notes to the accounts (continued) for the year ended 31 December 2012

#### 8. Investments

	<b>Subsidiary undertakings</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>		
At beginning of the year	35,808	277,373
Additions	-	155,402
Disposals	-	(273,540)
Returns of capital	-	(123,427)
<b>End of the year</b>	<b>35,808</b>	<b>35,808</b>
<b>Amounts written off</b>		
At beginning of the year	-	(158,206)
Reversal on disposal of asset	-	158,206
Impairment	(3,834)	-
<b>End of the year</b>	<b>(3,834)</b>	<b>-</b>
<b>Net book value</b>		
At beginning of the year	35,808	119,167
<b>End of the year</b>	<b>31,974</b>	<b>35,808</b>

In 2012 a decision was made to impair the value of Cadbury CIS B V as its carrying value was not supported by its underlying net asset value

The carrying value of Cadbury Russia Two Limited is supported by its underlying net asset value

Details of investments are as follows

Name of subsidiary undertaking	Country of incorporation & operation	Proportion of issue share capital held
Cadbury CIS B V	The Netherlands	100%
Cadbury Russia Two Limited	United Kingdom	100%

#### 9. Debtors

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts owed by other Group undertakings	37,648	36,872

Amounts owed by Group undertakings are unsecured, interest bearing at Limean +0 25 % and repayable during 2013

# Cadbury Russia Limited

## Notes to the accounts (continued) for the year ended 31 December 2012

### 10 Creditors: amounts falling due within one year

	2012 \$'000	2011 \$'000
Amounts owed to other Group undertakings	(1,334)	(1,569)

Amounts owed to other Group undertakings are unsecured, repayable at various dates throughout 2013 and are non-interest bearing

### 11. Called up share capital

	2012 \$	2011 \$
<b>Allotted, called up and fully paid</b>		
1 ordinary share of US\$1 each (2011 1 )	1	1
164 ordinary shares of GBP £1 each (2011 164)	256	256
	<b>257</b>	<b>257</b>

### 12. Reserves

	Profit and loss account 2012 \$'000
At beginning of the year	72,123
(Loss) / Profit for the financial year	(3,835)
<b>At end of year</b>	<b>68,288</b>

### 13 Movement in shareholders' funds

	2012 \$'000	2011 \$'000
Shareholders' surplus at beginning of year	72,123	155,476
(Loss) / Profit for the financial year	(3,835)	20,169
Share issue	-	18,610
In specie dividend income	-	289,912
In specie dividend expense	-	(377,976)
Dividends paid	-	(34,068)
<b>Shareholders' funds at the end of the year</b>	<b>68,288</b>	<b>72,123</b>

## **Cadbury Russia Limited**

### **Notes to the accounts (continued) for the year ended 31 December 2012**

#### **14. Parent undertaking**

The immediate parent undertaking is Brentwick Limited. At 31 December 2012 the Company's ultimate parent company and controlling party was Mondelēz International Inc, incorporated in the United States of America. This is the parent company of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Mondelēz International Inc are available on application from the Company Secretary, Cadbury House, Sanderson Road, Uxbridge, UB8 1DH.