

CADBURY LIMITED
ANNUAL REPORT AND ACCOUNTS
1993

Company No. 155256



CADEBURY LIMITED

BOARD OF DIRECTORS

I D Johnston	Managing Director
N D Cadbury	
P E Hebblethwaite	
R Hurley	
C S James	
M E Keating	
C J Kent	
C Cheetham	
D N Makin	
A F Palmer	
J M Sunderland	
A P Williamson	

SECRETARY

M G Capstick

REGISTERED OFFICE

Bournville
Birmingham
B30 2LU

AUDITORS

Arthur Andersen
1 Victoria Square
Birmingham
B1 1BD

CADBURY LIMITED

Report of the Directors for the 52 weeks ended 1 January 1994

The directors submit their report and accounts of the Company for the 52 weeks ended 1 January 1994.

Results and Dividends

The profit on ordinary activities for the financial year, after taxation, was £57.6 million. The directors have declared a first interim ordinary dividend amounting to £4.0 million and a second interim dividend of £50.0m. An amount of £3.6 million has been transferred to reserves.

Review of the Business

The principal activity of the Company remained the manufacture, marketing and sale of chocolate confectionery products to wholesale and retail outlets in the UK and the manufacture and supply of chocolate confectionery products for sale in overseas markets through fellow subsidiaries.

AGB data indicates that the appeal of chocolate confectionery in the UK continued in 1993 with the total market remaining level in tonnage and sales value breaking through the £3 billion mark for the first time. Cadbury Limited maintained its position as market leader with an unchanged market share.

Against this background the Company has had another very successful year with all aspects of the Company's business contributing to this excellent performance. The effect of the redundancy programme announced at the end of 1992 served further to reduce costs and improve the competitive position of the company. The Company's Moulded range showed a 6% volume growth on 1992, with Cadbury's Dairy Milk, the flagship brand, achieving sales at manufacturer's selling price of £100 million for the first time. The most successful product launch in the last five years has been Cadbury's Time Out which has quickly established itself as the seventh biggest selling countline in the UK and continues to grow. All costs have been tightly controlled and have contributed to the improved performance.

The Company has invested in technically advanced vending machines to create additional purchasing opportunities for the consumer where traditional retail outlets would be inappropriate.

The Company remains committed to further investment in its manufacturing and distribution facilities, with £52 million spent on capital projects during 1993. The refrigerated storage facility at Minworth, Birmingham, completed during the year represents, at £24 million, the largest single capital project ever undertaken by Cadbury Limited. This facility consolidates the Company's chilled storage requirements for Easter eggs and Christmas lines at controlled temperature and humidity levels.

1994 has seen a good start to trading and we are confident that the Company will continue to make significant progress.

Directors' and Officers' Liability Insurance

The Company has maintained insurance to cover Directors' and Officers' Liability as defined by s.310 (3)(a) of the Companies Act 1985.

CADBURY LIMITED

Report of the Directors
for the 52 weeks ended 1 January 1994

Directors and their Interests

The directors at the date of this report are as stated on page 1.

J R Taylor resigned from the Board on 5 July 1993. D G Wellings resigned from the Board on 1 November 1993. F D Brooks resigned from the Board and as Chairman on 18 January 1994 and G P Loosemore resigned from the Board on 28 February 1994.

A F Palmer was appointed to the Board on 5 July 1993. J M Sunderland was appointed to the Board on 1 November 1993. I D Johnston was appointed to the Board on 4 January 1994 and C Cheetham was appointed to the Board on 28 February 1994.

P E Hebblethwaite, R Hurley and M E Keating will retire from the board by rotation and, being eligible, will offer themselves for re-election.

The beneficial interests, as defined in the Companies Act 1985, of the directors at 1 January 1994 (other than directors who are also directors of Cadbury Schweppes plc and whose interests are disclosed in the accounts of that company), in group companies are as follows:-

Cadbury Schweppes plc ordinary shares of 25p fully paid

	<u>1 January 1994</u>	<u>2 January</u> <u>1993 (or at</u> <u>date of</u> <u>appointment)</u>
	<u>No. of Shares</u>	<u>No. of Shares</u>
F D Brooks	8,076	9,569
P E Hebblethwaite	Nil	Nil
R Hurley	275	3,354
C S James	5,928	7,371
M E Keating	21,348	6,422
C J Kent	14,204	21,102
G P Loosemore	10,853	13,601
D N Makin	10,000	12,500
A F Palmer	1,128	6,656
A P Williamson	8,072	6,403

None of the Directors at 1 January 1994 held any non-beneficial interests in shares of the group companies.

CADBURY LIMITED

Report of the Directors
for the 52 weeks ended 1 January 1994

The following directors have been granted future options under Cadbury Schweppes plc savings related share option schemes:

Ordinary shares of 25p each

No of shares	<u>Movement in the year</u>			<u>Rights</u> <u>Issue</u>	<u>2 January</u> <u>1993 (or</u> <u>date of</u> <u>appointment)</u>
	<u>1 January</u> <u>1994</u>	<u>Granted</u>	<u>Exercised</u>		
F D Brooks	7,365	-	-	110	7,255
P E Hebblethwaite	6,963	-	-	105	6,858
R Hurley	6,714	375	571	96	6,814
C S James	4,688	1,465	2,857	49	6,031
M E Keating	7,453	1,879	571	84	6,061
C J Kent	6,546	375	571	92	6,650
G P Loosemore	6,963	-	-	105	6,858
D N Makin	6,007	-	-	90	5,917
A F Palmer	6,574	594	-	90	5,890
A P Williamson	6,341	939	1,428	81	6,749

The following directors have been granted future options under a Cadbury Schweppes plc share option scheme for directors and senior executives:

Ordinary shares of 25p each

No of shares	<u>Movement in the year</u>			<u>Rights</u> <u>Issue</u>	<u>2 January</u> <u>1993 (or</u> <u>date of</u> <u>appointment)</u>
	<u>1 January</u> <u>1994</u>	<u>Granted</u>	<u>Exercised</u>		
F D Brooks	54,826	-	25,000	826	79,000
P E Hebblethwaite	42,412	15,000	-	412	27,000
R Hurley	81,978	17,000	-	978	64,000
C S James	102,284	17,000	-	1,284	84,000
M E Keating	70,795	18,000	20,000	795	72,000
C J Kent	57,641	15,000	-	641	42,000
G P Loosemore	69,795	17,000	12,183	978	64,000
D N Makin	87,085	15,000	-	1,085	71,000
A F Palmer	76,870	19,000	-	870	57,000
A P Williamson	82,038	13,000	-	1,038	68,000

Information regarding the prices and dates at which options may be exercised is disclosed in the accounts of the Company's ultimate parent company Cadbury Schweppes plc.

No directors held any other interests in Group companies.

At no time during the period has any director been materially interested in any contract with any company in the group, which was significant in relation to the business of any such company.

CADBURY LIMITED

Report of the Directors for the 52 weeks ended 1 January 1994

Responsibilities of the Directors

The Directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss for the period. For this purpose it is necessary to make both judgements and estimates and this is done on a reasonable and prudent basis.

In preparing the financial statements suitable accounting policies have been used and applied consistently, the principal of which are set out on pages 11 to 13. Applicable accounting standards have been followed. The Directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

Fixed Assets

Details of changes in tangible fixed assets are given in note 13 to the accounts.

Research and Development

The Company has continued the programme of research and development of its products and production methods. Basic research in the confectionery field is undertaken for the Company by a fellow subsidiary.

Disabled Persons

The Company has always carefully considered any application for employment by registered disabled persons. In the event of an employee becoming disabled, it is standard practice to offer other employment in all but the most extreme circumstances, with the appropriate re-training where necessary. The Company's training, development and promotion policies provide for equal opportunities for minority groups, including the disabled.

Employee Involvement

During the year the Company continued, by means of well established communication channels, to provide employees systematically with information on matters of concern to them. The Managing Director talked to the managers on all sites, and briefing groups carried information to other employees. The regular publication of the Company newspaper also kept employees in touch. The Cadbury Limited participation system, in which elected representatives of all employees meet directors and executive management in formal conferences to discuss business issues at all levels in the organisation, continued to function effectively.

Charitable and Political Contributions

During the year the Company made contributions to charities totalling £25,742. There were no political contributions.

CADGORY LIMITED

Report of the Directors
for the 52 weeks ended 1 January 1994

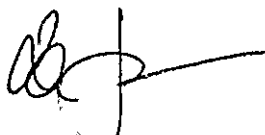
Post Balance Sheet Events

No circumstances have arisen or events occurred since the balance sheet date in respect of matters which would require adjustment or disclosure in the accounts.

Auditors

A resolution to re-appoint Arthur Andersen as auditors will be put to the members at the general meeting.

APPROVED BY THE BOARD OF DIRECTORS
AND SIGNED ON BEHALF OF THE BOARD



I D JOHNSTON
MANAGING DIRECTOR

3 March 1994

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF

CADBURY LIMITED

We have audited the accounts on pages 8 to 26 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and following the accounting policies set out on pages 11 to 13.

Respective Responsibilities of Directors and Auditors

As described on page 5 the Company's Directors are responsible for the preparation of the accounts and it is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts and 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the Company's state of affairs at 1 January 1994 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



ARTHUR ANDERSEN
Chartered Accountants and
Registered Auditors
1 Victoria Square
Birmingham B1 1TL

3 March 1994

CADBURY LIMITED

PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 1 January 1994

	Notes	1993 £000	1992 £000
SALES	4	632,006	616,569
Cost of sales		(418,877)	(408,816)
GROSS PROFIT		213,129	207,753
Distribution costs, including marketing		(90,384)	(91,739)
Administrative expenses		(37,789)	(40,523)
		84,956	75,491
Other operating income		812	761
Other operating charges		(5,920)	(16,371)
TRADING PROFIT	5	79,848	59,881
Interest receivable	9	333	167
Interest payable and similar charges	10	(1,936)	(4,820)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	78,245	55,228
Tax on profit on ordinary activities	11	(20,627)	(15,879)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		57,618	39,349
Dividends	12	(54,000)	(30,000)
Transferred to reserves		3,618	9,349
STATEMENT OF RETAINED PROFITS			
Retained profit at beginning of year		89,296	80,340
Transfer to reserves		3,618	9,349
Transfer of amount equivalent to additional depreciation on revalued assets		60	55
Realisation of property revaluation deficits of previous years		-	(448)
Retained profit at end of the year		92,974	89,296

The accompanying notes form an integral part of this Profit and Loss Account.

CADSBURY LIMITED

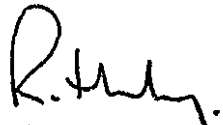
BALANCE SHEET AS AT 1 JANUARY 1994

	Notes	1993 £000	1992 £000
FIXED ASSETS			
Tangible fixed assets	13	234,342	207,615
CURRENT ASSETS			
Stocks	14	82,899	91,581
Debtors	15	92,781	87,922
Cash at bank and in hand		13,445	18,476
		189,125	197,979
Creditors: Amounts falling due within one year	17	(221,098)	(206,638)
NET CURRENT LIABILITIES		(31,973)	(8,659)
TOTAL ASSETS LESS CURRENT LIABILITIES		202,369	198,956
Creditors: Amounts falling due after more than one year	18	(29,608)	(35,339)
Provisions for liabilities and charges	19	(15,287)	(9,761)
		(44,895)	(45,100)
		157,474	153,856
CAPITAL AND RESERVES			
Called up share capital	20	49,675	49,675
Revaluation reserve	21	14,825	14,885
Profit and loss account		92,974	89,296
SHAREHOLDERS' FUNDS	22	157,474	153,856

The accompanying notes form an integral part of this Balance Sheet.

These accounts were approved by the Board of Directors on 3 March 1994, and were signed on its behalf by:


I D JOHNSTON
MANAGING DIRECTOR


R HURLEY
FINANCE DIRECTOR

CADEBURY LIMITED
FOR THE 52 WEEKS ENDED 1 JANUARY 1994

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

	Notes	1993 £000	1992 £000
Profit for the financial year		57,618	39,349
Realised deficit on revaluation of properties		-	(448)
Total recognised gains & losses for the year		<u>57,618</u>	<u>38,901</u>

NOTE OF HISTORICAL COST
PROFITS & LOSSES

Profit on ordinary activities before taxation		78,245	55,228
Realisation of property revaluation deficits		-	(448)
Adjustment of depreciation to historical cost basis	21	60	55
Historical cost profit on ordinary activities before taxation		<u>78,305</u>	<u>54,835</u>
Historical cost retained profit		<u>3,678</u>	<u>8,956</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

1. Accounting Policies

The accounts have been prepared in accordance with applicable accounting standards, consistently applied. The particular accounting policies adopted are described below:

Accounting Convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of land and buildings.

Financial Year

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

Foreign Currencies

Overseas currencies are translated at the middle market rates at the Balance Sheet Date, except in the case of assets and liabilities covered forward where rates fixed in the contracts are used. Exchange differences are taken to the profit and loss account as they arise.

Sales

This represents the invoiced value of sales (net of trade discounts) and royalties, excluding Value Added Tax.

Research and Development Expenditure

Expenditure is written off in the financial year in which it is incurred.

Deferred Taxation

Provision is made for deferred taxation using the liability method, on the categories of timing differences listed below, except to the extent that these amounts are not regarded as likely to become payable in the foreseeable future.

The broad categories of timing differences are:

- a) The excess of book value of tangible fixed assets over their tax written down value;
- b) The excess of book value of leased assets over obligations under the outstanding finance leases; and
- c) Income and expenditure in the accounts of the current period dealt with in other periods for taxation purposes.

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

Stocks and Work in Progress

Stocks and Work in progress are valued at the lower of cost and estimated net realisable value. Cost is purchase price, or production cost in the case of the products manufactured by the Company. In the case of cocoa, cost also reflects the use of the futures market on the basis of forecast physical requirements. Production cost consists of direct material and labour costs together with a reasonable proportion of factory overheads on the basis of normal levels of activity.

Tangible Fixed Assets

Interest costs incurred in funding major capital construction programmes are capitalised during the construction period.

Depreciation is charged on the original cost or subsequent valuation of assets (excluding assets in course of construction) in equal annual amounts over the expected lives of the assets, as follows:

Buildings	40	years
Plant	5 to 10	years
Vehicles	5 to 8	years
Office equipment	5	years

Short leasehold properties are depreciated over the life of the lease. In specific cases, higher depreciation rates are used, e.g. for high speed machinery, machinery subject to technology changes, and machinery with a high obsolescence factor. Land is not depreciated.

Fixed Assets Held Under Leases

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases. Depreciation on leased assets is charged to the profit and loss account on the same basis as shown above. Leasing payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account.

All other leases are 'operating leases' and the relevant annual rentals are charged wholly to the profit and loss account.

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

Government Grants

Grants received are shown as deferred income and credited to the profit and loss account in equal amounts over the expected lives of the assets to which they relate.

Revaluation of Properties

Freehold properties are revalued every five years and the surplus/deficit in book value is included as a movement in revaluation reserves. In subsequent years transfers are made to retained profits in order to amortise the surplus/deficit over the remaining useful lives of the properties. On disposal the unamortised revaluation surplus or deficit on a property is transferred to retained profits.

Pensions

The costs of providing pensions and other termination benefits are charged to the profit and loss account on a consistent basis over the service lives of the employees. Such costs are calculated by reference to actuarial valuations and variations from such regular costs are spread over the remaining service lives of the current employees. To the extent to which such costs do not equate with cash contributions, a provision or prepayment is recognised in the balance sheet.

Cash Flow Statement

Under the provisions of Financial Reporting Standard No 1, the Company has not prepared a cashflow statement because its parent undertaking 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 contain a cash flow statement.

2. Annual Accounts

The profit and loss account covers the 52 weeks from 3 January 1993 to 1 January 1994 and the balance sheets for 1993 and 1992 have been drawn up at 1 January 1994 and 2 January 1993 respectively.

3. Ultimate Parent Undertaking

The Company's ultimate parent undertaking is Cadbury Schweppes plc registered in England and Wales. Copies of the Group Financial Statements of Cadbury Schweppes plc are available from 25 Berkeley Square, London, W1X 6HZ.

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

4. Turnover and Profit on Ordinary Activities Before Taxation

	<u>1993</u> £000	<u>1992</u> £000
Turnover comprises:		
Sales to third parties	569,411	553,184
Sales to fellow subsidiary undertakings	62,595	63,385
	<u>632,006</u>	<u>615,569</u>

Sales and profits principally arose from the manufacture and sale of confectionery products within the United Kingdom, and entirely from the Company's continuing operations.

5. Trading Profit

Trading profit is after charging and (crediting):

	<u>1993</u> £000	<u>1992</u> £000
Depreciation on owned assets	14,518	13,023
Depreciation on assets under finance leases	10,095	9,410
Hire of plant and machinery - operating leases	2,553	2,708
Properties - operating leases	1,613	1,338
Auditors' remuneration - Audit	67	65
- Other	14	11
Research and development expenditure	2,762	2,994
Government Grants	(22)	(35)

6. Pension Arrangements

The company is a member of the Cadbury Schweppes plc group of companies which operates group pension schemes for its UK subsidiaries.

The major scheme is the Cadbury Schweppes Pension fund for which the last full valuation was carried out at 5 April 1993 on the projected unit method. At this date the market value of the assets was £736m and the level of funding on an actuarial basis was 110%

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

The principal assumptions on average were that the rate of return on fund assets would be 9.5%, that the rate of salary increases would be 7.0% and that past and future pensions would increase by 5.0%

The total pension costs for the Company were £6,998,000 (1992 - £3,886,000) which together with the pension costs of other subsidiaries in the group schemes were assessed by qualified actuaries based on the latest actuarial assessment.

A provision of £15,184,000 (1992 - £9,380,000) included within provisions for liabilities and charges represents the cumulative excess of pension costs over the amounts actually contributed to the external funds of the group schemes.

7. Directors' Emoluments

	<u>1993</u>	<u>1992</u>
	£000	£000
As directors:		
Management remuneration including pension contributions	<u>1,810</u>	<u>1,848</u>

Two directors were remunerated by Cadbury Schweppes plc or its subsidiary undertakings in respect of their services to the group as a whole. No emoluments were paid to them by Cadbury Limited. Cadbury Schweppes plc has charged the Company for the cost of their services.

Emoluments of the Chairman and highest paid director (excluding pension contributions):

	<u>1993</u>	<u>1992</u>
Chairman and highest paid director	<u>£240,000</u>	<u>£202,000</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

Number of directors whose emoluments, excluding pension contributions were within the ranges:

	<u>1993</u> Number	<u>1992</u> Number
£0 to £5,000	3	2
£65,001 to £70,000	1	-
£75,001 to £80,000	1	-
£95,001 to £100,000	-	1
£100,001 to £105,000	-	3
£105,001 to £110,000	2	1
£110,001 to £115,000	1	2
£115,001 to £120,000	1	-
£120,001 to £125,000	3	1
£130,001 to £135,000	-	1
£135,001 to £140,000	1	-
£201,001 to £205,000	-	1
£235,001 to £240,000	1	-

8. Employees and Emoluments

<u>1993</u>	<u>1992</u>
Number	Number

The average number of employees employed by the Company was:

Production	4,281	4,719
Distribution, selling and marketing	823	956
Administration	486	549
	<u>5,590</u>	<u>6,224</u>

CASURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

	<u>1993</u> £000	<u>1992</u> £000
Employees' emoluments comprised:		
Wages and salaries	90,522	98,672
Social security costs	8,019	8,255
Other pension costs	6,998	3,866
	<u>105,539</u>	<u>110,793</u>
9. <u>Interest Receivable</u>	<u>1993</u> £000	<u>1992</u> £000
External loans and bank deposits	232	167
Inter-company	101	-
	<u>333</u>	<u>167</u>
10. <u>Interest Payable and Similar Charges</u>	<u>1993</u> £000	<u>1992</u> £000
Inter-company interest payable	-	1,324
Finance leases repayable within 5 years	210	881
Finance leases not repayable within 5 years	1,504	2,507
Other interest	222	108
	<u>1,936</u>	<u>4,820</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

11. Tax on Profit on Ordinary Activities

	<u>1993</u> £000	<u>1992</u> £000
Corporation tax at 33% (1992 - 33%)	27,504	17,695
Deferred tax	(5,004)	(1,145)
	<u>22,500</u>	<u>16,550</u>
(Over)/under provision in prior periods:		
Corporation tax	(2,600)	(671)
Deferred tax	727	-
	<u>1,873</u>	<u>(671)</u>
Charge for the year	<u>20,627</u>	<u>15,879</u>

The charge for taxation of £20,627,000 (1992: £15,879,000) has been reduced by £3,655,000 (1992: £2,163,000) in respect of timing differences for which deferred tax has not been provided.

The balance of deferred taxation at 1 January 1994 has been calculated at 33% to take account of expected future corporation tax rates.

12. Dividends

	<u>1993</u> £000	<u>1992</u> £000
First interim dividend of 8.1p per share (1992-60.4p)	4,000	30,000
Second interim dividend of 100.1p per share (1992 - nil)	50,000	-
	<u>54,000</u>	<u>30,000</u>

CEBURY LIMITED**NOTES TO THE ACCOUNTS - 1 JANUARY 1994****13. Tangible Fixed Assets**

	Freehold land and <u>buildings</u> £000	Short leasehold land and <u>buildings</u> £000	Plant and <u>machinery</u> £000	Assets in course of <u>construction</u> £000	<u>Total</u> £000
COST OR VALUATION:					
At beginning of year	51,044	90	280,763	30,152	362,049
Transfer on completion of construction	9,676	-	47,168	(56,844)	0
Additions	-	-	-	51,524	51,524
Disposals	(37)	-	(2,132)	-	(2,169)
Transfers to other group companies	-	-	(9)	-	(9)
At end of year	<u>60,683</u>	<u>90</u>	<u>325,790</u>	<u>24,832</u>	<u>411,395</u>
At professional valuation 1990	45,228	-	-	-	45,228
At cost	<u>15,455</u>	<u>90</u>	<u>325,790</u>	<u>24,832</u>	<u>366,167</u>
	<u>60,683</u>	<u>90</u>	<u>325,790</u>	<u>24,832</u>	<u>411,395</u>
ACCUMULATED DEPRECIATION:					
At beginning of year	1,438	18	152,978	-	154,434
Charge for year	789	2	23,822	-	24,613
Disposals	-	-	(1,991)	-	(1,991)
Transfers to other group companies	-	-	(3)	-	(3)
At end of year	<u>2,227</u>	<u>20</u>	<u>174,806</u>	<u>-</u>	<u>177,053</u>
Net Book Values:					
At end of year	<u>58,456</u>	<u>70</u>	<u>150,984</u>	<u>24,832</u>	<u>234,342</u>
At beginning of year	<u>49,606</u>	<u>72</u>	<u>127,785</u>	<u>30,152</u>	<u>207,615</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

Freehold land and buildings include land of £20,179,000 (1992 - £19,527,000) which has not been depreciated.

Plant and machinery includes vehicles and fixtures and fittings. Assets in course of construction include payments on account.

Additions to assets in course of construction include interest for the year amounting to £1,091,000 (1992 £Nil) on capital borrowed to finance production. Cumulative interest capitalised included in fixed assets amounts to £1,091,000 (1992 £Nil).

If the revalued assets were stated on an historical cost basis the amounts would be as follows:

	<u>1993</u> £000	<u>1992</u> £000
Land and buildings at cost	30,784	30,784
Accumulated depreciation thereon	(3,914)	(3,225)
	<u>26,870</u>	<u>27,559</u>
 <u>Finance leases</u>	 <u>1993</u> £000	 <u>1992</u> £000
Included in fixed assets are:		
Plant and machinery under finance leases	156,326	154,041
Assets held pending completion of lease	-	2,535
	<u>156,326</u>	<u>156,576</u>
Less accumulated depreciation	(75,147)	(65,655)
	<u>81,179</u>	<u>90,921</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

14. Stocks

	<u>1993</u> £000	<u>1992</u> £000
Raw materials and consumables	25,899	36,004
Work-in-progress	13,791	11,538
Finished goods and goods for resale	43,209	44,039
	<u>82,899</u>	<u>91,581</u>

15. Debtors

	<u>1993</u> £000	<u>1992</u> £000
Trade debtors	59,891	55,985
Amounts owed by fellow subsidiary undertakings	12,858	16,686
Loans to employees		
- receivable within one year	64	106
- receivable after more than one year	131	216
Current Corporation Tax	2,436	-
Assets held for re-sale	550	1,000
Other debtors	52	319
Prepayments and accrued income	8,581	9,669
Deferred tax, recoverable after more than one year (note 16)	8,218	3,941
	<u>92,781</u>	<u>87,922</u>

All amounts are receivable within one year unless otherwise indicated.

CADBURY LIMITED

NOTES TO THE ACCOUNTS -- 1 JANUARY 1994

16. Deferred Taxation

	<u>1993</u> £000	<u>1992</u> £000
Deferred tax asset at beginning of year:	(3,941)	(2,796)
Profit and loss account	(4,277)	(1,145)
Deferred tax asset at end of year	<u>(8,218)</u>	<u>(3,941)</u>

No deferred tax has been provided on the excess of capital allowances over depreciation or on finance leases, as Cadbury Schweppes plc has undertaken to surrender group relief free of charge to the Company in order to eliminate any tax liability arising from any net reversal of these timing differences. The full potential liability for deferred taxation was made up as follows:

	<u>1993</u> £000	<u>1992</u> £000
Not provided in accounts:		
Accelerated capital allowances	13,878	10,308
Finance leases	14,372	14,439
Properties	4,668	4,516
Other timing differences	375	375
	<u>33,293</u>	<u>29,638</u>
Provided in accounts:		
Short term timing differences	<u>(8,218)</u>	<u>(3,941)</u>
	<u>25,075</u>	<u>25,697</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

17. Creditors: Amounts Falling Due Within One Year

	<u>1993</u> £000	<u>1992</u> £000
Variable loan owed to Cadbury Schweppes Finance Ltd	11,572	6,849
Current obligations under finance leases	8,120	11,142
Trade creditors	75,733	78,852
Bank loans and overdrafts	-	48
Amounts owed to Cadbury Schweppes plc	6,916	9,172
Amounts owed to fellow subsidiary undertakings	5,420	5,551
Current corporation tax	27,504	17,023
Other taxes and social security costs	34,361	28,151
Government grants	35	57
Redundancy provision	3,502	11,417
Other creditors	906	865
Accruals and deferred income	47,029	37,511
	<u>221,098</u>	<u>206,638</u>

Variable Loan Owed to Cadbury Schweppes Finance Ltd

No repayment terms have been fixed for the inter-group variable loan which is unsecured.

Redundancy Provisions

	<u>1993</u> £000	<u>1992</u> £000
Provision at beginning of year	11,417	-
Charge to profit and loss account	2,448	13,292
Applied during the year	(10,363)	(1,875)
	<u>3,502</u>	<u>11,417</u>

18. Creditors: Amounts Falling Due After More Than One Year

	<u>1993</u> £000	<u>1992</u> £000
Wholly repayable within five years:		
Obligations under finance leases	18,609	23,644
Not wholly repayable within five years:		
Obligations under finance leases	10,999	11,695
	<u>29,608</u>	<u>35,339</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

19. Provisions for Liabilities and Charges

	<u>1993</u> £000	<u>1993</u> £000
	Pension Provisions	Other Provisions
Provisions at beginning of year	9,380	381
Charge to profit and loss account	5,804	-
Applied during the year	-	(278)
Provisions at end of year	<u>15,184</u>	<u>103</u>

20. Called up Share Capital

	<u>1993</u> £000	<u>1992</u> £000
Ordinary shares of £1 each: Authorised	<u>50,000</u>	<u>50,000</u>
Called up, allotted and fully paid	<u>49,675</u>	<u>49,675</u>

21. Revaluation Reserve

	<u>1993</u> £000
Balance at beginning of year	14,885
Transfer of amount equivalent to additional depreciation of revalued assets	(60)
Balance at end of year	<u>14,825</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

22. Reconciliation of Movements in Shareholders' Funds

	<u>1993</u> £000	<u>1992</u> £000
Profit for the financial year	57,618	39,349
Dividends	(54,000)	(30,000)
	<u>3,618</u>	<u>9,349</u>
Revaluation surplus transferred from Cadbury Schweppes plc	-	174
	<u>3,618</u>	<u>9,523</u>
Net addition to shareholders funds	3,618	9,523
Opening shareholders' funds	153,856	144,333
Closing shareholders' funds	<u>157,474</u>	<u>153,856</u>

23. Commitments for Capital Expenditure

	<u>1993</u> £000	<u>1992</u> £000
Commitments for capital expenditure are estimated as follows :		
Contracted for but not provided in the accounts	3,475	13,965
Authorised by the board but not contracted for	6,546	10,794
	<u>10,021</u>	<u>24,759</u>

24. Commitments Under Finance Leases

The future minimum lease payments to which the company is committed under finance leases as at 1 January 1994 are as follows:

	<u>1993</u> £000	<u>1992</u> £000
Within one year	11,324	14,828
Two to five years	26,292	33,332
More than five years	14,272	16,360
	<u>51,888</u>	<u>64,520</u>
Less: finance charges allocated to future periods	(14,160)	(18,039)
	<u>37,728</u>	<u>46,481</u>

Interest is payable at variable percentages based on LIBOR

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 1 JANUARY 1994

25. Commitments Under Operating Leases

During the next year, the Company is contracted to make payments under operating leases which mature as follows:

	<u>Land and Buildings</u> £000	<u>Other</u> £000	<u>Total</u> £000
Within one year	-	851	851
Two to five years	-	1,702	1,702
More than five years	1,613	-	1,613
	<u>1,613</u>	<u>2,553</u>	<u>4,166</u>

26. Contingent Liabilities

- (a) The potential amount of deferred taxation calculated at expected future tax rates, not provided, is £33,293,000 (1992 - £29,638,000)
- (b) Indemnities have been given by the Company's bankers totalling £4,888,000 (1992 - £6,534,000)