

189075

ITnet Limited

AMENDING

Accounts - 31 December 1994

together with Directors' and Auditors' reports

Registered number: 189075

ITnet Limited

Board of Directors

D J Kappler - Non Executive Chairman

B P Blow - Managing Director

T H Cooke. D Howe. R J Watts. B R Wells. P J Williamson

M A C Clark - Non Executive

S A Ricketts - Non Executive

Secretary

A Hartley (Appointed 12 September 1994)

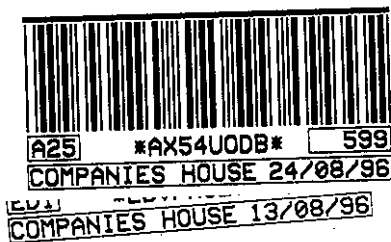
G Budd (Resigned 12 December 1994)

Registered Office

Laburnum House, Laburnum Road, Birmingham, B30 2BD

Auditors

Arthur Andersen, 1 Victoria Square, Birmingham, B1 1BD



Directors' report

For the year ended 31 December 1994

The Directors submit their report and the audited accounts for the 52 weeks ended 31 December 1994. (the 'year').

Results and dividends

The profit on ordinary activities for the financial year, after taxation, was £1,989,000 (1993 £1,385,000). The Directors have recommended that a dividend of £ 994,000 be paid (1993 £692,000).

Review of business and future developments

A description of the Company's principal activities and a review of business and future developments are contained within the Review of '94.

Fixed Assets

Details of changes in tangible fixed assets are given in note 10 to the accounts.

Research and development

The Company has a policy of investment in technological research.

Directors and their interests

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

All Directors held office throughout the year except for P J Williamson and M A C Clark who were appointed on 12 September 1994 and 28 February 1994 respectively. D J Kappler was re-appointed as a Director on 12 December 1994 having previously resigned on 28 February 1994. D Jinks also held office during the year until his retirement on 12 December 1994.

The interests of the Directors in the share capital of Cadbury Schweppes plc were as follows:

	At 31 December 1994	At 2 January 1994 (or date of appointment if later)
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Ordinary shares of 25p each

B P Blow	nil	nil
M A C Clark	23,306	25,306
T H Cooke	1,176	1,176
D Howe	nil	nil
D J Kappler	16,249	16,249
S A Ricketts	367	367
R J Watts	nil	nil
B R Wells	nil	nil
P J Williamson	nil	nil

The interests of the Directors in options granted under the Cadbury Schweppes Savings-Related Share Option Scheme over the following ordinary shares of 25p each are as follows:

	At 2/1/94 (or on appointment)	Granted during year	Exercised during year	At 31/12/94
<u>No of shares</u>				
B P Blow	1,879	nil	nil	1,879
M A C Clark	nil	nil	nil	nil
T H Cooke	5,672	nil	nil	5,672
D Howe	nil	nil	nil	nil
D J Kappler	5,406	nil	nil	5,406
S A Ricketts	nil	nil	nil	nil
R J Watts	5,375	nil	nil	5,375
B R Wells	3,514	nil	nil	3,514
P J Williamson	nil	4,718	nil	4,718

The interests of the Directors in options under the Cadbury Schweppes Share Option Scheme for Main Board Directors and Senior Executives over the following ordinary shares of 25p each are as follows:

<u>No of shares</u>	At 2/1/94 (or on appointment)	Granted during year	Exercised during year	At 31/12/94
B P Blow	5,000	nil	nil	5,000
M A C Clark	78,656	nil	nil	78,656
T H Cooke	12,107	nil	nil	12,107
D Howe	17,182	nil	nil	17,182
D J Kappler	59,535	nil	nil	59,535
S A Ricketts	40,351	nil	nil	40,351
R J Watts	17,182	nil	nil	17,182
B R Wells	23,273	nil	5,000	18,273
P J Williamson	nil	nil	nil	nil

The interests of the Directors in options under the Cadbury Schweppes Share Option Plan 1994 over the following ordinary shares of 25p each are as follows:

<u>No of shares</u>	At 2/1/94 (or on appointment)	Granted during year	Exercised during year	At 31/12/94
B P Blow	nil	18,000	nil	18,000
M A C Clark	nil	40,000	nil	40,000
T H Cooke	nil	6,000	nil	6,000
D Howe	nil	6,000	nil	6,000
D J Kappler	27,000	nil	nil	27,000
S A Ricketts	nil	18,000	nil	18,000
R J Watts	nil	6,000	nil	6,000
B R Wells	nil	6,000	nil	6,000
P J Williamson	nil	nil	nil	nil

The interests of Directors in options under the Cadbury Schweppes Share Option Scheme for Senior Management Overseas over the following ordinary shares of 25p each are as follows:

<u>No of shares</u> (or on appointment)	At 2/1/94	Granted during year	Exercised during year	At 31/12/94
B P Blow	nil	nil	nil	nil
M A C Clark	26,398	nil	nil	26,398
T H Cooke	nil	nil	nil	nil
D Howe	nil	nil	nil	nil
D J Kappler	nil	nil	nil	nil
S A Ricketts	nil	nil	nil	nil
R J Watts	nil	nil	nil	nil
B R Wells	nil	nil	nil	nil
P J Williamson	nil	nil	nil	nil

The interests of Directors in options under the Cadbury Schweppes Share Option Scheme for US/Canada Stock Plan over the following ordinary shares of 25p each are as follows:

<u>No of shares</u> (or on appointment)	At 2/1/94	Granted during year	Exercised during year	At 31/12/94
B P Blow	nil	nil	nil	nil
M A C Clark	nil	1,644	nil	1,644
T H Cooke	nil	nil	nil	nil
D Howe	nil	nil	nil	nil
D J Kappler	nil	nil	nil	nil
S A Ricketts	nil	nil	nil	nil
R J Watts	nil	nil	nil	nil
B R Wells	nil	nil	nil	nil
P J Williamson	nil	nil	nil	nil

In respect of share options granted, for each of the above mentioned schemes, the range of exercise prices and the dates until which the options are exercisable, are shown in the Annual Report of Cadbury Schweppes plc.

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

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 (other than the Directorships of M A C Clark, D J Kappler, D Jinks and S A Ricketts in other group companies serviced by ITnet Limited).

Directors and officers liability insurance

The Company has maintained insurance to cover Directors' and Officers' liability in accordance with s310(3)(a) of the Companies Act 1985.

Charitable and political donations

No charitable or political donations have been made by the Company during the year.

Disabled persons

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

Employee involvement

The policy of informing and consulting with employees has continued by means of regular newsletters and meetings, and employees are encouraged to present their views and suggestions in respect of the Company's performance. Employees are also eligible to participate in the Group SAYE scheme, with options to purchase shares in the ultimate holding company after a period of regular saving as defined under the rules of the scheme.

Post balance sheet events

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

Auditors

In accordance with the Resolution passed by the Shareholders in General Meeting on 20th June 1991, the Company has elected to dispense with the annual reappointment of Auditors. Accordingly Arthur Andersen will continue as Auditors.

Directors' Responsibilities

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 as at the end of the financial year and of the profit and loss for that 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 13 to 15. 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.

Signed on Behalf of the Board

B P Blow Managing Director
1 March 1995

Laburnum House * Laburnum Road * Birmingham * B30 2BD

Auditors' report

To the Shareholders of ITnet Limited.

We have audited the accounts on pages 9 to 26 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and follow the accounting policies set out in pages 13 to 15.

Respective responsibilities of Directors and Auditors

As described on page 7 above, 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 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 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 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 December 1994 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen
Chartered Accountants and Registered Auditors
1 March 1995

1 Victoria Square * Birmingham * B1 1BD

Profit and loss account

For the year ended 31 December 1994

	Notes	1994 £'000	1993 £'000
Turnover	2	50,543	43,875
Cost of sales		(41,509)	(36,931)
		<hr/>	<hr/>
Gross profit		9,034	6,944
Other operating expenses	3	(5,511)	(4,202)
		<hr/>	<hr/>
Operating profit		3,523	2,742
Interest receivable	4	278	437
Interest payable and similar charges	5	-	(67)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	6	3,801	3,112
Tax on profit on ordinary activities	8	(1,812)	(1,727)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,989	1,385
Dividends paid and proposed	9	(994)	(692)
		<hr/>	<hr/>
Retained profit for the year		995	693
 Retained profit at start of year		 1,796	 1,069
Transfer from revaluation reserve	18	34	34
		<hr/>	<hr/>
Retained profit at the end of the year		2,825	1,796
		<hr/>	<hr/>

The accompanying notes are an integral part of this profit and loss account.

**Recognised gains and losses
for the year ended 31 December 1994**

	1994 £000	1993 £000
Profit for the financial year, being total recognised gains and losses for the year.	1,989	1,385
	<u> </u>	<u> </u>

Reconciliation of Movements in Shareholders' Funds

Profit for the financial year	1,989	1,385
Dividends to ordinary shareholders	(994)	(692)
Profit retained for the financial year	<u>995</u>	<u>693</u>
Increase in share capital	4,000	-
Repayment of capital contribution reserve	<u>(10,000)</u>	<u>-</u>
Net movement in shareholders' funds	<u>(5,005)</u>	<u>693</u>

Note of historical cost profits and losses

Profit on ordinary activities before taxation	3,801	3,112
Adjustment of depreciation to historical cost basis	34	34
	<u> </u>	<u> </u>
Historical cost profit on ordinary activities before taxation	<u>3,835</u>	<u>3,146</u>
	<u> </u>	<u> </u>
Historical cost profit attributable to ordinary shareholders	<u>1,029</u>	<u>727</u>

The accompanying notes are an integral part of this statement.

Balance Sheet
31 December 1994

	Notes	1994 £'000	1993 £'000
Fixed assets			
Tangible assets	10	9,975	11,604
		<hr/>	<hr/>
Current assets			
Stocks	11	93	65
Debtors	12	16,130	15,550
Cash at bank and in hand		283	122
		<hr/>	<hr/>
		16,506	15,737
Creditors: Amounts falling due within one year	13	(11,543)	(8,566)
		<hr/>	<hr/>
Net current assets		4,963	7,171
		<hr/>	<hr/>
Total assets less current liabilities		14,938	18,775
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	14	(2,000)	(1,000)
		<hr/>	<hr/>
Provisions for liabilities and charges	15	(1,934)	(1,766)
		<hr/>	<hr/>
Net assets		11,004	16,009
		<hr/>	<hr/>
Capital and reserves			
Called-up share capital	17	6,000	2,000
Revaluation reserve	18	2,179	2,213
Capital contribution	18	-	10,000
Profit and loss account		2,825	1,796
		<hr/>	<hr/>
Total capital employed		11,004	16,009
		<hr/>	<hr/>

Signed on behalf of the Board

B.P.Blow Director

T.H.Cooke Director

1 March 1995

The accompanying notes are an integral part of this balance sheet.

Cash Flow

For the year ended 31 December 1994

	Notes	1994 £'000	1994 £'000	1993 £'000	1993 £'000
Net cash inflow from operating activities	20		9,933		4,080
Returns on investments and servicing of finance					
Interest received		278		437	
Interest paid		-		(28)	
Interest element of finance lease rentals payments		-		(39)	
Dividends paid		(692)		(795)	
Net cash outflow from returns on investments and servicing of finance			(414)		(425)
Taxation					
Corporation tax paid		(2,215)		(1,065)	
Tax paid			(2,215)		(1,065)
Investing activities					
Payments to acquire tangible fixed assets		(2,132)		(2,462)	
Net cash outflow from investing activities			(2,132)		(2,462)
Net cash inflow before financing			5,172		128
Financing					
Issue of ordinary share capital		4,000			
Increase in loan from Cadbury Schweppes plc		1,000			
Repayment of capital contribution reserve		(10,000)			
Capital element of finance lease rental payments		(11)		(711)	
Net cash outflow from financing			(5,011)		(711)
Increase/(Decrease) in cash and cash equivalents	21		161		(583)

The accompanying notes are an integral part of this statement.

Notes to accounts

For the year ended 31 December 1994

1 Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year, are as follows:

a) *Basis of accounting*

The accounts are prepared under the historical cost convention modified for the revaluation of certain land and buildings, and in accordance with applicable accounting standards.

b) *Financial year*

The annual accounts are made up to the Saturday nearest to 31 December. The profit and loss account covers the 52 weeks from 2 January 1994 to 31 December 1994 and the balance sheets have been drawn up at 31 December 1994 and 1 January 1994.

c) *Research and development expenditure*

Research and development expenditure is written off in the financial year in which it is incurred.

d) *Tangible fixed assets*

Land and buildings are shown at original historical cost or subsequent valuation as set out in note 10. Other fixed assets are shown at cost.

Depreciation is provided on the original cost or subsequent valuation of assets on a straight-line basis over their estimated useful lives. The principal rates used are as follows:

Freehold buildings	40 years (2.5% per annum)
Computer equipment	2-5 years (50%-20% per annum)
Plant	8 years (12.5% per annum)
Office Furniture and Fittings	8 years (12.5% per annum)

In specific cases, higher depreciation rates are used, (for example, for equipment subject to technological changes or equipment with a high obsolescence factor). Capital work-in-progress is not depreciated.

e) *Stocks*

Stocks are stated at the lower of cost and net realisable value.

Notes to accounts (continued)

1. Accounting policies (continued)

f) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

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;
and
- (b) Income and expenditure in the accounts of the current period dealt with in other periods for taxation purposes.

The deferred tax provision is established after taking into account group relief which is anticipated to be received from other UK group companies.

g) *Pension costs*

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 such costs do not equate with cash contributions a provision or prepayment is recognised in the balance sheet.

h) *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. Interest is allocated to the accounting periods over the duration of the lease so as to produce a constant rate of return.

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

i) *Revaluation of properties*

Freehold and leasehold properties are revalued every 5 years and the surplus/deficit on book value included as a movement on revaluation reserve. 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 profit.

Notes to the accounts (continued)

j) *Turnover*

Turnover comprises the invoiced value of sales, excluding VAT and trade discounts, of goods and services provided in the normal course of business.

2. Segment information

	1994 £000	1993 £000
Turnover comprises:		
Sales to third parties	33,234	27,188
Sales to other group companies	17,309	16,687
	<u>50,543</u>	<u>43,875</u>

Sales and profits principally arose from the provision of outsourcing within the United Kingdom.

3. Other operating expenses

	1994 £000	1993 £000
Distribution costs including marketing	2,407	1,616
Administration expenses	3,101	2,564
Other operating expenses	3	22
	<u>5,511</u>	<u>4,202</u>

4. Interest receivable

	1994 £000	1993 £000
Interest receivable from Cadbury Schweppes plc	263	421
Bank interest	<u>15</u>	<u>16</u>
	<u>278</u>	<u>437</u>

Notes to accounts (continued)

5. Interest payable and similar charges

	1994 £000	1993 £000
Interest payable on finance leases	-	39
Other interest payable	-	-
Intercompany interest payable	-	28
	<u>-</u>	<u>67</u>

6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:-

	1994 £000	1993 £000
Reorganisation costs	(370)	542
Depreciation of tangible fixed assets		
- owned	3,672	3,595
- held under finance leases	86	535
Loss on disposal of fixed assets	3	22
Operating lease rentals		
- properties	1,125	1,101
- computer equipment	1,402	1,715
Audit fee	11	13
Staff costs (see note 7)	20,401	18,014
	<u>20,401</u>	<u>18,014</u>

The Auditors received no other remuneration in either year.

7. Staff costs

	1994 £000	1993 £000
a) <i>Employee costs during the year amounted to</i>		
Wages and salaries	17,506	15,621
Social security costs	1,609	1,297
Other pension costs	1,286	1,096
	<u>20,401</u>	<u>18,014</u>

Notes to accounts (continued)

7. Staff costs (continued)

b) *The average weekly number of employees during the year was as follows:*

	1994 Number	1993 Number
Computer services and development	723	613
Administration	<u>45</u>	<u>39</u>
	768	652
	<u>=====</u>	<u>=====</u>

	1994 £000	1993 £000
c) <i>Directors' remuneration -</i>		
Directors of the Company received the following remuneration - (including pension contributions)	612	701
	<u>=====</u>	<u>=====</u>

The Directors' remuneration shown above (excluding pensions and pension contributions) included -

	£000	£000
Chairman	-	-
	<u>=====</u>	<u>=====</u>
Highest paid Director	135	139
	<u>=====</u>	<u>=====</u>

Directors received emoluments (excluding pensions and pension contributions) in the following ranges -

	1994 Number	1993 Number
Up to £ 5,000	3	2
£20,001 - £25,000	1	-
£25,001 - £30,000	1	-
£55,001 - £60,000	-	1
£60,001 - £65,000	-	1
£70,001 - £75,000	1	-
£75,001 - £80,000	-	1
£85,001 - £90,000	-	1
£90,001 - £95,000	-	1
£95,001 - £100,000	2	1
£100,001-£105,000	1	-
£135,001-£140,000	1	1

Notes to accounts (continued)

7. Staff Costs (continued)

Certain Directors (including the Chairman), were remunerated by Cadbury Schweppes plc or its other subsidiaries in respect of their services to the group as a whole. No emoluments were paid to them by ITnet Limited.

8. Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises

	1994 £000	1993 £000
Corporation tax at 33% (1993 - 33%)	2,486	2,043
Deferred taxation arising from short term timing differences	(566)	(493)
	<u>1,920</u>	<u>1,550</u>
Under/(over) provisions		
- tax payable	(405)	160
- deferred tax	<u>297</u>	<u>17</u>
	<u>1,812</u>	<u>1,727</u>

The movement on unprovided deferred taxation is set out in note 16.

Notes to accounts (continued)

9. Dividends paid and proposed

	1994	1993
	£000	£000
Ordinary - final proposed	994	692
	=====	=====

10. Tangible fixed assets

a) The movement in the year was as follows:

	Freehold Land	Freehold Buildings	Plant and Machinery	Capital work in Progress	Total
	£000	£000	£000	£000	£000
Cost or valuation					
Beginning of year	850	4,745	18,562	98	24,255
Additions				2,132	2,132
Disposals			(774)		(774)
Transfer from capital WIP			2,039	(2,039)	-
End of year	850	4,745	19,827	191	25,613
	=====	=====	=====	=====	=====
Depreciation					
Beginning of year	-	361	12,290	-	12,651
Charge		120	3,638		3,758
Disposals			(771)		(771)
End of year		481	15,157		15,638
	=====	=====	=====	=====	=====
Net book value					
Beginning of year	850	4,384	6,272	98	11,604
	=====	=====	=====	=====	=====
Net book value					
End of year	850	4,264	4,670	191	9975
	=====	=====	=====	=====	=====

Notes to accounts (continued)

10. Tangible fixed assets (continued)

b) Basis of valuation

Plant and machinery and capital work in progress are shown at cost.

Freehold land and properties were professionally revalued on an open market existing use basis by Fuller Peiser, Chartered Surveyors, as at 30 September 1990. The valuations have been incorporated into the accounts.

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

	1994	1993
	£000	£000
Freehold land and buildings at cost	3,570	3,570
Accumulated depreciation thereon	(635)	(549)
	<u>2,935</u>	<u>3,021</u>
	<u><u>2,935</u></u>	<u><u>3,021</u></u>
11. Stocks		
	1994	1993
	£000	£000
Consumables	93	65
	<u>93</u>	<u>65</u>
	<u><u>93</u></u>	<u><u>65</u></u>
12. Debtors		
The following are included in debtors:		
	1994	1993
	£000	£000
Amounts falling due within one year:		
Trade debtors	4,271	3,449
Amounts owed by group companies	8,411	9,530
Prepayments and accrued income	2,186	1,459
Loans to employees	113	44
	<u>14,981</u>	<u>14,482</u>
	<u><u>14,981</u></u>	<u><u>14,482</u></u>
Amounts falling due after more than one year:		
Loans to employees	-	188
Deferred tax (See note 16)	1,149	880
	<u>1,149</u>	<u>1,068</u>
	<u><u>1,149</u></u>	<u><u>1,068</u></u>
	<u><u>16,130</u></u>	<u><u>15,550</u></u>

Notes to accounts (continued)

13. Creditors - amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	1994	1993
	£000	£000
Obligations under finance leases	-	11
Trade creditors	1,956	1,425
Amounts owed to other group companies	-	-
Other creditors		
- UK corporation tax payable	2,277	2,411
- VAT	914	552
- other	184	66
Proposed dividends (Note 9)	994	692
Accruals and deferred income	5,218	3,409
	<u>11,543</u>	<u>8,566</u>

14. Creditors - amounts falling due after more than one year

The following amounts are included in creditors falling due after more than one year:

	1994	1993
	£000	£000
Loan from Cadbury Schweppes plc	2,000	1,000
	<u>2,000</u>	<u>1,000</u>

The loan from Cadbury Schweppes plc is interest free and is due for repayment on 3 January 1996.

Notes to accounts (continued)

15. Provisions for liabilities and charges

	Pension provision £000
At start of year	1,766
Profit and loss account	<u>168</u>
At end of year	<u>1,934</u>

Details of the pension provision are set out in note 22.

16. Deferred taxation

Short term timing differences resulted in a deferred tax asset of £1,149,000 (1993: £880,000) which has been included in debtors (see note 12). The balance of unprovided deferred tax may be analysed:

	1994 £000	1993 £000
Accelerated capital allowances	(610)	(64)
Finance leases	(28)	(3)
Properties	709	709
	<u>71</u>	<u>642</u>

The movement in the deferred tax asset represented the profit and loss charge.

17. Called-up share capital

	1994 £000	1993 £000
Authorised - Ordinary shares of £1 each	6,000	2,000
Allotted, called-up and fully-paid - Ordinary shares of £1 each	<u>6,000</u>	<u>2,000</u>
Balance at the beginning of the year	2,000	2,000
Share issue at par for cash	<u>4,000</u>	<u>-</u>
Balance at the end of the year	<u>6,000</u>	<u>2,000</u>

Notes to accounts (continued)

18. Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise -

	1994 £000	1993 £000
Distributable		
- profit and loss account	2,825	1,796
- capital contribution	-	10,000
Non-distributable		
- revaluation reserve	2,179	2,213
	<u>5,004</u>	<u>14,009</u>

The movement on the revaluation reserve during the year was as follows:

	£000
Beginning of year	2,213
Amortisation of revaluation surplus	(34)
End of year	<u>2,179</u>

Deferred tax has not been provided in respect of the revaluation reserve, because the Directors consider that no liability to tax will arise in the foreseeable future.

19. Guarantees and other financial commitments

a) Capital commitments

At the end of the year, capital commitments were

	1994 £000	1993 £000
Contracted for but not provided for	<u>815</u>	<u>844</u>

Notes to accounts (continued)

19. Guarantees and other financial commitments (continued)

b) Commitments under operating leases:

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

	Property £000	Plant and computer equipment £000
Within two to five years	12	104
After more than five years	393	2,034
	<u>405</u>	<u>2,138</u>
	<u> </u>	<u> </u>

Notes to accounts (continued)

20. Reconciliation of operating profit to net cash inflow from operating activities

	1994 £000	1993 £000
Operating profit	3,523	2,742
Depreciation charges	3,758	4,130
Loss on sale of tangible fixed assets	3	22
Increase in stocks	(28)	(5)
Increase in debtors	(311)	(4,799)
Decrease in creditors	2,988	1,990
Net cash inflow from operating activities	9,933	4,080

21. Analysis of changes in cash and cash equivalents during the year.

	1994 £000	1993 £000
Cash at bank and in hand brought forward	122	705
Net cash inflow/(outflow)	161	(583)
Cash at bank and in hand carried forward	283	122

22. Pension arrangements

The Company is a member of the Cadbury Schweppes 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%.

The principal assumptions on average were that the rate of return on fund assets would be 9.5%, that the rate of salary increase would be 7.0% and that past and future pensions would increase by 5%.

The total pension costs for the Company were £ 1,286,000 (1993 £1,096,000) which together with the pension costs of other subsidiaries in the group schemes were assessed by qualified actuaries based on the latest actuarial assessment.

Notes to accounts (continued)

23. Ultimate holding company

The Company's ultimate holding company is Cadbury Schweppes plc, a company registered in England and Wales which prepares consolidated accounts. These accounts are available from 25, Berkeley Square, London W1X 6HT.