

Registered number: 03006768

**Cadbury Russia Limited**  
**Annual Report and Financial Statements**  
**For the year ended 31 December 2020**



---

**Cadbury Russia Limited**

---

---

**Contents**

---

	Page
<b>Directors' report</b>	1 - 3
<b>Independent auditors' report to the members</b>	4 - 7
<b>Statement of comprehensive income</b>	8
<b>Statement of financial position</b>	9
<b>Statement of changes in equity</b>	10
<b>Notes to the financial statements</b>	11 - 18

**Directors' report**  
**For the year ended 31 December 2020**

---

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

**Directors**

The directors who served the company during the year and to the date of the financial statements being approved, unless otherwise stated, were as follows:

A J P Arrighi  
M B Foye  
T J Gingell  
J M Hladusz

**Principal activities and business review**

The principal activity of the company during the year was that of a holding company of investments in group undertakings, denominated in US Dollar (USD), which has hence determined the functional and presentation currency of these financial statements.

Due to the straightforward nature of the business the company's directors are of the opinion that a detailed analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The company is a private company limited by shares and is incorporated in England, part of the United Kingdom. The address of its registered office is Cadbury House, Sanderson Road, Uxbridge, Middlesex, UB8 1DH.

**Future developments**

The company will continue to develop its existing activities in accordance with the requirements of the group. None of the future developments are expected to impact the company's ability to continue as a going concern.

**Going concern**

The company meets its day-to-day working capital requirements through the group's treasury arrangements. As at 31 December 2020 the company had net assets of \$892 (2019 - net liabilities of \$116) and net current assets of \$892 (2019 - net current liabilities of \$116). The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the point of approving this Annual Report and Financial Statements. The company therefore continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

The severity, magnitude and duration of the current COVID-19 pandemic has impacted our colleagues and business operations in many ways during 2020.

However, the company is not directly exposed to trading fluctuations and our internal review, based on experience to date, does not highlight significant financial constraints. Where the recoverability of the company's investments and receivables is linked to the operations of its global trading subsidiaries, we have taken steps to assess the relative exposure of these debtors, and whilst there is no indication of material risk over recoverability or impairment, we remain vigilant in this rapidly changing environment and versatile when adapting to challenges.

The terms on which the United Kingdom will continue to trade with the European Union are now determined. The directors have taken all reasonable steps necessary to mitigate the associated risks and have strong plans in place so that we can continue to maintain our operational and financial performance.

**Directors' report (continued)**  
**For the year ended 31 December 2020**

---

**Results and dividends**

The loss for the financial year was \$2,240,116 (2019 - \$46) and at the year end the company had net assets of \$892 (2019 - net liabilities of \$116).

During the year, the company recapitalised its subsidiary Cadbury CIS B.V. via a further investment in that entity, to enable it to settle its creditors. The investment was subsequently impaired to \$NIL as the resulting net assets of Cadbury CIS B.V. were \$NIL.

A purported dividend of \$892 declared on 10<sup>th</sup> December 2020 and paid on 14<sup>th</sup> December 2020 was not supported by available distributable reserves at the time. The dividend was reversed in the statutory financial statements for the year ended 31<sup>st</sup> December 2020, which instead show the \$892 as a receivable from the parent company, Brentwick Limited. This amount was received from Brentwick Limited on 26<sup>th</sup> July 2021.

**Principal risks and uncertainties**

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

**Financial risk management**

*Market risk*

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

*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.

**Qualifying indemnity provisions**

Qualifying third party indemnity provisions are in force for the company's directors as of the date of this report and were in force for the duration of 2020.

**Directors' report (continued)**  
**For the year ended 31 December 2020**

---

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

**Directors' confirmations**

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent auditors**

The board of directors have chosen to reappoint PricewaterhouseCoopers LLP as auditors for the coming financial year.

**Small company provisions**

This report has been prepared in accordance with the special provisions applicable to small companies within Part 15 and Sections 444(1)(a) and 472(2) of the Companies Act 2006.

This report was approved by the board of directors on 13th August 2021 and signed on behalf of the board by:



**T J Gingell**  
Director



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

## Report on the audit of the financial statements

### Opinion

In our opinion, Cadbury Russia Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2020; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to manipulate the financial position of the business and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including enquiries into the existence and response to any known or suspected instances of non-compliance with laws and regulation and fraud.
- Consideration of any changes to the control environment as a result of Covid-19.
- Testing of journals which may appear to have unusual accounting entries.
- Assessing significant judgements and estimates, in particular those relating to recoverability of intercompany receivables, impairment of investments and the disclosures included on these balances within the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

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.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:


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

We have no exceptions to report arising from this responsibility.



## Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Steven Kentish (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

17 August 2021

---

**Cadbury Russia Limited**

---

---

**Statement of comprehensive income**  
**For the year ended 31 December 2020**

---

	Note	2020 \$	2019 \$
Impairment of investments	4	(2,241,124)	-
Administrative expenses	4	(21)	-
<b>Operating loss</b>		<b>(2,241,145)</b>	<b>-</b>
Income from shares in group undertakings	5	1,073	-
Interest payable and similar expenses	6	(54)	(57)
<b>Loss before taxation</b>		<b>(2,240,126)</b>	<b>(57)</b>
Tax on loss	7	10	11
<b>Loss for the financial year</b>		<b>(2,240,116)</b>	<b>(46)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive expense for the year</b>		<b>(2,240,116)</b>	<b>(46)</b>

All activities of the company are from continuing operations.

The notes on pages 11 to 18 form an integral part of these financial statements.

**Statement of financial position**  
**As at 31 December 2020**

	Note	2020 \$	2019 \$
<b>Fixed assets</b>			
Investments	8	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Debtors	10	892	11
Creditors: amounts falling due within one year	11	-	(127)
		<u>892</u>	<u>(116)</u>
<b>Net current assets/(liabilities)</b>		<u>892</u>	<u>(116)</u>
<b>Total assets less current liabilities</b>		<u>892</u>	<u>(116)</u>
<b>Net assets/(liabilities)</b>		<u>892</u>	<u>(116)</u>
<b>Capital and reserves</b>			
Called up share capital	12	2,257	1,257
Share premium account		2,460,424	220,300
Profit and loss account		(2,461,789)	(221,673)
		<u>892</u>	<u>(116)</u>
<b>Total equity/(deficit)</b>		<u>892</u>	<u>(116)</u>

These financial statements on pages 8 to 18 were approved by the board of directors and authorised for issue on 13th August 2021 and were signed on behalf of the board by:



**T J Gingell**  
Director

The notes on pages 11 to 18 form an integral part of these financial statements.

---

**Cadbury Russia Limited**

---

**Statement of changes in equity  
For the year ended 31 December 2020**

---

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	\$	\$	\$	\$
<b>At 1 January 2019</b>	1,257	220,300	(221,627)	(70)
Loss for the financial year	-	-	(46)	(46)
<b>Total comprehensive expense for the year</b>	-	-	(46)	(46)
<b>At 31 December 2019 and 1 January 2020</b>	1,257	220,300	(221,673)	(116)
Loss for the financial year	-	-	(2,240,116)	(2,240,116)
<b>Total comprehensive expense for the year</b>	-	-	(2,240,116)	(2,240,116)
Shares issued during the year (note 12)	1,000	2,240,124	-	2,241,124
<b>At 31 December 2020</b>	2,257	2,460,424	(2,461,789)	892

The notes on pages 11 to 18 form an integral part of these financial statements.

**Notes to the financial statements  
For the year ended 31 December 2020**

---

**1. Statement of compliance**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards including FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the Companies Act 2006.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

These financial statements have been prepared in accordance with the provisions applicable under the small companies regime available within Part 15 and Sections 444(1)(a) and 472(2) of the Companies Act 2006.

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) the requirement to prepare a Statement of cash flows (Section 7 of FRS 102 and para 3.17(d)); and
- (b) reduced financial instrument disclosures (FRS 102 paras 11.39 - 11.48A, 12.26 - 12.29).

This information is included in the consolidated financial statements of Mondelez International Inc., as at 31 December 2020.

**2.3 Going concern**

The company meets its day-to-day working capital requirements through the group's treasury arrangements. As at 31 December 2020 the company had net assets of \$892 (2019 - net liabilities of \$116) and net current assets of \$892 (2019 - net current liabilities of \$116). The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the point of approving this Annual Report and Financial Statements. The company therefore continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

The severity, magnitude and duration of the current COVID-19 pandemic has impacted our colleagues and business operations in many ways during 2020.

However, the company is not directly exposed to trading fluctuations and our internal review, based on experience to date, does not highlight significant financial constraints. Where the recoverability of the company's investments and receivables is linked to the operations of its global trading subsidiaries, we have taken steps to assess the relative exposure of these debtors, and whilst there is no indication of material risk over recoverability or impairment, we remain vigilant in this rapidly changing environment and versatile when adapting to challenges.

**Notes to the financial statements  
For the year ended 31 December 2020**

---

**2. Accounting policies (continued)**

**2.3 Going concern (continued)**

The terms on which the United Kingdom will continue to trade with the European Union are now determined. The directors have taken all reasonable steps necessary to mitigate the associated risks and have strong plans in place so that we can continue to maintain our operational and financial performance.

**2.4 Consolidated financial statements**

The company is a wholly-owned subsidiary of Mondelez International Inc., and is included in the financial statements of Mondelez International Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 401 of the Companies Act 2006.

These financial statements are the company's separate financial statements (FRS 102, 9.27(a)).

**2.5 Related party transactions**

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned (FRS 102 paragraph 33.1A).

**2.6 Taxation**

Tax on loss for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

**(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The company is part of a UK tax group for the purposes of group relief, whereby current taxable profits can be offset by current taxable losses of related companies in the same tax group. Where group relief is claimed, payment for these losses is made by the claimant company to the surrendering company equal to the tax benefit.

**(ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Notes to the financial statements**  
**For the year ended 31 December 2020**

---

**2. Accounting policies (continued)**

**2.7 Investments**

Investments in subsidiary and group undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

**Impairment**

At each financial year end assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss within the Statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in profit or loss within the Statement of comprehensive income, within administrative expenses, aligned to where the original charge was recognised.

**2.8 Foreign currency translation**

**(i) Functional and presentation currency**

The company's functional and presentation currency is the US Dollar (USD).

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

**Notes to the financial statements  
For the year ended 31 December 2020**

---

**2. Accounting policies (continued)**

**2.9 Financial instruments**

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including intercompany receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including intercompany payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**2.10 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Bank charges are recognised in the period in which they are incurred.

**2.11 Cash pooling**

The company meets its day-to-day working capital requirements through a combination of loans and through access to funds as part of the Mondelez International group's cash pooling arrangement, of which Mondelez International Finance AG (MIF), a related company based in Switzerland, is the pool leader. Under the cash pooling arrangements, there is no cash held by the company - all balances are deposited in the cash pool at the end of business on each day. The company therefore has a \$NIL cash balance.

The value of the current facility is \$NIL (2019 - \$127, presented within amounts owed to group undertakings within creditors). There are not considered to be limits to the available facility within the normal course of business. This is agreed as a rolling facility which is an integrated part of the Mondelez International Inc. group operations.



**Notes to the financial statements**  
**For the year ended 31 December 2020**

---

**3. Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the year, the company recapitalised its subsidiary Cadbury CIS B.V. via a further investment in that entity, to enable it to settle its creditors. The investment was subsequently impaired to \$NIL as the resulting net assets of Cadbury CIS B.V. were \$NIL.

**4. Operating loss**

The operating loss is stated after charging

	2020 \$	2019 \$
Impairment of investments (note 8)	2,241,124	-
Write off of debtors	21	-
	<u>2,241,145</u>	<u>-</u>

The directors are remunerated for their services to the group as a whole and not for their specific services to the company. The directors did not receive any emoluments for their services as directors of the company during the year (2019 - \$NIL). The directors were remunerated by other group companies and no recharges were paid nor are payable for their services. It is not possible to apportion the proportion of the directors' work that was done for the company. Directors' remuneration is disclosed in full within the consolidated annual report of Mondelez International, Inc.

All administrative costs of the company are borne on behalf of the UK group by a fellow subsidiary undertaking and not recharged to the company. An estimated allocation of the audit fee for the year is \$3,000 (2019 - \$4,000) and includes audit related services in relation to reporting to the entity's ultimate parent company. There were no amounts paid to the auditors in respect of non-audit fees in either year.

No staff are employed by the company (2019 - None). All activities relating to the company are performed by staff employed by other companies within the group. There are no recharges payable by the company for these activities and hence it is not possible to determine the related employee costs. Employee costs are disclosed in full within the consolidated annual report of Mondelez International, Inc.

**5. Income from shares in group undertakings**

	2020 \$	2019 \$
Dividend received from Cadbury Russia Two Limited	1,073	-
	<u>1,073</u>	<u>-</u>

---

**Notes to the financial statements**  
**For the year ended 31 December 2020**

---

**6. Interest payable and similar expenses**

	2020 \$	2019 \$
Bank charges	53	54
Interest payable to group undertakings	1	3
	<u>54</u>	<u>57</u>

**7. Tax on loss**

	2020 \$	2019 \$
<b>Current tax</b>		
Current tax on loss for the year	(10)	(11)
<b>Total current tax</b>	<u>(10)</u>	<u>(11)</u>
<b>Tax on loss</b>	<u>(10)</u>	<u>(11)</u>
<b>Factors affecting tax credit for the year</b>		

The tax assessed for the year is higher than (2019 - the same as) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 \$	2019 \$
Loss before tax	<u>(2,240,126)</u>	<u>(57)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	(425,624)	(11)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	425,818	-
Non-taxable income	(204)	-
<b>Total tax credit for the year</b>	<u>(10)</u>	<u>(11)</u>

**Notes to the financial statements  
For the year ended 31 December 2020**

---

**7. Tax on loss (continued)****Factors that may affect future tax charges**

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19% and this was effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by the Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of corporation tax, maintaining the current rate of 19%.

On 3 March 2021, the UK Budget 2021 announcements included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

**8. Investments**

The following were subsidiary undertakings and group undertakings of the company:

Name	Registered Office	Principal activity	Holding
Cadbury CIS B.V.	Wilhelminakanaal Zuid 110, 4903 RA, Oosterhout, Netherlands	In liquidation	100%
Cadbury Russia Two Limited	Cadbury House, Sanderson Road, Uxbridge, Middlesex, UB8 1DH	In liquidation	100%

During the year, the company recapitalised its subsidiary Cadbury CIS B.V. via a further investment in that entity, to enable it to settle its creditors. The investment was subsequently impaired to \$NIL as the resulting net assets of Cadbury CIS B.V. were \$NIL.

The investment held in Cadbury CIS B.V. is incorporated in the Netherlands and the investment held in Cadbury Russia Two Limited is incorporated in England and Wales. Both are for 100% of the equity share capital. The carrying value of these investments is \$NIL (2019 - \$NIL).

**9. Dividends**

A purported dividend of \$892 declared on 10<sup>th</sup> December 2020 and paid on 14<sup>th</sup> December 2020 was not supported by available distributable reserves at the time. The dividend was reversed in the statutory financial statements for the year ended 31<sup>st</sup> December 2020, which instead show the \$892 as a receivable from the parent company, Brentwick Limited. This amount was received from Brentwick Limited on 26<sup>th</sup> July 2021.

**10. Debtors**

	2020 \$	2019 \$
Amounts owed by group undertakings	892	-
Current tax asset	-	11
	<u>892</u>	<u>11</u>

**Notes to the financial statements**  
**For the year ended 31 December 2020**

---

**10. Debtors (continued)**

A purported dividend of \$892 declared on 10<sup>th</sup> December 2020 and paid on 14<sup>th</sup> December 2020 was not supported by available distributable reserves at the time. The dividend was reversed in the statutory financial statements for the year ended 31<sup>st</sup> December 2020, which instead show the \$892 as a receivable from the parent company, Brentwick Limited. This amount was received from Brentwick Limited on 26<sup>th</sup> July 2021.

**11. Creditors: amounts falling due within one year**

	2020 \$	2019 \$
Amounts owed to group undertakings	-	127
	<u>-</u>	<u>127</u>

Amounts owed to group undertakings include non-trading balances which are unsecured and repayable on demand. Loans are charged interest at the market reference rate of overnight deposit plus 0.375% (2019 - market reference rate of overnight deposit plus 0.375%).

**12. Called up share capital**

	2020 \$	2019 \$
<b>Authorised, issued, called up and fully paid</b>		
2,001 (2019 - 1,001) Ordinary shares of \$1 each	2,001	1,001
164 (2019 - 164) Ordinary shares of £1 each	256	256
	<u>2,257</u>	<u>1,257</u>

On 10 December 2020, 1,000 ordinary shares of \$1 each were issued at a premium of \$2,240.12 per share.

**13. Controlling party**

At 31 December 2020 the immediate parent company was Brentwick Limited.

At 31 December 2020 the company's ultimate parent company and controlling party was Mondelez 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 Mondelez International Inc. are available on application from the company secretary, Cadbury House, Sanderson Road, Uxbridge, UB8 1DH.