

Registered Number 3006768

Cadbury Russia Limited

Annual Report and Accounts
for the 53 weeks ended 2 January 2005

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COMPANIES HOUSE

CADBURY RUSSIA LIMITED

Directors and advisors

Directors

D Blakemore
J G Fulton
J M Mills
R Moore
C W Orchard
S C Strachota

Secretary

J E Hudspith

Registered office

25 Berkeley Square
London
W1J 6HB

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

CADBURY RUSSIA LIMITED

Report of the Directors

For the 53 weeks ended 2 January 2005

The Directors present their report, together with the audited financial statements of Cadbury Russia Limited (the 'Company'), for the 53 weeks ended 2 January 2005 (the 'year').

Review of the business and principal activities

The Company's ultimate holding company is Cadbury Schweppes plc. The principal activity of the Company is that of a holding company.

During the year the Company transferred its Cadbury and Dandy businesses in the CIS and the Baltic State Territories (all Former Soviet Union Republics) to Cadbury CIS BV, a wholly owned subsidiary of the Company based in Holland. The Company retains its investments in both Cadbury CIS BV and Dirol Cadbury LLC and made an additional capital investment into Dirol Cadbury LLC of US\$52,785,000 in the year.

Results and dividends

The loss on ordinary activities for the financial year, after taxation, was US\$1,814,000 (2003: loss US\$663,000). The Directors do not recommend the payment of a final dividend (2003: US\$ nil).

Future prospects

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

Directors and their interests

The Directors at the date of this report are as stated on page 1. Subsequent to the year end C Magol resigned as a Director of the Company on 11 February 2005, D C Foster resigned as a Director of the Company on 22 February 2005 and C W Orchard, T D Owen, G T Slater and S C Strachota were appointed as Directors of the Company on 22 February 2005. T D Owen resigned as a Director of the Company on 15 April 2005 and G T Slater resigned as a Director of the Company on 9 June 2005. D Blakemore, J G Fulton, J M Mills and R Moore were appointed as Directors of the Company on 24 June 2005.

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

	Ordinary shares of 12.5p each	
	29 December 2003	2 January 2005
D C Foster	10,815	14,355
C Magol	30,740	63,408

CADBURY RUSSIA LIMITED

Report of the Directors

For the 53 weeks ended 2 January 2005

Directors and their interests (continued)

The following Directors have been granted options under the Cadbury Schweppes plc Savings-Related Share Option Scheme 1982.

Number of ordinary shares over which options were granted:

	Movement in the year			2 January 2005
	29 December 2003	Granted during year	Exercised during year	
D C Foster	5,700	939	808	5,831
C Magol	7,495	-	4,174	3,321

The following Directors have been granted options under the Cadbury Schweppes plc Share Option Plan 1994.

Number of options over ordinary shares granted:

	Movement in the year			2 January 2005
	29 December 2003	Granted during year	Exercised during year	
D C Foster	91,364	-	6,364	85,000
C Magol	127,994	-	28,494	99,500

The following Director has been granted options under the Cadbury Schweppes plc Share Option Plan 2004.

Number of options over ordinary shares granted:

	Movement in the year			2 January 2005
	29 December 2003	Granted during year	Exercised during year	
D C Foster	-	12,250	-	12,250

The following Director has been granted options under the Cadbury Schweppes plc New Issue Share Option Plan 2004.

Number of options over ordinary shares granted:

	Movement in the year			2 January 2005
	29 December 2003	Granted during year	Exercised during year	
C Magol	-	12,750	-	12,750

CADBURY RUSSIA LIMITED

Report of the Directors (continued)

For the 53 weeks ended 2 January 2005

In respect of share options granted for each of the above mentioned schemes, the range of exercise prices and the periods within which the options are normally exercisable are shown in the Report & Accounts and Form 20-F of Cadbury Schweppes plc.

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

Policy on payment to suppliers

The Company adheres to the CBI Prompt Payers Code whereby the policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. The Company has no trade creditors at the year-end.

Auditors

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

16 January 2006

25 Berkeley Square
London
W1J 6HB

By order of the Board,



J E Hudspith
Secretary

CADBURY RUSSIA LIMITED

Statement of Directors' responsibilities

For the 53 weeks ended 2 January 2005

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

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

The Directors consider that in preparing the financial statements the Company has used appropriate accounting policies that have been consistently applied and supported by reasonable and prudent judgements and estimates. All accounting standards that the Directors consider applicable, have been followed subject to any material departures disclosed and explained in the financial statements.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors have general responsibilities for the system of internal control and for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors' report

Independent auditors' report to the members of Cadbury Russia Limited

We have audited the financial statements of Cadbury Russia Limited for the 53 weeks ended 2 January 2005 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet, and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

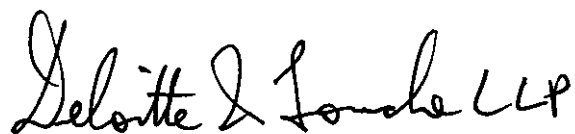
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 2 January 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985



Deloitte & Touche LLP
Chartered Accountants & Registered Auditors
London

16 January 2006

CADBURY RUSSIA LIMITED

Profit and loss account

Reconciliation of movements in shareholders' funds

For the 53 weeks ended 2 January 2005 (note 2)

Profit and loss account	Notes	2004 US\$'000	2003 US\$'000
Other operating income	4	1,013	1,415
Operating expenses	5	(2,830)	(1,744)
Operating loss		(1,817)	(329)
Net interest	7	3	(334)
Loss on ordinary activities before taxation		(1,814)	(663)
Taxation on loss on ordinary activities	8	-	-
Loss for the year		(1,814)	(663)
Retained loss at beginning of year		(184,324)	(183,661)
Retained loss at the end of the year		<u>(186,138)</u>	<u>(184,324)</u>

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

All operations of the Company continued throughout both years.

Reconciliation of movements in shareholders' funds	2004 US\$'000	2003 US\$'000
Equity shareholders' deficit at beginning of year	(129,795)	(129,132)
Retained loss for the year	(1,814)	(663)
Equity shareholders' deficit at the end of the year	<u>(131,609)</u>	<u>(129,795)</u>

CADBURY RUSSIA LIMITED

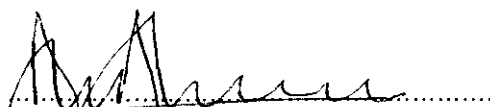
Balance sheet

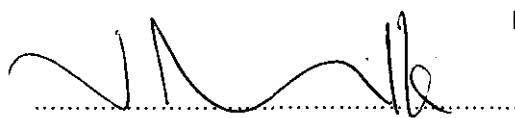
As at 2 January 2005 (note 2)

	Notes	2004 US\$'000	2003 US\$'000
Fixed assets			
Intangible assets	9	-	-
Investments	10	52,785	-
		<u>52,785</u>	<u>-</u>
Current assets and liabilities			
Debtors	11	596	10,629
Cash at bank and in hand		1,105	583
		<u>1,701</u>	<u>11,212</u>
Creditors: amounts falling due within one year	12	(6,209)	(7,746)
Net current (liabilities)/assets		<u>(4,508)</u>	<u>3,466</u>
Creditors: amounts falling due after more than one year	13	(179,886)	(133,261)
Net liabilities		<u>(131,609)</u>	<u>(129,795)</u>
Equity Capital and Reserves			
Called-up share capital	14	54,529	54,529
Profit and loss account		(186,138)	(184,324)
Equity shareholders' funds		<u>(131,609)</u>	<u>(129,795)</u>

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

Signed on behalf of the Board


D W Blakemore


J M Mills

Directors

16 January 2006

CADBURY RUSSIA LIMITED

Notes to accounts

1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounts are prepared in US Dollars, being the functional currency of the Company.

b) Financial year

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

c) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into US dollars at the year end at the forward rate when covered by an open foreign exchange contract. Assets and liabilities expressed in foreign currencies for which no forward rates have been contracted at the year end are translated at the middle market rate ruling at that date.

All profits and losses arising on the translation or revaluation of foreign currency assets, liabilities and forward contracts are recognised immediately in the profit and loss account.

For monetary assets and liabilities denominated in foreign currencies which have been hedged by a forward foreign exchange contract, an asset or liability is recognised in the balance sheet on the date the transaction was entered into, being the revaluation of the forward foreign exchange contract at the applicable spot rate. This balance is amortised to the profit and loss account over the period to maturity of the forward foreign exchange contract.

d) Off balance sheet contracts

Off balance sheet contracts are entered into for hedging and trading purposes. Off balance sheet hedging contracts are accounted for in a manner consistent with the underlying asset or liability. All premiums paid on the purchase of options relating to hedging transactions are amortised to the profit and loss account on a straight line basis over the period to maturity of the contract. Off balance sheet hedging contracts which cease to act as effective hedges and off balance sheet trading contracts are valued at the lower of cost or market value with all unrealised losses being taken to the profit and loss account

e) Taxation

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

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

CADBURY RUSSIA LIMITED

Notes to accounts (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

f) Intangible and Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off over its useful economic life. Provision is made for any permanent impairment.

g) Investments

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

h) Cash flow statement

In accordance with the provision of Financial Reporting Standard No.1, the Company has not prepared a cash flow statement because its parent company, Cadbury Schweppes plc, which is incorporated Great Britain and registered in England and Wales, has prepared consolidated accounts which include the financial statements of the Company for the period and which are publicly available.

2 Accounts

As permitted by the Companies Act 1985 the Company, being a wholly owned subsidiary of a Company incorporated in Great Britain, does not prepare group accounts. The results of the Company are included in the audited financial statements of Cadbury Schweppes plc for the year ended 2 January 2005. The Company is therefore exempt from the requirements to prepare Group accounts under Section 228 of the Companies Act 1985. These financial statements present information about the Company as an individual undertaking and not as a group.

The profit and loss accounts cover the 53 weeks from 29 December 2003 to 2 January 2005 and the 52 weeks from 30 December 2002 to 28 December 2003. The balance sheets for 2004 and 2003 have been drawn up at 2 January 2005 and 28 December 2003 respectively.

3 Parent undertaking

The Company's controlling and ultimate parent undertaking is Cadbury Schweppes plc, a company incorporated in Great Britain and registered in England and Wales. This is also the largest and smallest group in which the results of the company are consolidated. Copies of the Group financial statements of Cadbury Schweppes plc are available from 25 Berkeley Square, London W1J 6HB.

The Company's immediate parent undertaking is Berkeley Square Investments Limited.

The Company had net liabilities of US\$131,609,000 at 2 January 2005.

As a subsidiary of Cadbury Schweppes plc the Company has taken advantage of the exemption in FRS8: "Related party disclosures" not to disclose transactions with other members of the group headed by Cadbury Schweppes plc.

CADBURY RUSSIA LIMITED

Notes to accounts (continued)

4 Other operating income

	2004 US\$'000	2003 US\$'000
Gain on foreign exchange contract	1,666	1,896
Loss on foreign exchange contract	(653)	(481)
Net gain on foreign exchange contract	<u>1,013</u>	<u>1,415</u>

The comparative 2003 other operating income figure has been adjusted to reflect the net gain of foreign exchange contract to be on a comparable basis to 2004.

5 Operating expenses

	2004 US\$'000	2003 US\$'000
Distribution costs including marketing	(133)	(141)
Administrative expenses	(2,019)	(1,407)
Management charges	(678)	(677)
Adjustment in current year (see note 4)		481
	<u>(2,830)</u>	<u>(1,744)</u>

The Company paid audit fees of US\$55,000 in 2004 (2003: US\$22,000).

In the current year the Company had no employees, hence excluding the Directors' emoluments listed below the employee expenses in the current and prior year were \$nil.

6 Directors' emoluments

The Directors are remunerated by Cadbury Schweppes plc for their services to the Group as a whole. No remuneration was paid to them specifically in respect of Cadbury Russia Ltd, with the exception of one director (2003: two) who received emoluments (excluding pension contributions) from Cadbury Schweppes plc in respect of Cadbury Russia Limited during the year ended 2 January 2005 of US\$259,890 (2003: US\$274,700). One of these directors participated in a defined benefit pension plan in 2004 (2003: one). Two of these directors exercised share options during 2004/3 as disclosed in the directors' report (2003: one).

Emoluments including bonus and benefits of the highest paid Director were US\$259,890 (2003: US\$225,544). At year end, the accrued pension under the Company's defined benefit scheme for the highest paid Director was US\$147,458 (2003 US\$108,441).

7 Net interest

	2004 US\$'000	2003 US\$'000
Interest receivable	17	-
Interest payable on bank loans and overdrafts	(14)	(334)
	<u>3</u>	<u>(334)</u>

CADBURY RUSSIA LIMITED

Notes to accounts (continued)

8 Taxation on loss on ordinary activities

	2004 US\$'000	2003 US\$'000
UK corporation tax	-	-
Total current tax	-	-

The table below relates the UK Corporation Tax rate applicable in each year to the effective rate obtained by computing the current tax charge as a percentage of profit before tax.

	2004 US\$'000	2003 US\$'000
Loss on ordinary activities before taxation	(1,814)	(663)
UK Corporation Tax at 30% (2003: 30%)	544	199
Capital allowances in excess of depreciation	4	19
Non deductible expenses	(203)	(208)
Losses surrendered for no consideration	(345)	(10)
Tax charge	-	-

The tax charge is expected to remain constant over future years.

9 Intangible fixed assets – goodwill

	2004 US\$'000	2003 US\$'000
Cost		
At beginning and end of year	13,750	13,750
Amortisation		
At beginning and end of year	(13,750)	(13,750)
Net book value		
At beginning and end of year	-	-

CADBURY RUSSIA LIMITED

Notes to accounts (continued)

10 Investments

	2004 US\$'000	2003 US\$'000
a) Analysis		
Cost		
Shares in subsidiary undertakings	115,209	62,424
Loans to subsidiary undertakings	34,528	34,528
Capital contribution to subsidiary undertakings	42,151	42,151
	<u>191,888</u>	<u>139,103</u>
Provision for impairment		
At beginning and end of year	(139,103)	(139,103)
	<u>52,785</u>	<u>-</u>
Net book value		

b) The principal subsidiary undertakings of the Company, all of which are owned directly by the Company are as follows:

Dirol Cadbury LLC – 55.6 %

Operation of confectionery factory, sale and distribution of confectionery products, incorporated in Russia.

Cadbury CIS BV – 100%

Distribution of confectionery, incorporated in the Netherlands.

Hawkfinch Trading BV – 100 %

Non trading company, incorporated in The Netherlands.

During 2004 the company invested a further US\$52,785,000 into its subsidiary Dirol Cadbury LLC in order to fund business expansion.

CADBURY RUSSIA LIMITED

Notes to accounts (continued)

11 Debtors

	2004 US\$'000	2003 US\$'000
Amounts owed by other Group undertakings	-	10,350
Other tax and social security	17	7
Other debtors	579	272
	<u>596</u>	<u>10,629</u>

All amounts are recoverable within one year.

12 Creditors: amounts falling due within one year

	2004 US\$'000	2003 US\$'000
Amounts owed to ultimate parent company	5,121	4,564
Amounts owed to other Group companies	1,030	1,043
Corporation tax	-	-
Accruals and deferred income	58	2,139
	<u>6,209</u>	<u>7,746</u>

13 Creditors: amounts falling due after more than one year

	2004 US\$'000	2003 US\$'000
Amounts owed to other Group companies - loans	179,886	133,261
	<u>179,886</u>	<u>133,261</u>

Loans owed to other Group undertakings are interest free and have no repayment dates.

14 Equity share capital

	2004 US\$'000	2003 US\$'000
Authorised:		
250 ordinary shares of £1 each	-	-
200,000,000 ordinary shares of US\$1 each	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
Allotted called-up and fully paid:		
164 ordinary shares of £1 each	-	-
54,528,344 ordinary shares of US\$1 each	54,529	54,529
	<u>54,529</u>	<u>54,529</u>