

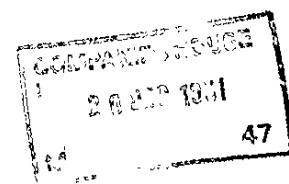
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CADBURY LIMITED

ANNUAL REPORT AND ACCOUNTS

1990



## CADBURY LIMITED

### Report of the Directors for the 52 weeks ended 29 December 1990

The directors submit their report and accounts of the Company for the 52 weeks ended 29th December 1990.

### Results and dividends

The profit on ordinary activities for the financial year, after taxation, was £66.1 million. The directors have declared an interim ordinary dividend amounting to £60.0 million and recommend that no final dividend should be paid. An amount of £6.1 million has been taken to reserves.

### Review of the business

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

The chocolate confectionery market increased by 3.0% in value in 1990 compared with 1989. Cadbury Limited further extended its position as market leader with a share increase of 2.3 percentage points to 30.9%. This improvement over 1989 contributes to an increased turnover of £565.8 million.

In the countline sector turnover growth of 20% in the year was led by Twirl and Crunchie. The technical problems that restricted production in 1989 were avoided, so contributing to this rapid growth. Cadbury Limited's dominance of the moulded sector was extended by strong performance from the key brand Cadbury's Dairy Milk giving a market share of about 50%. The Company's leading assortments, Milk Tray and Roses increased volume, with Roses extending its market leadership of the twist-wrapped sector. The seasonal ranges at both Easter and Christmas once again increased volume benefiting from continued successful innovation.

At the start of the year the Company acquired the assets and liabilities of Jameson Limited, a wholly owned fellow subsidiary of Cadbury Schweppes plc whose principal activity is manufacture and distribution of confectionery products from its base in North London. The integration of this business into Cadbury Limited is well advanced and will be completed during 1991.

The Company was committed to further investment in its manufacturing and distribution facilities, with £34 million spent on capital projects.

In 1990 Cadbury World was opened to the public on the Bournville site. This is a major leisure facility exhibiting the story of cocoa and chocolate.

CADEBURY LIMITED

Report of the Directors  
for the 52 weeks ended 29 December 1990

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

Ordinary shares of 25p each

No of shares	<u>29 December</u> <u>1990</u>	<u>Movement in the year</u>			<u>30 December</u> <u>1989 (or</u> <u>date of</u> <u>appointment)</u>
		<u>Granted</u>	<u>Exercised</u>	<u>Cancelled</u>	
F D Brooks	4,679	-	-	-	4,679
Dr R Bralsford	3,286	-	-	-	3,286
C S James	4,393	1,536	-	1,153	4,010
D J Kappler	NIL	-	-	-	NIL
C J Kent	6,117	3,381	1,191	2,041	5,968
G P Loosemore	9,498	4,610	2,979	4,038	11,905
D N Makin	3,669	1,536	-	1,153	3,286
J R Taylor	5,354	1,536	-	1,153	4,971
A P Williamson	8,043	3,073	4,336	2,307	11,613

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

Ordinary shares of, 25p each

No of shares	<u>29 December</u> <u>1990</u>	<u>Movement in the</u> <u>year</u>		<u>30 December</u> <u>1989 (or</u> <u>date of</u> <u>appointment)</u>
		<u>Granted</u>	<u>Exercised</u>	
F D Brooks	105,000	40,000	40,000	105,000
Dr R Bralsford	44,000	-	-	44,000
C S James	74,000	30,000	-	44,000
D J Kappler	52,000	52,000	-	NIL
C J Kent	50,000	17,000	-	33,000
G P Loosemore	54,000	18,000	-	36,000
D N Makin	85,000	20,000	-	65,000
J R Taylor	87,000	30,000	-	57,000
A P Williamson	65,000	19,000	-	46,000

No directors held preference shares in group companies.

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

CADBURY LIMITED

Report of the Directors  
for the 52 weeks ended 29 December 1990

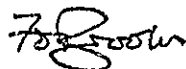
Post balance sheet events

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

Auditors

A resolution to re-appoint Coopers & Lybrand Deloitte as auditors will be put to the members at the annual general meeting.

ON BEHALF OF THE BOARD



F D BROOKS  
MANAGING DIRECTOR

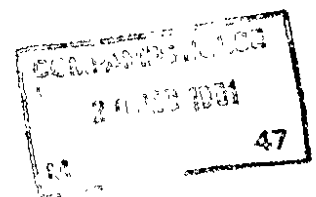
27 February 1991

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CALBURY LIMITED

ANNUAL REPORT AND ACCOUNTS

1990



CADBURY LIMITED

BOARD OF DIRECTORS

F D Brooks	Chairman & Managing Director
Dr R Bralsford	
N D Cadbury	
C S James	
C J Kent	
D J Kappler	
G P Loosemore	
D N Makin	
J R Taylor	
D G Wellings	
A P Williamson	

SECRETARY

J H Grennall

REGISTERED OFFICE

Bournville  
Birmingham  
B30 2LU

AUDITORS

Coopers & Lybrand Deloitte  
35 Newhall Street  
Birmingham  
B3 3DX

## CADBURY LIMITED

### Report of the Directors for the 52 weeks ended 29 December 1990

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

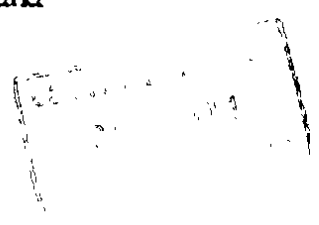
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CADBURY LIMITED

Report of the Directors  
for the 52 weeks ended 29 December 1990

Directors and their interests

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

S. R. Ward and N. S. Hawkins resigned from the board on 29 December 1990.

J R Taylor was appointed to the board on 5 March 1990.

Dr. R. Bralsford, D. N. Makin and C. S. James will retire from the board by rotation and, being eligible, will offer themselves for re-election.

The beneficial interests, as defined in the Companies Act 1985, of the directors at 29 December 1990 (other than directors who are also directors of Cadbury Schweppes plc), in group companies were as follows:-

Cadbury Schweppes plc ordinary shares of 25p fully paid

<u>No. of Shares</u>	<u>29 December 1990</u>	<u>30 December</u> <u>1989 (or at</u> <u>date of</u> <u>appointment)</u>
F D Brooks	9,528	528
Dr R Bralsford	3,660	3,548
C S James	3,371	3,371
D J Kappler	Nil	Nil
C J Kent	13,841	12,650
G P Loosemore	12,923	9,525
D N Makin	Nil	Nil
J R Taylor	25	25
A P Williamson	4,506	25

None of the directors at 29 December 1990 held any non-beneficial interests in shares of group companies.



CADBURY LIMITED

Report of the Directors  
for the 52 weeks ended 29 December 1990

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

Ordinary shares of 25p each

No of shares	<u>29 December</u> <u>1990</u>	<u>Movement in the year</u>			<u>30 December</u> <u>1989 (or</u> <u>date of</u> <u>appointment)</u>
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		<u>Granted</u>	<u>Exercised</u>	
F D Brooks	105,000	40,000	40,000	105,000
Dr R Bralsford	44,000	-	-	44,000
C S James	74,000	30,000	-	44,000
D J Kappler	52,000	52,000	-	NIL
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J R Taylor	87,000	30,000	-	57,000
A P Williamson	65,000	19,000	-	46,000

No directors held preference shares in group companies.

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

## CADBURY LIMITED

### Report of the Directors for the 52 weeks ended 29 December 1990

#### Fixed assets

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

#### Research and development

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

#### Disabled persons

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

#### Employee involvement

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

#### Charitable and political contributions

During the year the Company made contributions to charities totalling £39,882.

There were no political contributions.

CADBURY LIMITED

Report of the Directors  
for the 52 weeks ended 29 December 1990

Post balance sheet events

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

Auditors

A resolution to re-appoint Coopers & Lybrand Deloitte as auditors will be put to the members at the annual general meeting.

ON BEHALF OF THE BOARD



F D BROOKS  
MANAGING DIRECTOR

27 February 1991

REPORT OF THE AUDITORS

TO THE MEMBERS OF

CADBURY LIMITED

We have audited the accounts on pages 8 to 26 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the affairs of the Company at 29th December 1990 and of its profit and source and application of funds for the 52 weeks ended on that date, and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND DELOITTE  
Chartered Accountants  
Birmingham

27 February, 1991

CADBURY LIMITED

PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 29th December 1990

	Notes	1990 £000	1989 £000
TURNOVER			
Cost of sales	4	565,827 (383,080)	487,808 (334,053)
GROSS PROFIT		182,747	153,755
Distribution costs, including marketing		(79,404)	(73,046)
Administrative expenses		(36,068)	(33,248)
		67,275	47,461
Other operating income		1,400	125
Other operating charges		(1,685)	(3,519)
TRADING PROFIT	5	66,990	44,067
Interest receivable	9	8	2,398
Interest payable and similar charges	10	(1,774)	(2,409)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	65,224	44,056
Tax on profit on ordinary activities	11	869	(14,963)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		66,093	29,093
Dividends	12	(60,000)	(29,000)
TRANSFER TO RESERVES		6,093	93
STATEMENT OF RETAINED PROFITS			
Retained profit at beginning of the year		82,003	81,910
Transfer to reserves		6,093	93
Retained profit at end of the year		88,096	82,003

The notes on pages 11 to 26 form part of these accounts.

Auditors' report on page 7.

CADBURY LIMITED

BALANCE SHEET AT 29TH DECEMBER 1990

	Notes	1990 £000	1989 £000
<b>FIXED ASSETS</b>			
Tangible fixed assets	13	189,505	155,753
Investments		16	16
		<u>189,521</u>	<u>155,769</u>
<b>CURRENT ASSETS</b>			
Stocks	14	86,743	69,153
Debtors	15	82,689	77,472
Cash at bank and in hand		7,029	11,237
		<u>176,461</u>	<u>157,862</u>
Creditors: Amounts falling due within one year	17	(177,355)	(171,514)
<b>NET CURRENT (LIABILITIES)</b>		<u>(894)</u>	<u>(13,652)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>188,627</u>	<u>142,117</u>
Creditors: Amounts falling due after more than one year	18	(50,539)	(26,302)
Provisions for liabilities and charges	19	(4,943)	(3,137)
		<u>(55,482)</u>	<u>(29,439)</u>
		<u>133,145</u>	<u>112,678</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	30,675	30,675
Revaluation reserve	21	14,374	—
Profit and loss account		88,096	82,003
		<u>133,145</u>	<u>112,678</u>

The accounts on pages 8 to 26 were approved by the board of directors on 27 February 1991, and were signed on their behalf by:

*F. D. Brooks*  
F. D. BROOKS,  
MANAGING DIRECTOR

The notes on pages 11 to 26 form part of these accounts.

Auditors' report page 7.

CADBURY LIMITED

Statement of source and application of funds  
for the 52 weeks ended 29th December 1990

	<u>1990</u> £000	<u>1989</u> £000
<b>SOURCE OF FUNDS</b>		
Profit on ordinary activities before taxation	65,224	44,056
Depreciation	18,672	18,905
Provision for pension liabilities	1,806	3,137
Total generated from operations	<u>85,702</u>	<u>66,098</u>
Disposal of tangible fixed assets (net book value)	209	544
Total source of funds	<u>85,911</u>	<u>66,642</u>
<b>APPLICATION OF FUNDS:</b>		
Dividends paid	89,000	59,000
Tax paid, including group relief	16,758	27,625
Purchase of tangible fixed assets	38,259	59,951
Purchase of investment	-	16
	<u>144,017</u>	<u>146,592</u>
<b>INCREASE/DECREASE IN WORKING CAPITAL:</b>		
Increase in stocks	17,590	11,634
Increase in debtors	13,868	5,512
Increase in creditors	(39,181)	(3,750)
	<u>(2,723)</u>	<u>13,396</u>
Total application of funds	<u>141,294</u>	<u>159,988</u>
Net (outflow) of funds	(55,383)	(93,346)
Net (borrowings)/funds at beginning of year	(20,247)	73,099
Net (borrowings) at end of year	<u>(75,630)</u>	<u>(20,247)</u>
<b>REPRESENTING:</b>		
Variable loan (from)/ to Cadbury Schweppes Finance Ltd	(20,734)	14,048
Current obligations and advances - finance leases	(11,523)	(19,373)
Non current obligations - finance leases	(44,870)	(26,159)
Loan from Cadbury Schweppes plc	(5,532)	-
Cash and bank balances	7,029	11,237
	<u>(75,630)</u>	<u>(20,247)</u>

The notes on pages 11 to 26 form part of these accounts

Auditors' report page 7.

CADEURY LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

1 Accounting Policies

Accounting convention

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

Financial year

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

Foreign currencies

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

Turnover

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

Research and development expenditure

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

Deferred taxation

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

The broad categories of timing differences are:

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

Auditors' report page 7.



CADBURY LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

Stocks and Work in Progress

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

Tangible fixed assets

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

Buildings	40	years
Plant	10	years
Vehicles	5 to 8	years
Office Equipment	5	years
Computer software	5	years

In specific cases, higher depreciation rates are used, eg. for high speed machinery, machinery subject to technological changes, and machinery with a high obsolescence factor. Land is not depreciated.

Fixed assets held under leases

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included in an obligation under finance leases.

Depreciation on leased assets is charged to the profit and loss account on the same basis as shown above.

Leasing payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account.

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

Auditors' report page 7.

CADBURY LIMITED  
NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

Government Grants

Grants received are shown as deferred income and credited to the profit and loss account in equal amounts over the expected lives of the assets to which they relate. This is a change to the policy adopted in previous years in order to comply with the Companies Act 1989 and SSAP4 (Revised). The impact of the charge on the profit and loss account is nil (1989 nil).

Revaluation of Properties

Freehold properties are revalued every five years and the surplus/deficit in book value included as a movement in revaluation reserves. In subsequent years transfers are made to retained profits in order to amortise the surplus/deficit over the remaining useful lives of the properties. On disposal the difference between the proceeds and the amortised original cost is taken to the profit and loss account.

Pensions

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

2. Financial statements

The profit and loss account covers the 52 weeks from 31 December 1989 to 29 December 1990 and the balance sheets for 1989 and 1990 have been drawn up at 30 December 1989 and 29 December 1990 respectively.

3. Ultimate Holding Company

The Company's ultimate holding company is Cadbury Schweppes plc incorporated in England.

Auditors' report page 7.

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

4. Turnover and profit on ordinary activities before taxation

	<u>1990</u>	<u>1989</u>
	<u>£000</u>	<u>£000</u>
Turnover comprises:		
Sales to third parties	506,517	444,861
Sales to fellow subsidiary companies	59,310	42,947
	<u>565,827</u>	<u>487,808</u>

Sales and profits principally arose from the manufacture and sale of confectionery products within the United Kingdom.

5. Trading Profit

Trading profit is after charging and (crediting):	<u>1990</u>	<u>1989</u>
	<u>£000</u>	<u>£000</u>
Directors' emoluments	1,422	1,190
Employees' emoluments	105,740	89,151
Depreciation on owned assets	11,429	9,483
Depreciation on assets under finance leases	7,243	9,162
Hire of plant and machinery - operating leases	3,229	2,778
Properties - operating leases	300	300
Auditors' remuneration	65	60
Loss on disposal of fixed assets	130	382
Research and development expenditure	3,566	3,228
Government Grants	(95)	(114)

6. Pension arrangements

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

The schemes are of the defined benefit type and the assets are held in external funds administered by trustees and managed professionally. Full valuations are carried out every two years by independent actuaries on the projected unit method for the Cadbury Schweppes Pension Fund (the Main Fund) and on the projected benefit method for the Cadbury Schweppes Supplementary Scheme (the Supplementary Scheme), and contribution rates determined accordingly.

Auditors' report page 7.

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

The latest full valuations of the Main Fund and the Supplementary Scheme were made as at 5 April 1990: at that date the market value of the assets of the Main Fund was £520 million and the Supplementary Scheme £30 million, and the level of funding on an actuarial basis was 122%. The principal assumptions were as follows:-

	<u>Rate per annum (%)</u>
Rate of return on new investment	9½
Earnings increase	7
Pensions increase	5
Growth of dividends and rents	5

Credit for the estimated surplus on the Main Fund as at December 1989 has been spread over the remaining service lives of the existing employees. Accordingly the total pension costs borne by the Company amounted to £1,806,000.

Following advice from the actuaries, the trustees of the Main Fund decided that no contributions were required from the Company for the present and, accordingly, the provision of £4,943,000 (1989; £3,137,000) shown in the balance sheet represents the excess of pension costs over the amounts actually contributed to the external funds of the group schemes.

7. Directors' emoluments

	<u>1990</u>	<u>1989</u>
	<u>£000</u>	<u>£000</u>
As directors:		
Management remuneration including pension contributions	<u>1,422</u>	<u>1,190</u>

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

Cadbury Schweppes plc have charged the Company for the cost of their services.

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

	<u>1990</u>	<u>1989</u>
Emoluments of the highest paid director (excluding pension contributions)	<u>£116,399</u>	<u>£102,356</u>
Emoluments of the Chairman	<u>£Nil</u>	<u>£Nil</u>

F. D. Brooks was elected Chairman on 29 December 1990, replacing D. G. Wellings.

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

	<u>1990</u>	<u>1989</u>
	<u>Number</u>	<u>Number</u>
£0 to £5,000	1	4
£15,001 to £20,000	-	1
£25,001 to £30,000	-	1
£35,001 to £40,000	-	1
£55,001 to £60,000	1	-
£60,001 to £65,000	1	1
£65,001 to £70,000	3	1
£70,001 to £75,000	1	2
£75,001 to £80,000	1	1
£85,001 to £90,000	2	2
£90,001 to £95,000	-	1
£110,001 to £115,000	1	-

8. Employees and emoluments

	<u>1990</u>	<u>1989</u>
	<u>Number</u>	<u>Number</u>
The average number of employees employed by the Company was:		
Production	5,514	5,036
Distribution, selling and marketing	901	917
Administration	590	577
	<u>7,005</u>	<u>6,530</u>

Auditors' report page 7.

CADBURY LIMITED  
NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

	<u>1990</u> £000	<u>1989</u> £000
Employees' emoluments comprised:		
Wages and salaries	95,103	78,927
Social security costs	7,669	6,492
Other pension costs	2,968	3,732
	<u>105,740</u>	<u>89,151</u>

	<u>1990</u> £000	<u>1989</u> £000
<u>9. Interest receivable</u>		
External loans	8	-
Inter-company	-	2,398
	<u>8</u>	<u>2,398</u>

	<u>1990</u> £000	<u>1989</u> £000
<u>10. Interest payable and similar charges</u>		
Inter-company interest payable	600	-
External loans repayable within 5 years	135	66
Finance leases repayable within 5 years	462	614
Finance leases not repayable within 5 years	539	1,701
Bank overdrafts	38	28
	<u>1,774</u>	<u>2,409</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

11. Tax on profit on ordinary activities

	<u>1990</u> £000	<u>1989</u> £000
Corporation tax at 35% (1989 - 35%)	20,770	17,060
Group relief received free of charge	(20,770)	-
Deferred tax	(160)	(1,710)
	<u>(160)</u>	<u>15,290</u>
(Over)/under provision in prior periods:		
Corporation tax	(709)	(309)
Deferred tax	-	(18)
	<u>(869)</u>	<u>14,963</u>
(Credit)/Charge for the year		

The credit for taxation of £869,000 (1989: charge of £14,963,000) has been reduced by £1,500,000 (1989: £545,000) in respect of timing differences for which deferred tax has not been provided.

The balance of deferred taxation at 29 December 1990 has been calculated at 35% to take account of expected future mainstream corporation tax rates.

12. Dividends

	<u>1990</u> £000	<u>1989</u> £000
Interim dividend of 195.6p per share (1989:nil)	60,000	-
Final proposed dividend of nil (1989: 94.5p per share)	-	29,000
	<u>60,000</u>	<u>29,000</u>

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NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

13. Tangible fixed assets

	<u>Freehold land and buildings</u> £000	<u>Leasehold land and buildings</u> £000	<u>Plant and machinery</u> £000	<u>Assets in course of construction</u> £000	<u>Total</u> £000
COST OR VALUATION:					
At beginning of period	24,769	90	197,129	38,426	260,414
Transfer on completion of construction	6,217	-	44,428	(50,645)	-
Additions	-	-	-	33,894	33,894
Disposals	-	-	(2,647)	-	(2,647)
Transfers from other group companies	1,821	-	5,009	-	6,830
Revaluation adjustment	<u>12,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,421</u>
At end of period	<u>45,228</u>	<u>90</u>	<u>243,919</u>	<u>21,675</u>	<u>310,912</u>
DEPRECIATION:					
At beginning of period	1,498	9	103,154	-	104,661
Charge for period	444	5	18,223	-	18,672
Disposals	-	-	(2,438)	-	(2,438)
Transfers from other group companies	11	-	2,454	-	2,465
Revaluation adjustment	<u>(1,953)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,953)</u>
At end of period	<u>-</u>	<u>14</u>	<u>121,393</u>	<u>-</u>	<u>121,407</u>
NET BOOK VALUES:					
At end of period	<u>45,228</u>	<u>76</u>	<u>122,526</u>	<u>21,675</u>	<u>189,505</u>
At beginning of period	<u>23,271</u>	<u>81</u>	<u>93,975</u>	<u>38,426</u>	<u>155,753</u>

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NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

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

Land and buildings with a book value of £20.8 million were transferred from Cadbury Schweppes plc to Cadbury Limited on 1 January 1989. Certain of these assets had previously been revalued by Cadbury Schweppes plc. The original cost of these assets was £26.7 million. The transfer of the legal title to some of these properties from Cadbury Schweppes plc has not yet been completed.

The freehold land and buildings were professionally revalued either on an open market existing use basis or a depreciated replacement cost basis by Fuller Peiser and Gooch and Wagstaff as at 30 September 1990 and the revised valuations have been incorporated in the accounts. The leasehold land and buildings were not revalued.

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

	<u>1990</u> £000
Land and buildings at cost	32,807
Accumulated depreciation thereon	<u>(1,953)</u>
	<u>30,854</u>

Depreciation for the year has been calculated on the book values before taking into account the 1990 revaluation.

Finance leases

	<u>1990</u> £000	<u>1989</u> £000
Included in fixed assets are:		
Plant and machinery under finance leases	135,805	111,197
Assets held pending completion of lease	<u>1,609</u>	<u>12,711</u>
	137,414	123,908
Less accumulated depreciation	<u>(49,204)</u>	<u>(41,961)</u>
	<u>88,210</u>	<u>81,947</u>

During the year the expected remaining lifetime of certain leased assets, having a net book value of £21.5 million, was re-assessed. As a result the charge for depreciation in the year was reduced by £3,088,000. Auditors' report page 7.

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NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

<u>14. Stocks</u>	<u>1990</u> <u>£000</u>	<u>1989</u> <u>£000</u>
Raw materials and consumables	25,866	12,420
Work-in-progress	11,937	11,301
Finished goods and goods for resale	48,940	45,432
	<u>86,743</u>	<u>69,153</u>

<u>15. Debtors</u>	<u>1990</u> <u>£000</u>	<u>1989</u> <u>£000</u>
Trade debtors	60,230	48,595
Amounts owed by group companies		
- variable loan	-	14,048
- other	5,858	9,245
Loans to employees		
- receivable within one year	317	174
- receivable after more than one year	1,002	526
Other debtors	2,517	247
Prepayments and accrued income	11,170	3,439
Current corporation tax	133	-
Deferred tax, recoverable after more than one year (note 16)	1,462	1,198
	<u>82,689</u>	<u>77,472</u>

All amounts are receivable within one year unless otherwise indicated.

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NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

<u>16. Deferred taxation</u>	<u>1990</u> £000	<u>1989</u> £000
Deferred tax (assets)/provision at beginning of period:	(1,198)	530
Profit and loss account	(160)	(1,728)
Transfer from fellow subsidiary company	(104)	-
Deferred tax (assets) at end of period	<u>(1,462)</u>	<u>(1,198)</u>

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

	<u>1990</u> £000	<u>1989</u> £000
Not provided in accounts:		
Accelerated capital allowances	10,354	10,665
Finance leases	10,574	8,471
Properties	4,516	-
Other timing differences	375	-
	<u>25,819</u>	<u>19,136</u>
Provided in accounts:		
Short term timing differences	<u>(1,462)</u>	<u>(1,198)</u>
	<u>24,357</u>	<u>17,938</u>

CADBURY LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

17. Creditors: amounts falling due within one year

	<u>1990</u> £000	<u>1989</u> £000
Variable loan owed to Cadbury Schweppes Finance Ltd	20,734	-
Current obligations under finance leases	11,523	7,571
Advances pending finance lease completion	-	11,802
	<u>32,257</u>	<u>19,373</u>
Trade creditors	75,856	51,492
Amounts owed to Cadbury Schweppes plc	4,277	6,201
Amounts owed to other group companies	3,145	1,978
Current corporation tax	-	17,230
Other taxes and social security costs	29,058	23,531
Government Grants	165	260
Other creditors	70	556
Accruals and deferred income	32,527	21,893
Final dividend proposed	-	29,000
	<u>145,098</u>	<u>152,141</u>
	<u>177,355</u>	<u>171,514</u>

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

18. Creditors: amounts falling due after more than one year

	<u>1990</u> £000	<u>1989</u> £000
Wholly repayable within five years:		
Obligations under finance leases	31,535	22,038
Not wholly repayable within five years:		
Loan from Cadbury Schweppes plc	5,532	-
Obligations under finance leases	13,335	4,121
Other creditors	137	143
	<u>50,539</u>	<u>26,302</u>

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NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

19. Provision for liabilities and charges

	<u>1990</u> £000	<u>1989</u> £000
Provision for pension liabilities at beginning of period	3,137	-
Charge to profit and loss account	<u>1,806</u>	<u>3,137</u>
Provision for pension liabilities at end of period	<u>4,943</u>	<u>3,137</u>

At 29 December 1990 there is a deferred tax asset, which has been included in debtors (note 15). For details of the movement on the deferred tax asset see note 16.

20. Called up share capital

	<u>1990</u> £000	<u>1989</u> £000
Ordinary shares of £1 each: Authorised	<u>31,000</u>	<u>31,000</u>
Called up, allotted and fully paid	<u>30,675</u>	<u>30,675</u>

21. Revaluation Reserve

	<u>1990</u> £000	<u>1989</u> £000
Balance at beginning of year	-	-
Revaluation adjustment	<u>14,374</u>	-
Balance at end of year	<u>14,374</u>	-

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CADBURY LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

22. Commitments for capital expenditure

	<u>1990</u> £000	<u>1989</u> £000
Commitments for capital expenditure are estimated as follows:		
Contracted for but not provided in the accounts	4,328	8,330
Authorised by the board but not contracted for	24,276	18,869
	<u>28,604</u>	<u>27,199</u>

23. Commitments under finance leases

The future minimum lease payments to which the Company is committed under finance leases as at 29th December 1990 are as follows:

	<u>1990</u> £000	<u>1989</u> £000
Within one year	15,391	8,732
Two to five years	41,514	24,593
More than five years	18,366	4,573
	<u>75,271</u>	<u>37,898</u>
Less: finance charges allocated to future periods	(18,878)	(4,168)
	<u>56,393</u>	<u>33,730</u>
Advances under lease agreement	-	11,802
	<u>56,393</u>	<u>45,532</u>

Interest payable is at variable percentages based on LIBOR.

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NOTES TO THE ACCOUNTS - 29 DECEMBER 1990

24. Commitments under operating leases

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

	<u>Land and buildings</u> £000	<u>Other</u> £000	<u>Total</u> £000
Within one year	-	1,819	1,819
Two to five years	-	1,454	1,454
More than five years	300	-	300
	<u>300</u>	<u>3,273</u>	<u>3,573</u>

25. Contingent liabilities

- (a) The potential amount of deferred taxation calculated at expected future tax rates, not provided, is £24,357,000 (1989 - £17,938,000).
- (b) Indemnities have been given by the Company's bankers totalling £6,850,000 (1989 - £5,500,000).

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