

**COMPANY REGISTRATION NUMBER 00155256**

**CADBURY UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**TO 31 DECEMBER 2013**

FRIDAY



\*A3H92Y7E\*

A42

26/09/2014

#6

COMPANIES HOUSE

# **CADBURY UK LIMITED**

## **STRATEGIC REPORT**

**PERIOD ENDED 31 DECEMBER 2013**

The director has pleasure in presenting his strategic report for the period ended 31 December 2013.

### **Principal activities and business review**

The principle activity of the company during the period was that of a trademark owner. The company receives royalty income and incurs research and development costs, relating to these trademarks, from fellow Mondelez group subsidiaries. The company is also an employer of production employees and makes a recharge for their services to Mondelez UK Confectionery Production Limited.

Due to the straightforward nature of the business the company's director is of the opinion that a detailed analysis using additional Key Performance Indicators is not necessary for an understanding of the development, performance or position of the business.

### **Results and dividends**

The profit for the period, after taxation, amounted to £83,683,000 (2012 - £132,923,000) and includes £nil (2012 - £31,049,000) of other non-operating income as outlined in note 6.

The net assets of the company decreased to £186,143,000 (2012 - £694,855,000).

Dividends of £592,395,000 (2012 - £nil) were paid during the period. Particulars of these dividends are detailed in note 10 to the financial statements.

### **Principal risks and uncertainties**

As the company provides services to Mondelez UK Confectionery Production Limited and ultimately Mondelez Europe GmbH it has limited exposure to price risk, credit risk, liquidity risk and cash flow risk. These are not considered to be material for the assessment of the assets, liabilities and financial position of the company.

As a subsidiary of the Mondelez International Inc. the directors also consider the business risk and uncertainties to be minimal and are further detailed in the financial statements of the ultimate parent company, which are publicly available.

Signed by  
D Harding-Smith



Director

Approved by the director on 9 July 2014

# **CADBURY UK LIMITED**

## **DIRECTOR'S REPORT**

**PERIOD ENDED 31 DECEMBER 2013**

The director has pleasure in presenting his annual report and the audited financial statements of the company for the period ended 31 December 2013.

### **Dividends**

Particulars of dividends are detailed in the strategic report.

### **Future outlook**

The directors expect the business to continue in line with the current year.

### **Directors**

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

C Daw  
S Mabley  
D Harding-Smith

C Daw was appointed as a director on 1 January 2013.

S Mabley resigned as a director on 1 January 2013.

C Daw resigned as a director on 31 January 2014.

### **Qualifying indemnity provisions**

Qualifying third party indemnity provisions and pension scheme 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 2013.

### **Statement of director's responsibilities**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **CADBURY UK LIMITED**

## **DIRECTOR'S REPORT *(continued)***

**PERIOD ENDED 31 DECEMBER 2013**

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director at the date of the approval of this report confirms that:

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

### **Disabled employees**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **Employee policies and involvement**

It is the company's policy to ensure that no employee or job applicant is treated less favourably than another on the grounds of religion, sexual orientation, disability, race, creed, colour, nationality, ethnic or national origins, sex or marital status.

The company recognises the need to create and support a flexible working environment, incorporating where possible, family friendly policies.

The company believes in and supports the development of a working environment which encourages employee involvement in the business. Information about the company and its business is provided to all employees on matters likely to be of concern to them in team briefings, a company newsletter, an annual report and by other communications. Trade Union representatives and other employee groups regularly receive information about the business.

There are formal agreements with Trade Unions regarding consultation, discussion and negotiation. Joint consultative committees discuss safety and pension matters. Ad hoc consultative working parties consider particular issues.

# **CADBURY UK LIMITED**

## **DIRECTOR'S REPORT *(continued)***

**PERIOD ENDED 31 DECEMBER 2013**

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Signed by

D Harding-Smith

A handwritten signature in black ink, appearing to read 'D Harding-Smith', written in a cursive style.

Director

Approved by the director on 9 July 2014

# **CADBURY UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CADBURY UK LIMITED**

**PERIOD ENDED 31 DECEMBER 2013**

### **Report on the financial statements**

#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

#### **What we have audited**

The financial statements, which are prepared by Cadbury UK Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the period then ended;
- the note of historical cost profits and losses; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **CADBURY UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CADBURY UK LIMITED (continued)**

**PERIOD ENDED 31 DECEMBER 2013**

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

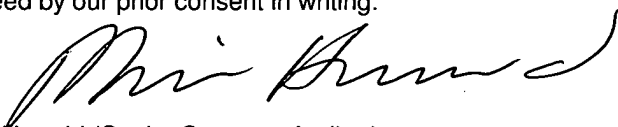
#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the statement of director's responsibilities set out on pages 2 to 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.



Phil Harrold (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Birmingham

11 July 2014

# CADBURY UK LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD ENDED 31 DECEMBER 2013

		Period from 30 Dec 12 to 31 Dec 13	Period from 1 Jan 12 to 29 Dec 12
	Note	£000	£000
<b>Turnover</b>	<b>2</b>	<b>153,438</b>	<b>139,090</b>
Cost of sales		(63,409)	(60,596)
<b>Gross profit</b>		<b>90,029</b>	<b>78,494</b>
Administrative expenses		(41,970)	(42,437)
Other operating income	<b>3</b>	<b>33,194</b>	<b>61,563</b>
<b>Operating profit</b>	<b>4</b>	<b>81,253</b>	<b>97,620</b>
Other non-operating income	<b>6</b>	—	31,049
		<b>81,253</b>	<b>128,669</b>
Interest receivable and similar income	<b>7</b>	<b>5,633</b>	<b>10,108</b>
Interest payable and similar charges	<b>8</b>	<b>(102)</b>	<b>—</b>
<b>Profit on ordinary activities before taxation</b>		<b>86,784</b>	<b>138,777</b>
Tax on profit on ordinary activities	<b>9</b>	<b>(3,101)</b>	<b>(5,854)</b>
<b>Profit for the financial period</b>		<b>83,683</b>	<b>132,923</b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 10 to 20 form part of these financial statements.



# **CADBURY UK LIMITED**

## **NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**PERIOD ENDED 31 DECEMBER 2013**

	<b>Period from 30 Dec 12 to 31 Dec 13 £000</b>	<b>Period from 1 Jan 12 to 29 Dec 12 £000</b>
Reported profit on ordinary activities before taxation	<b>86,784</b>	138,777
Realisation of gains recognised in previous periods	<b>(249)</b>	(249)
Historical cost profit on ordinary activities before taxation	<b><u>86,535</u></b>	<b><u>138,528</u></b>
Historical cost profit for the period after taxation	<b><u>83,434</u></b>	<b><u>132,674</u></b>

**The notes on pages 10 to 20 form part of these financial statements.**

# CADBURY UK LIMITED

## BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £000	2012 £000
<b>Fixed assets</b>			
Intangible assets	11	7,679	8,118
Tangible assets	12	135	141
Investments	13	31,049	31,049
		<u>38,863</u>	<u>39,308</u>
<b>Current assets</b>			
Debtors	14	193,287	694,488
Cash at bank		3	—
		<u>193,290</u>	<u>694,488</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(42,922)</u>	<u>(35,791)</u>
<b>Net current assets</b>		150,368	658,697
<b>Total assets less current liabilities</b>		<u>189,231</u>	<u>698,005</u>
<b>Provisions for liabilities</b>			
Other provisions	16	<u>(3,088)</u>	<u>(3,150)</u>
<b>Net assets</b>		<u>186,143</u>	<u>694,855</u>
<b>Capital and reserves</b>			
Called up share capital	18	49,675	49,675
Revaluation reserve	19	6,459	6,708
Profit and loss account	19	130,009	638,472
<b>Total shareholders' funds</b>	19	<u>186,143</u>	<u>694,855</u>

These accounts were approved and signed by the director and authorised for issue on 9 July 2014.



D Harding-Smith

Director

Company Registration Number: 00155256

The notes on pages 10 to 20 form part of these financial statements.

# **CADBURY UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 31 DECEMBER 2013**

### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable UK accounting standards.

The financial statements are also prepared on the going concern basis and in accordance with the Companies Act 2006. The principal accounting policies which have been applied consistently throughout the period are set out below.

The 2013 "Financial Year" is represented by the period from 30 December 2012 to 31 December 2013.

#### **Consolidation**

The company was, at the end of the period, a wholly-owned subsidiary of Mondelez International Inc., another company incorporated outside the EEA and in accordance with Section 401 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent, Mondelez International Inc., publishes a consolidated cash flow statement.

#### **Related parties transactions**

The company is a wholly owned subsidiary of Mondelez International Inc., the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Mondelez group.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced and accrued during the period.

#### **Other Operating Income**

Other operating income comprises amounts invoiced to Mondelez Europe GmbH. Income is recognised at the date of invoice.

#### **Intangible assets**

Purchased Intellectual Property is capitalised in the year in which it arises and amortised over its useful economic life.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Intellectual Property                      -     20 years

# CADBURY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

### 1. Accounting policies *(continued)*

#### **Tangible fixed assets**

Tangible fixed assets are stated at historic cost less accumulated depreciation except for certain assets which have been revalued as outlined within the revaluation reserve accounting policy on page 11. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 40 years
Plant & Machinery	- 3 - 20 years

Capital work in progress and freehold land are not depreciated.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

#### **Impairment**

The company carries out an impairment review of its intangible and tangible assets when a change in circumstances or situation indicates that those assets may have suffered an impairment loss. Impairment is measured by comparing the carrying amount of the asset with the recoverable amount of the associated income generating unit on a value-in-use basis. Value-in-use is calculated by discounting the expected future cash flows.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company is a participating employer in the Cadbury Pension Fund, a group operated defined benefit scheme for the benefit of the majority of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. As the company is not able to separately identify its share of the assets and liabilities of the group scheme it accounts for contributions as if they were to a defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account in the period to which they relate.

#### **Provisions for liabilities**

Provisions are recognised where there is a legal or constructive obligation to transfer economic benefits as a result of a past event. The effect of the time value of money on the provisions are not discounted unless material.

# **CADBURY UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 31 DECEMBER 2013**

### **1. Accounting policies *(continued)***

#### **Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains and losses on settled transactions are reported in the profit and loss account. Monetary assets and liabilities in foreign currencies have been expressed in sterling at the rates ruling at the end of the period, except when covered by an open foreign exchange contract in which case the rate of exchange specified in the contract is used, and any gains or losses reported in the profit and loss account.

#### **Financial instruments**

The company has no derivative financial instruments. Financial assets and liabilities are measured at historical cost.

#### **Investment in subsidiary undertakings**

Investments in subsidiary 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.

#### **Dividends**

Dividends are recognised as a liability in the period in which they are approved or committed.

#### **Revaluation reserve**

The Company adopted the transitional arrangements in FRS 15 'Tangible fixed assets' in 1999, and retained the book values of certain freehold properties that were revalued prior to implementation of that standard. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

#### **Taxation**

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

(i) Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

(ii) Deferred tax assets are recognised only to the extent that the directors consider that it is 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 UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

### 1. Accounting policies *(continued)*

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Turnover

All revenue arises from inter-company transactions within the Mondelez Inc. Group. The turnover for the financial year comprises royalty income of £90,189,000 (2012 - £79,285,000) and recharges made for the provision of employment services of £63,249,000 (2012 - £59,805,000).

### 3. Other operating income

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Other operating income	<u>33,194</u>	<u>61,563</u>

### 4. Operating profit

Operating profit is stated after charging:

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Director's remuneration	—	—
Amortisation of intangible assets	439	439
Depreciation of owned fixed assets	6	5
Services provided by the company's auditors:		
- Fees payable for the audit	—	—
Operating lease costs:		
- Plant and equipment	<u>—</u>	<u>2</u>

Operating lease costs include annual property lease charges of £5,413,000 (2012 - £4,976,000) that are recharged to other group companies.

The directors did not receive any emoluments for their services as directors of the company during the period. The directors were remunerated by other group companies and no recharges were made. It is not possible to apportion the proportion of the directors' work that was done for the company.

Audit fees for 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 £40,000 (2012 - £40,000) and includes audit related services in relation to reporting to the entity's ultimate parent company.

# CADBURY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

### 5. Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

	Period from 30 Dec 12 to 31 Dec 13 No	Period from 1 Jan 12 to 29 Dec 12 No
Number of production staff	<u>1,206</u>	<u>1,217</u>

The aggregate payroll costs of the above were:

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Wages and salaries	49,008	48,170
Social security costs	4,133	3,821
Other pension costs	10,472	9,751
	<u>63,613</u>	<u>61,742</u>

Other pension costs comprise contributions by the company to the Cadbury Pension Fund, a group operated defined benefit scheme of which Mondelez UK Holdings & Services Limited (formally Cadbury Holdings Limited) is the sponsoring employer. With respect to the defined benefit scheme the contributions they receive are based upon the pension cost of the schemes members across the Mondelez group of companies as a whole. Due to the impact of historic group restructuring and transfers of pension scheme members between group companies, the company is unable to separately identify its share of the underlying assets and liabilities of the scheme on either a consistent or reasonable basis therefore accounts for the scheme as a defined contribution plan.

#### Cadbury Pension Fund

The latest full actuarial valuation of the pension fund was carried out as at 5 April 2010 using the projected unit credit method.

At 31 December 2013 the company actuary estimated the Cadbury Pension Fund had a deficit of £249,900,000 (2012 - £387,300,000) under the projected unit credit method.

#### Defined Contribution Scheme

The company contributes to a defined contribution pension scheme and other pension arrangements. The cost to the company in relation to the defined contribution scheme was £201,849 (2012 - £69,128). There were no outstanding or prepaid contributions at the balance sheet date (2012 - £Nil).

### 6. Other non-operating income

Amounts owed to a fellow subsidiary of £31,049,000 were no longer required at the 2012 year end. It was confirmed with the counterparty that the balance is no longer due.

# CADBURY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

### 7. Interest receivable and similar income

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Interest on loans to group undertakings	<u>5,633</u>	<u>10,108</u>

### 8. Interest payable and similar charges

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Interest payable on bank borrowing	3	-
Interest on loans from group undertakings	<u>99</u>	<u>-</u>
	<u>102</u>	<u>-</u>

### 9. Tax on profit on ordinary activities

#### (a) Analysis of charge in the period

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
<b>Current tax:</b>		
<b>UK Taxation</b>		
Current period UK Corporation tax	3,101	2,691
Adjustments in respect of previous periods	-	3,163
Double taxation relief	(3,101)	(5,854)
<b>Foreign tax</b>		
Current tax on income for the period	<u>3,101</u>	<u>5,854</u>
Total current tax	<u>3,101</u>	<u>5,854</u>



# CADBURY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

### 9. Tax on profit on ordinary activities *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%).

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Profit on ordinary activities before taxation	<u>86,784</u>	<u>138,777</u>
Profit on ordinary activities multiplied by standard rate of tax	20,177	34,000
Expenses not deductible for tax purposes	103	108
Capital allowances for period in excess of depreciation	1	1
Short term timing differences	-	(16)
Adjustments in respect of previous periods	-	3,163
Non taxable income	-	(7,607)
Group relief not paid for	<u>(17,180)</u>	<u>(23,795)</u>
Total current tax (note 9(a))	<u>3,101</u>	<u>5,854</u>

#### (c) Factors that may affect future tax charges

The company has unrecognised deferred taxation (assets) as follows:

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Not provided for in financial statements:		
Accelerated capital allowances	(1)	-
Short term timing differences	-	(209)
	<u>(1)</u>	<u>(209)</u>

On 17 July 2013, The Finance Act 2013 was enacted and reduced the rate of UK Corporation tax from 23% to 21% with effect from 1 April 2014 along with a further reduction to 20% with effect from 1 April 2015.

At 31 December 2012 assets (measured at the substantially enacted rate at the balance sheet date of 23%) were not recognised as there was no expectation of reversal in the foreseeable future due to the availability of group tax losses.

At 31 December 2013 assets (measured at the substantially enacted rate at the balance sheet date of 20%) were not recognised as there was no expectation of reversal in the foreseeable future due to the availability of group tax losses.

# CADBURY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

### 10. Dividends

#### Equity dividends

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Paid during the year:		
Distribution of receivable	461,395	—
Dividends paid to parent company	131,000	—
	<u>592,395</u>	<u>—</u>

### 11. Intangible fixed assets

#### Intellectual Property

	£000
<b>Cost</b>	
At 30 December 2012 and 31 December 2013	<u>8,776</u>
<b>Amortisation</b>	
At 30 December 2012	658
Charge for the period	439
At 31 December 2013	<u>1,097</u>
<b>Net book value</b>	
At 31 December 2013	<u>7,679</u>
At 29 December 2012	<u>8,118</u>

### 12. Tangible fixed assets

	Freehold Property £000	Plant & Machinery £000	Total £000
<b>Cost or valuation</b>			
At 30 December 2012 and 31 December 2013	<u>108</u>	<u>40</u>	<u>148</u>
<b>Depreciation</b>			
At 30 December 2012	4	3	7
Charge for the period	3	3	6
At 31 December 2013	<u>7</u>	<u>6</u>	<u>13</u>
<b>Net book value</b>			
At 31 December 2013	<u>101</u>	<u>34</u>	<u>135</u>
At 29 December 2012	<u>104</u>	<u>37</u>	<u>141</u>

# CADBURY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

### 13. Investments

	Total
	£000
<b>Cost</b>	
At 30 December 2012 and 31 December 2013	<u>31,049</u>
<b>At 31 December 2013 and 29 December 2012</b>	<u>31,049</u>

The investment represents 100% of the share capital of Cadbury International Limited.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

### 14. Debtors

	2013	2012
	£000	£000
Trade debtors	289	–
Amounts owed by group undertakings	180,470	691,808
Other debtors	2,195	2,102
Prepayments and accrued income	10,333	578
	<u>193,287</u>	<u>694,488</u>

Amounts owed by group undertakings include non-trading balances which are unsecured, earn interest at the London Mean Rate less 0.25% and are repayable on demand.

### 15. Creditors: Amounts falling due within one year

	2013	2012
	£000	£000
Overdrafts	–	78
Trade creditors	46	–
Amounts owed to group undertakings	14,146	15,294
Other taxation and social security	925	–
Other creditors	1,088	2,134
Accruals and deferred income	26,717	18,285
	<u>42,922</u>	<u>35,791</u>

### 16. Other provisions

	Other provisions
	£000
Balance brought forward	3,150
Profit and Loss Account movement arising during the period	(62)
Balance carried forward current year	<u>3,088</u>

The reorganisation provision and other provisions relate to the costs of the European integration in respect of the company's on-going focus on establishing and maintaining operating efficiency.

# CADBURY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

### 17. Commitments under operating leases

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	land and buildings	
	2013	2012
	£000	£000
Operating leases which expire:		
Within 2 to 5 years	4,188	4,188
After more than 5 years	1,225	1,225
	<u>5,413</u>	<u>5,413</u>

### 18. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£000	No	£000
Ordinary shares of £1 each	<u>49,675,000</u>	<u>49,675</u>	<u>49,675,000</u>	<u>49,675</u>

### 19. Reconciliation of shareholders' funds and movement on reserves

	Called up share capital	Revaluation reserve	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000
Balance brought forward	49,675	6,708	638,472	694,855
Profit for the period	—	—	83,683	83,683
Equity dividends	—	—	(592,395)	(592,395)
Other movements				
Transfer to/from revaluation reserve	—	(249)	249	—
Balance carried forward	<u>49,675</u>	<u>6,459</u>	<u>130,009</u>	<u>186,143</u>

Following a previous acquisition of Cadbury by Kraft the accounting policy in respect of depreciating tangible fixed assets was revised to a maximum useful economic life for properties of 40 years.

In 1999 the Company implemented FRS 15 "Tangible Fixed Assets" and therefore retained a revaluation reserve arising from the previous valuation policy adopted.

As a result of the change of the estimated useful life of properties held within the Mondelez Group of companies the annual transfer of the revaluation reserve has been accelerated and an adjustment made between the revaluation reserve and the profit and loss reserve to reflect amounts realised.

# **CADBURY UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 31 DECEMBER 2013**

### **20. Ultimate parent company**

At 31 December 2013 the immediate parent company was Kraft Foods UK IP & Production Holdings Limited.

At 31 December 2013 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.