Hesdin Investments Limited

Annual Report and Financial Statements for the year ended 31 December 2010

Registered number 02353459

Hesdin Investments Limited

Annual report and financial statements
for the period 31 December 2010

Hesdin Investments Limited

Directors and advisors
for the year ended 31 December 2010

Directors

L A Cutler (appointed 26 July 2010)
T E Jack (appointed 6 August 2009)
C L M Jennings (appointed 26 July 2010)

A R Williams (resigned 4 September 2010)
A D C Westley (appointed 21 May 2010, resigned 30 July 2010)
P Caywood (resigned 24 May 2010)
J D Marshall (resigned 31 March 2010)
J M Mills (resigned 31 March 2010)

Secretary

Cadbury Nominees Limited

Registered office

Cadbury House
Sanderson Road
Uxbridge
Middlesex
UB8 1DH

Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Directors' report
for the year ended 31 December 2010

The Directors present their annual report, together with the audited financial statements of Hesdin Investments Limited (the "Company"), for the year ended 31 December 2010 (the "year")

Change of control

The Company is a wholly owned subsidiary of Cadbury Holdings Limited

On 7 September 2009 Kraft Foods, Inc ('Kraft') announced its intention to purchase the entire issued share capital of Cadbury plc On 2 February 2010, Kraft declared its recommended Final Offer wholly unconditional as to acceptances On that day, Kraft Foods Inc became the Company's ultimate parent company Until 2 February 2010, the Company was ultimately a wholly owned subsidiary of Cadbury Plc Cadbury plc was delisted from the London and New York Stock Exchanges on 8 March 2010 and re-registered as a private limited company on 4 June 2010 and renamed Cadbury Ltd

Principal activities

The principal activity of the Company is the provision of finance for companies in the Kraft Foods group of companies headed by Kraft Foods Inc (the "Group")

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integral to the principal risks of the Group and are not managed separately Further information can be found in the Annual Report of Kraft Foods Inc , the Company's ultimate parent company

Key Performance Indicators

The Directors believe that the Company's key performance indicators include those measures used to monitor adherence to the Group treasury policies which address risk management for the Group These measures, and the risks which they mitigate for the Group, include the forecast notional value of currency exposure to monitor currency risk and the proportion of fixed rate debt to net borrowings to monitor interest rate risk These and other measures are discussed in the financial risk management section below

Results and dividends

The profit on ordinary activities for the financial year, after taxation, was £59,000 (2009 £2,098,000) On 14th June 2010 the Company undertook a capital reduction Subsequently on 16th June, an interim dividend was paid of £61,654,474 (2009 £nil) The Directors do not recommend the payment of a final dividend (2009 £nil)

Future prospects

The Company will continue to develop its existing activities in accordance with the requirements of the Kraft Foods Group

Directors

The Directors who served throughout the year, except as noted, are as listed on page 1

Financial risk management

Market risk

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

Hesdin Investments Limited

Directors' report
for the year ended 31 December 2010

Credit risk

The Company has policies that limit the amount of credit exposure to any single financial institution There were no significant concentrations of credit exposure at the year-end Most receivables during 2010 were with other members of the Cadbury Group The Directors therefore believe there is no credit risk arising from these receivables

Going Concern

On the basis of the current financial projections and facilities available to the Company, and with due regard to the Company's principal activities during 2010 and its position within the Kraft Foods group of Companies, the Directors, after making enquiries, have a reasonable expectation that the Company is no longer a going concern and will be liquidated in the foreseeable future Accordingly, they consider it appropriate to adopt the break up basis in preparing the annual report and accounts

Auditors

Each of the persons who is a director at the date of 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 the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

The Company has elected to dispense with the obligation to hold Annual General Meetings and to lay the financial statements before the Company in General Meeting

Following the acquisition of the Cadbury group of companies by Kraft Foods, Inc , PricewaterhouseCoopers LLP were appointed auditors of the Company

Approved by the Board of Directors and signed on behalf of the Board

Julian Baddeley

J C Baddeley
Secretary, for and on behalf of Cadbury Nominees Limited

Cadbury House
Sanderson Road
Uxbridge
Middlesex

4 August 2011

Hesdin Investments Limited

Directors' responsibilities statement for the year ended 31 December 2010

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period In preparing these financial statements, the directors are 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditors' report to the members of Hesdin Investments Limited

We have audited the financial statements of Hesdin Investments Limited for the year ended 31 December 2010 which comprise the Profit and loss account, the Reconciliation of movements in shareholders' funds, the Balance sheet and the related notes 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)

Respective responsibilities of directors and auditors
As explained more fully in the Directors' responsibilities statement set out on page 4 the directors are 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 International Standards on Auditing (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

Scope of the audit of the financial statements

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

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year 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

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the going concern basis of accounting Following the year end the directors have decided that the company is likely to cease trading during the next financial year Accordingly, the going concern basis of accounting is no longer appropriate Adjustments have been made in these financial statements to reduce assets to their realisable values and to reclassify fixed assets as current assets

Independent auditors' report to the members of Hesdin Investments Limited

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Simon Morley (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 August 2011

Hesdin Investments Limited

Profit and loss account
for the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Interest receivable and similar income	5	81	2,091
Profit on ordinary activities before taxation		81	2,091
Tax (charge)/ credit on profit on ordinary activities	6	(22)	7
Profit on ordinary activities after taxation		59	2,098

There were no recognised gains or losses in either year other than the profit for each financial year

All activity is derived from continuing operations in both years, although the level of activity is expected to decline significantly in the future

There is no material difference between the result as disclosed in the profit and loss account and the result on a historical cost basis

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

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2010

	2010 £'000	2009 £'000
Shareholders' funds at beginning of year	61,596	59,498
Profit for the financial year	59	2,098
Dividends paid	(61,654)	-
Shareholders' funds at end of year	1	61,596

Hesdin Investments Limited

Balance sheet
as at 31 December 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Tangible fixed assets – leasehold property	7	-	1
Current assets			
Leasehold property	7	1	-
Debtors	8	-	61,595
Net current assets		1	61,595
Net assets		1	61,596
Capital and reserves			
Called up share capital	9	-	29,413
Share premium account	10	-	95,520
Profit and loss account	10	1	(63,337)
Shareholders' funds		1	61,596

The financial statements on pages 7 to 12 were approved by the Board of Directors on 4 August 2011 and signed on its behalf by

C L M Jennings
Director, Hesdin Investments Limited

Registered number 02353459

Hesdin Investments Limited

Notes to the financial statements for the year ended 31 December 2010

1. Accounting policies

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

a) Going concern and accounting convention

These financial statements are prepared on the under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

On the basis of the current financial projections and facilities available to the Company, and with due regard to the Company's principal activities during 2010 and its position within the Kraft Foods group of Companies, the Directors, after making enquiries, have a reasonable expectation that the Company is no longer a going concern and will be liquidated in the foreseeable future Accordingly, they consider it appropriate to adopt the break up basis in preparing the annual report and accounts

b) Financial instruments - recognition

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instruments on a trade date basis

c) Borrowings

Borrowings are initially recognised at fair value plus any transaction costs associated with the issue of the relevant financial liability Subsequent to initial measurement, borrowings are measured at amortised cost with the borrowing costs being accounted for on an accrual basis in profit and loss using the effective interest method Accrued interest is recognised separately as other creditors, measured on a straight line basis against the expected post year end cash flow

d) Loans and receivables

Loans and receivables are measured at amortised cost using the effective interest method

e) Foreign currencies

Transaction differences arising from exchange rate variations on trading transactions are included within operating profits

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the end of the financial year except when covered by an open foreign exchange contract, in which case the rate of exchange specified in the contract is used All profits and losses on exchange are credited or charged to the profit and loss account

f) Investments

Fixed asset investments were shown at cost less provision for any impairment, and are now shown at realisable value

g) 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

1. Accounting policies (continued)

Taxation (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 enacted substantively by the balance sheet date Deferred tax is measured on a non-discounted basis

h) Cash flow statement and related party transactions

In accordance with the provision of FRS 1, the Company has not prepared a cash flow statement because its ultimate parent company, Kraft Foods Inc has prepared consolidated financial statements which include the financial statements of the Company for the period and which are publicly available The company is also exempt under FRS 8 from disclosing related party transactions with entities that are part of the Kraft Foods Inc group

2. Parent undertaking

The immediate parent undertaking is Cadbury Holdings Limited During 2009 the Company's controlling and ultimate parent undertaking was Cadbury plc On 2 February 2010, Kraft Foods Inc acquired Cadbury plc Following this change of control the Company's ultimate parent undertaking is Kraft Foods Inc , a company incorporated in the United States of America Kraft Foods Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2010 The consolidated financial statements are available from their registered address of Three Lakes Drive, Northfield, Illinois 60093, USA

3. Auditors' remuneration

Auditors' remuneration for the audit of the 2010 financial statements £4,000 (2009 £2,250) is borne by another Kraft Group undertaking

4. Directors' emoluments and employee information

The Directors are remunerated by Cadbury Holdings Limited for their services to the Group as a whole No remuneration was paid to them specifically in respect of Hesdin Investments Limited in either year

Hesdin Investments Limited had no employees in either year

5. Interest receivable and similar income

	2010 £'000	2009 £'000
Interest receivable from other Group undertakings	81	2,091

6. Taxation on profit on ordinary activities

	2010 £'000	2009 £'000
Current year UK corporation tax charge	-	98
Adjustments in respect of prior years	22	(105)
Charge/(credit) for the year	22	(7)

The table below reconciles the UK corporation tax rate applicable each year to the effective rate obtained by computing the current tax charge/(credit) as a percentage of profit before tax

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation	81	2,091
United Kingdom corporation tax at 28% (2009– 28%) based on the profit for the year	23	586
Group relief received without payment	(23)	-
Transfer pricing adjustments	-	(488)
Adjustments in respect of prior years	22	(105)
Total current tax charge	22	(7)

7. Leasehold property

	2010 £'000	2009 £'000
Leasehold property – realisable value (2009 cost and net book value)	1	1

The leasehold property represents the interest in a leasehold property The Directors believe the cost of the property represents its realisable value

8. Debtors

	2010 £'000	2009 £'000
Amounts owed by other Group undertakings	-	14
Corporation tax	-	8
Loans to other Group undertakings	-	61,573
	-	61,595

9. Called up share capital

	2010 £'000	2009 £'000
Authorised		
29,450,001 deferred shares of £1 each	29,450	29,450
Allotted, called up and fully paid		
1 (2009 29,413,301) deferred shares of £1 each	-	29,413

On 14 June 2010, the Company reduced its share capital to one fully paid ordinary share of £1 It also undertook a capital reduction by transferring share premium to retained earnings On 16th June 2010 the Company distributed its remaining retained earnings to shareholders

10 Reserves

	Share premium account		Profit and loss account	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
At beginning of the year	95,520	95,520	(63,337)	(65,435)
Profit for the year	-	-	59	2,098
Capital reduction	(95,520)	-	124,933	-
Dividend paid	-	-	(61,654)	-
At end of the year	-	95,520	1	(63,337)