

COMPANY REGISTRATION NUMBER 03841804

MONDELEZ UK R&D LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
TO 31 DECEMBER 2013

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MONDELEZ UK R&D LIMITED

STRATEGIC REPORT

PERIOD ENDED 31 DECEMBER 2013

The directors have pleasure in presenting their strategic report for the period ended 31 December 2013.

Principal activities and business review

The principal activities of the company during the period were the provision of research and development services to fellow subsidiary companies within the Mondelez group.

On 29 April 2013 Kraft Foods UK R&D Limited was renamed Mondelez UK R&D Limited.

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

Results and dividends

The profit for the period, after taxation, amounted to £842,000 (2012 - £692,000).

The net assets of the company decreased to £37,224,000 (2012 - £36,845,000).

The directors have not recommended a dividend.

Principal risks and uncertainties

As the company provides services to fellow subsidiaries within the Mondelez group 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 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 on behalf of the directors
D Shearman



Director

Approved by the directors on 9 July 2014

MONDELEZ UK R&D LIMITED

DIRECTORS' REPORT

PERIOD ENDED 31 DECEMBER 2013

The directors have pleasure in presenting their 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.

On May 7 2014 Mondelez International announced its intention to enter into a joint venture with DE Master Blenders 1753 of Amsterdam. The new coffee company will be called Jacobs Douwe Egberts. At the time of signing the creation of the joint venture, which is subject to regulatory approval, is expected to be completed in 2015. There is no impact on the financial statements for the period ended 31 December 2013.

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:

J Graham
D Shearman
J Billingham
J O'Shea

J Billingham was appointed as a director on 1 March 2013.

J O'Shea was appointed as a director on 1 March 2013.

J Graham resigned as a director on 28 February 2013.

J Billingham resigned as a director on 12 May 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 directors' responsibilities

The directors are responsible for preparing the strategic report, directors' 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 prepared 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;

MONDELEZ UK R&D LIMITED

DIRECTORS' REPORT *(continued)*

PERIOD ENDED 31 DECEMBER 2013

- 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.

Each of the persons who is a director at the date of approval of this report confirm that:

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

Donations

The company did not make any charitable or political donations during the current or previous period.

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.

Employment 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, an annual report and by other communications.

MONDELEZ UK R&D LIMITED

DIRECTORS' 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 on behalf of the directors

D Shearman

A handwritten signature in black ink, appearing to read 'D Shearman', written over a horizontal line.

Director

Approved by the directors on 9 July 2014

MONDELEZ UK R&D LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONDELEZ UK R&D 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 Mondelez UK R&D Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the period then ended; 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MONDELEZ UK R&D LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONDELEZ UK R&D 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 directors' responsibilities set out on pages 2 to 3, 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 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

MONDELEZ UK R&D 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
Turnover	2	40,634	39,386
Administrative expenses		(41,018)	(39,014)
Other operating income		<u>1,231</u>	<u>—</u>
Operating profit	3	847	372
Interest receivable and similar income	6	3	14
Interest payable and similar charges	7	(40)	(2)
Profit on ordinary activities before taxation		810	384
Tax on profit on ordinary activities	8	32	308
Profit for the financial period		<u>842</u>	<u>692</u>

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.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The notes on pages 9 to 19 form part of these financial statements.

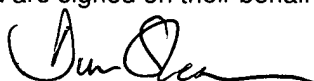
MONDELEZ UK R&D LIMITED

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £000	2012 £000
Fixed assets			
Intangible assets	9	3,850	4,070
Tangible assets	10	<u>22,065</u>	<u>20,597</u>
		<u>25,915</u>	<u>24,667</u>
Current assets			
Debtors	11	37,208	24,743
Creditors: Amounts falling due within one year	12	<u>(25,899)</u>	<u>(12,247)</u>
Net current assets		11,309	12,496
Total assets less current liabilities		<u>37,224</u>	<u>37,163</u>
Provisions for liabilities			
Deferred taxation	13	—	(318)
Net assets		<u>37,224</u>	<u>36,845</u>
Capital and reserves			
Called up share capital	16	15,024	15,024
Profit and loss account	17	<u>22,200</u>	<u>21,821</u>
Total shareholders' funds	17	<u>37,224</u>	<u>36,845</u>

These financial statements were approved by the directors and authorised for issue on 9 July 2014, and are signed on their behalf by:



D Shearman

Director

Company Registration Number: 03841804

The notes on pages 9 to 19 form part of these financial statements.

MONDELEZ UK R&D 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 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

Turnover represents the value of invoiced and accrued research and development services to fellow subsidiary companies in the Mondelez group of companies.

Intangible assets

Purchased goodwill arises where the purchase consideration exceeds the value of the underlying net assets.

Purchased goodwill 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:

Goodwill	- 20 years
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MONDELEZ UK R&D 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. 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:

Leasehold Improvements	-	shorter of useful economic life and lease term
Plant & Machinery	-	3 - 20 years

Capital work in progress is not depreciated.

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 Mondelez Retirement Benefits Plan and Cadbury Pension Fund, both group operated defined benefit schemes for the benefit of the majority of its employees. The assets of the schemes are held separately from those of the company in independently administered funds. As the company is not able to separately identify its share of the assets and liabilities of the group schemes 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.

MONDELEZ UK R&D LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

1. Accounting policies *(continued)*

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) 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.

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.

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.

Share-based payments

Equity-settled share-based payment transactions for employee services received are measured at fair value and recognised as an expense spread over the service periods for share awards expected to vest. The fair value is measured by reference to the number and market value of the equity instruments at the date of grant. At each balance sheet date the company revises its estimates of the number of awards that are expected to vest and recognises the impact in the income statement with a corresponding adjustment to equity.

Recharges made to the company when the share awards have vested are recognised when paid and accounted for as a decrease in equity. Equity-settled share-based payment transactions for employee services received are measured at fair value and recognised as an expense spread over the service periods for share awards expected to vest. The fair value is measured by reference to the number and market value of the equity instruments at the date of grant. At each balance sheet date the company revises its estimates of the number of awards that are expected to vest and recognises the impact in the income statement with a corresponding adjustment to equity.

Recharges made to the company when the share awards have vested are recognised when paid and accounted for as a decrease in equity.

Financial instruments

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

MONDELEZ UK R&D LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

1. Accounting policies *(continued)*

Government grants

Grant income is recognised when receivable and included within other operating income.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

3. 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
Amortisation of intangible assets	220	220
Depreciation of owned fixed assets	1,805	2,312
Loss on disposal of fixed assets	4	—
Services provided by the company's auditors:		
- Fees payable for the audit	—	—
Operating lease costs:		
- Plant and equipment	275	275
- Property leases	222	225

Audit fees for the company are borne on behalf of the UK group by a fellow subsidiary undertaking and included in a service charge to the company. An estimated allocation of the audit fee for the year is £8,000 (2012 - £10,000) and includes audit related services in relation to reporting to the entity's ultimate parent company.

MONDELEZ UK R&D LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

4. Employee information

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

	Period from 30 Dec 12 to 31 Dec 13	Period from 1 Jan 12 to 29 Dec 12
	No	No
Number of research and development staff	443	385
Number of administrative staff	5	9
	<u>448</u>	<u>394</u>

The aggregate payroll costs of the above were:

	Period from 30 Dec 12 to 31 Dec 13	Period from 1 Jan 12 to 29 Dec 12
	£000	£000
Wages and salaries	22,142	20,305
Social security costs	2,142	1,979
Other pension costs	2,971	2,592
Equity-settled share-based payments	(463)	3
	<u>26,792</u>	<u>24,879</u>

Other pension costs comprise contributions by the company to the Mondelez Retirement Benefits Plan and the Cadbury Pension Fund, both group operated defined benefit schemes of which Mondelez UK Limited and Mondelez UK Holdings & Services Limited (formally Cadbury Holdings Limited) are the sponsoring employers. With respect to the defined benefit schemes 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 schemes on either a consistent or reasonable basis therefore accounts for the schemes as defined contribution plans.

Mondelez retirement benefits plan

The latest full actuarial valuation of the pension plan was carried out as at 1 April 2010 using the projected unit method. At 31 December 2013 the company actuary estimated the Mondelez Retirement Benefits Plan had a deficit of £47,087,000 (2012 - £69,059,000) under the projected unit method.

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 £271,043 (2012 - £86,021). There were no outstanding or prepaid contributions at the balance sheet date (2012 - £Nil).

MONDELEZ UK R&D LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Remuneration receivable	<u>417</u>	<u>454</u>

Remuneration of highest paid director:

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Total remuneration (excluding pension contributions)	<u>135</u>	<u>318</u>

Benefits are accruing under a defined benefits pension scheme and, at the year end the accrued pension amounted to £18,000 (2012 - £Nil).

The number of directors who accrued benefits under company pension schemes was as follows:

	Period from 30 Dec 12 to 31 Dec 13 No	Period from 1 Jan 12 to 29 Dec 12 No
Defined benefit schemes	<u>3</u>	<u>1</u>

The number of directors who exercised share options and received shares under a long term incentive scheme during the period were as follows:

	Period from 30 Dec 12 to 31 Dec 13 No	Period from 1 Jan 12 to 29 Dec 12 No
Directors who exercised share options	<u>2</u>	<u>1</u>
Directors who received shares under a long term incentive scheme	<u>3</u>	<u>1</u>

6. 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>3</u>	<u>14</u>

MONDELEZ UK R&D LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

7. 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	1	—
Interest on loans from group undertakings	39	2
	<u>40</u>	<u>2</u>

8. 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
Current tax:		
In respect of the period:		
Current period UK Corporation tax	286	1
Adjustment in respect of previous periods	—	11
Total current tax	<u>286</u>	<u>12</u>
Deferred tax:		
Origination and reversal of timing differences	(472)	(610)
Adjustments in respect of previous periods	154	318
Effect of change of tax rate on opening balance	—	(28)
Total deferred tax (note 13)	<u>(318)</u>	<u>(320)</u>
Tax on profit on ordinary activities	<u>(32)</u>	<u>(308)</u>

MONDELEZ UK R&D LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

8. 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 higher (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>810</u>	<u>384</u>
Profit on ordinary activities multiplied by standard rate of tax	188	94
Expenses not deductible for tax purposes	61	85
Capital allowances for period in excess of depreciation	416	565
Short term timing differences	(122)	33
Adjustments in respect of previous periods	-	11
Qualifying R&D costs deduction	(286)	-
Qualifying R&D expenditure credit	286	-
Group relief not paid for	(257)	(776)
Total current tax (note 8(a))	<u>286</u>	<u>12</u>

(c) Factors that may affect future tax charges

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 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.

9. Intangible fixed assets

	Goodwill £000
Cost	
At 30 December 2012 and 31 December 2013	<u>4,400</u>
Amortisation	
At 30 December 2012	330
Charge for the period	<u>220</u>
At 31 December 2013	<u>550</u>
Net book value	
At 31 December 2013	<u>3,850</u>
At 29 December 2012	<u>4,070</u>

Goodwill is being amortised on a straight-line basis over twenty years, being the period over which the directors estimate that the values of the underlying businesses acquired are expected to exceed the values of the underlying assets.

MONDELEZ UK R&D LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

10. Tangible fixed assets

	Leasehold improvements	Plant and machinery	Work in progress	Total
	£000	£000	£000	£000
Cost				
At 30 December 2012	190	33,048	3,231	36,469
Additions	–	41	3,242	3,283
Disposals	–	(148)	–	(148)
Transfers	502	4,387	(4,889)	–
At 31 December 2013	692	37,328	1,584	39,604
Depreciation				
At 30 December 2012	8	15,864	–	15,872
Charge for the period	19	1,786	–	1,805
On disposals	–	(138)	–	(138)
At 31 December 2013	27	17,512	–	17,539
Net book value				
At 31 December 2013	665	19,816	1,584	22,065
At 29 December 2012	182	17,184	3,231	20,597

11. Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	33,740	21,862
Other debtors	556	513
Prepayments and accrued income	2,912	2,368
	37,208	24,743

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.

12. Creditors: Amounts falling due within one year

	2013 £000	2012 £000
Overdrafts	1	–
Trade creditors	1,595	3,212
Amounts owed to group undertakings	9,558	2,518
Other taxation and social security	682	360
Other creditors	3,251	584
Accruals and deferred income	10,812	5,573
	25,899	12,247

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

MONDELEZ UK R&D LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

13. Deferred taxation

The movement in the deferred taxation provision during the period was:

	Period from 30 Dec 12 to 31 Dec 13 £000	Period from 1 Jan 12 to 29 Dec 12 £000
Provision brought forward	318	638
Profit and loss account movement arising during the period	(318)	(320)
Provision carried forward	-	318

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013		2012	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Capital allowances for period in excess of depreciation	-	94	547	-
Other timing differences	-	64	(229)	-
Tax prepayment	-	(286)	-	-
	-	(128)	318	-

14. Share-based payments

Mondelez International Inc. have issued equity share-based payments to certain company employees and as such full disclosure is provided within the group financial statements of Mondelez International Inc.

15. Lease commitments

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

	2013		2012	
	land and buildings £000	Other Items £000	land and buildings £000	Other Items £000
Operating leases which expire:				
Within 1 year	-	19	-	10
Within 2 to 5 years	265	216	265	220
	265	235	265	230

16. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£000	No	£000
Ordinary shares of £1 each	15,024,453	15,024	15,024,453	15,024

MONDELEZ UK R&D LIMITED

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17. Reconciliation of shareholders' funds and movement on reserves

	Called up share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
Balance brought forward	15,024	21,821	36,845
Profit for the period	—	842	842
Equity settled share based payments	—	(463)	(463)
Balance carried forward	<u>15,024</u>	<u>22,200</u>	<u>37,224</u>

18. Ultimate parent company

At 31 December 2013 the immediate parent company was Mondelez UK 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.