Report of the Directors and

Audited Financial Statements for the Year Ended 31 December 2010

for

Coca-Cola Enterprises Limited 2 7173

Contents of the Financial Statements for the Year Ended 31 December 2010

Company Information
for the Year Ended 31 December 2010

DIRECTORS:	S Baldry F Govaerts J Marshall S Moorhouse J Purnode P Van Reesch
SECRETARY:	P Van Reesch
REGISTERED OFFICE:	Charter Place Uxbridge UB8 1EZ
REGISTERED NUMBER:	27173 (England and Wales)
AUDITORS:	Ernst & Young LLP 1 More London Place London SE1 2AF

Report of the Directors
for the Year Ended 31 December 2010

The directors present their report, together with the audited financial statements of Coca-Cola Enterprises Limited, ("the Company"), for the year ended 31 December 2010

PRINCIPAL ACTIVITY
The principal activity of the Company is the manufacture, sale and distribution of non-alcoholic beverages throughout Great Britain

REVIEW OF BUSINESS
The profit on ordinary activities for the year, after taxation, was £205 1m (2009 £192 7m)

Leading brands include Coca-Cola, Diet Coke, Coke Zero, Fanta, Dr Pepper, Sprite, Schweppes, Schweppes Abbey Well, Glacéau, Relentless, Powerade, Oasis, 5 Alive, Monster, Appletiser, Ocean Spray and Capri Sun

The Company is committed to building and expanding our brand portfolio, strengthening our core sparkling beverages through efforts such as our "Red, Black and Silver" three-cola initiative, whilst recognising the need and desire to develop initiatives in the non carbonated sector

The Coca-Cola Enterprises vision is to be the best beverage sales and customer service company Our operating framework defines what being the best means for CCE To help us become the best so we can drive consistent, long term and profitable growth we have the following three strategic priorities

- Being number one or a strong number two in every category in which we choose to compete by growing the value of our existing brands and expanding our product portfolio,
- Becoming our customers' most valued supplier by transforming our go-to-market model and improving efficiency and effectiveness,
- Establishing a winning, inclusive culture by attracting, developing and retaining a highly talented and diverse workforce

We have confidence that, long-term, our work to support these objectives will create the consistent, profitable growth that our company can deliver

The company's key financial and other performance indicators during the year were as follows

	2010 £'000	2009 £'000	Change
Turnover	1,668,132	1,619,775	3%
Gross profit	620,052	617,920	0%
Total operating profit	252,222	236,711	6%
Profit after tax	205,098	192,740	6%
Shareholders' funds	558,541	478,896	17%
Current assets as % of current liabilities (quick ratio)	123%	125%	(1%)
Average number of employees	4,741	4,842	(2%)

Turnover increased by 3% during the year, primarily due to increased sales volume in 2010 (243 3m cases vs 239 5m cases in 2009) The Company experienced strong growth in the Multiple Retail and Wholesale sectors Full Service Vending volume declined due to the economic climate and consumer trends Gross profit remained flat due to channel mix between Multiple Retail & Wholesale The shareholders' funds have increased by 17% this is partly due to a cash injection into the Defined Benefit pension scheme

Organisation
On October 2, 2010, our ultimate parent company, Coca-Cola Enterprises Inc (Legacy CCE) completed a merger with The Coca-Cola Company (TCCC) and separated its European operations and a related portion of its corporate functions into a new legal entity which was renamed Coca-Cola Enterprises, Inc (CCE, Inc) Concurrently with the merger, two indirect, wholly owned subsidiaries of CCE acquired TCCC's bottling operations in Norway and Sweden, following regulatory approval Following this transaction, CCE, Inc has the first right to acquire the German bottling franchise, owned by TCCC, during the next 6 to 24 months The new CCE, Inc continues to be headquartered in Atlanta and trades on the New York Stock Exchange as "CCE,"

Secondary Listing on NYSE Euronext

CCE, Inc sought a secondary listing of its ordinary shares on the Professional Segment of NYSE Euronext in Paris Regulatory approval was obtained and on the 24th of May 2011

PRINCIPAL RISKS AND UNCERTAINTIES

The directors deem the following risks and uncertainties could adversely impact our business and financial results when and if they were to occur

- Business is dependent upon the relationship with The Coca-Cola Company ("TCCC")

  Under the express terms of our product licensing agreements with TCCC

  We purchase our entire requirement of concentrates and syrups for Coca-Cola Trademark Beverages (sparkling beverages bearing the trademark "Coca-Cola" or the "Coke" brand name) and Allied Beverages (beverages of TCCC or its subsidiaries that are sparkling beverages, but not Coca-Cola Trademark Beverages or energy drinks) from TCCC at prices, terms of payment, and other terms and conditions of supply determined from time to time by TCCC at its sole discretion

  The terms of our contracts with TCCC contain no express limits on the prices TCCC may charge us for concentrate, however, we have entered into a five-year incidence-based concentrate pricing agreement with TCCC pursuant to which concentrate price increases generally track our net revenue per case increases from the previous year

  Our product licensing agreements with TCCC state that they are for fixed terms, and most of them are renewable only at the discretion of TCCC at the conclusion of their current terms A decision by TCCC not to renew a current fixed-term product licensing agreement at the end of its term could substantially and adversely affect our financial results

  We are obligated to maintain sound financial capacity to perform our duties as is required and determined by TCCC at its sole discretion These duties include, but are not limited to, making certain investments in marketing activities to stimulate the demand for products in our territories and infrastructure improvements to ensure our facilities and distribution network are capable of handling the demand for these beverages

- Increase in costs or limitation of supplies of raw materials could hurt financial results

  If there are increases in the costs of raw materials, ingredients, or packaging materials, such as aluminium, steel, sugar, PET (plastic), fuel, or other cost items, and we are unable to pass the increased costs on to our customers in the form of higher prices, our financial results could be adversely affected The Company also has transactional currency exposures that arise from the purchase of raw materials denominated in currencies other than sterling

- We may not be able to respond successfully to changes in the marketplace

  We operate in the highly competitive beverage industry and face strong competition from other general and speciality beverage companies Our response to continued and increased competitor and customer consolidations and marketplace competition may result in lower than expected net pricing of our products Our ability to gain or maintain share of sales or gross margins may be limited by the actions of our competitors, who may have lower costs and, thus, advantages in setting their prices

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- Our sales can be adversely impacted by the health and stability of the general economy

  Unfavourable changes in general economic conditions, such as a recession or prolonged economic slowdown in the territories in which we do business, may reduce the demand for certain products and otherwise adversely affect our sales For example, economic forces may cause consumers to purchase more private-label brands, which are generally sold at prices lower than our products, or to defer or forego purchases of beverage products altogether Adverse economic conditions could also increase the likelihood of customer delinquencies and bankruptcies, which would increase the risk of uncollectability of certain accounts Each of these factors could adversely affect our revenue, price realisation, gross margins, and/or our overall financial condition and operating results

- Concerns about health and wellness could further reduce the demand for some of our products

  Health and wellness trends have resulted in an increased desire for more low-calorie soft drinks, water, enhanced water, isotonics, energy drinks, teas and beverages with natural sweeteners Our failure to provide any of these products could adversely affect our business and financial results

- If we, TCCC, or other licensors and bottlers of products we distribute are unable to maintain a positive brand image or if product liability claims or product recalls are brought against us, TCCC, or other licensors and bottlers of products we distribute, our business, financial results, and brand image may be negatively affected

  Our success depends on our products having a positive brand image with customers and consumers Product quality issues, real or imagined, or allegations of product contamination, even if false or unfounded, could tarnish the image of the affected brands and cause customers and consumers to choose other products We may be liable if the consumption of our products causes injury or illness We may also be required to recall products if they become or are perceived to become contaminated or are damaged or mislabelled A significant product liability or other product-related legal judgement against us or a widespread recall of our products could negatively impact our business, financial results, and brand image Additionally, adverse publicity surrounding obesity concerns, water usage, customer disputes, labour relations, product ingredients, and the like could negatively affect our overall reputation and our products' acceptance by consumers, even when the publicity results from actions occurring outside our territory or control Similarly, if product quality-related issues arise from products not manufactured by us but imported into our territory, our reputation and consumer goodwill could be damaged

- Changes in our relationships with large customers may adversely impact our financial results

  A significant amount of our volume is sold through large retail chains, including supermarkets and wholesalers These chains are becoming more consolidated and, at times, may seek to use their purchasing power to improve their profitability through lower prices, increased emphasis on generic and other private-label brands, and increased promotional programs These factors, as well as others, could have a negative impact on the availability of our products, as well as our profitability In addition, at times, a customer may choose to temporarily stop selling certain of our products as a result of a dispute we may be having with that customer A dispute with a large customer that chooses not to sell certain of our products for a prolonged period of time may adversely affect our sales volume and/or financial results

- Product are imported from outside Great Britain territories

  Coca-Cola Enterprises Ltd ("CCE") is susceptible to import of Coca-Cola products from outside our country where prices and costs are lower

- Legislative or regulatory changes that affect our products, distribution, or packaging could reduce demand for our products or increase our costs

  Our business model depends on the availability of our various products and packages in multiple channels and locations to satisfy the needs of our customers and consumers Laws that restrict our ability to distribute products in certain channels and locations, as well as laws that require deposits for certain types of packages or those that limit our ability to design new packages or market certain packages, could negatively impact our financial results

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- Increases in the cost of employee benefits, including pension retirement benefits, could impact our financial results and cash flow

  Unfavourable changes in the cost of our employee medical benefits and pension retirement benefits could materially impact our financial results and cash flow Estimates of the amount and timing of our future funding obligations for defined benefit pension plans are based upon various assumptions, including discount rates and long-term asset returns In addition, the amount and timing of pension funding can be influenced by funding requirements, negotiations with the Pension Trustee Boards, or action of other governing bodies

DIVIDENDS
Dividends of £143 0m were declared and paid in 2010 (2009 £148 7m) The resulting transfer to retained earnings amounts to £62 1m (2009 £44 1m)

RESEARCH AND DEVELOPMENT
Research in the beverages field is undertaken on behalf of the Company by The Coca-Cola Company

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

F Govaerts
J Purnode
S Baldry
S Moorhouse

Other changes in directors holding office are as follows

C Lischer - appointed 9 February 2010 - resigned 31 August 2010
J Marshall - appointed 1 September 2010
P Van Reesch - appointed 1 April 2011
J Kirsh - resigned 31 March 2011

None of the directors held any interests, other than as a nominee, in the share capital of the Company during the year under review

The Company has taken advantage of the exemption permitted by the Companies Act 2006 not to disclose the directors' interest in the share capital of the ultimate parent company on the grounds that the ultimate parent company is incorporated outside Great Britain

COMPANY'S POLICY ON PAYMENT OF CREDITORS
The Company's payment policy is to agree the terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment

As at 31 December 2010, creditor payment days were 28 days (2009 26 days)

CHARITABLE CONTRIBUTIONS
During the year, contributions within Great Britain to charities or equivalent organisations amounted to £268k (2009 £724k)

DISABLED EMPLOYEES
The Company always considers carefully an application for employment by any registered disabled person If an employee becomes disabled it is standard practice (where relevant) to offer an alternative job in all but the most extreme circumstances and to provide retraining where necessary The Company's inclusion and fair treatment policy covers training, development and promotion and applies to minority groups, including disabled people

EMPLOYEE INVOLVEMENT
The policy of informing employees is maintained through regular newsletters and electronic communications Employees are encouraged to present their views and suggestions in respect of the Company's performance

ANNUAL GENERAL MEETING AND AUDITORS
Resolutions have been passed in accordance with the provisions of sections 366(a) and 386 of the Companies Act 2006 such that the Company is not required to hold an Annual General Meeting or annually reappoint the auditors

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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 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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

ON BEHALF OF THE BOARD:

JMarshall

J Marshall - Director

Date 20/6/2011

Report of the Independent Auditors to the Shareholders of
Coca-Cola Enterprises Limited

We have audited the financial statements of Coca-Cola Enterprises Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 24 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)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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

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 In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors 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

Ernst & Young LLP

Richard Murray (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
1 More London Place
London
SE1 2AF
22 JUN 2011
Date

Profit and Loss Account
for the Year Ended 31 December 2010

	Notes	2010 £'000	2009 £'000
TURNOVER	2	1,668,132	1,619,775
Cost of sales		(1,048,080)	(1,001,855)
GROSS PROFIT		620,052	617,920
Distribution costs		(207,673)	(214,792)
Administrative expenses		(160,157)	(166,417)
OPERATING PROFIT	4	252,222	236,711
Loss on sale of tangible fixed assets		(4,549)	(130)
		247,673	236,581
Interest receivable and similar income	5	488	1,613
Other finance income	19	6,927	1,296
		255,088	239,490
Interest payable and similar charges	6	(388)	(432)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		254,700	239,058
Tax on profit on ordinary activities	7	(49,602)	(46,318)
PROFIT FOR THE FINANCIAL YEAR		205,098	192,740

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2010

	2010 £'000	2009 £'000
PROFIT FOR THE FINANCIAL YEAR	205,098	192,740
Actuarial gain/(loss) on pension scheme	29,228	(31,664)
Tax relating to pension	(8,184)	8,867
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	226,142	169,943

The notes form part of these financial statements

Balance Sheet
31 December 2010

	Notes	2010 £'000	2009 £'000
FIXED ASSETS			
Tangible assets	9	435,252	434,038
CURRENT ASSETS			
Stocks	10	68,287	59,802
Debtors	11	432,632	416,109
Cash at bank		112,173	34,071
		613,092	509,982
CREDITORS			
Amounts falling due within one year	12	(442,993)	(359,484)
NET CURRENT ASSETS		170,099	150,498
TOTAL ASSETS LESS CURRENT LIABILITIES		605,351	584,536
CREDITORS			
Amounts falling due after more than one year	13	(40,902)	(40,902)
PROVISIONS FOR LIABILITIES	16	(46,604)	(45,039)
PENSION ASSET/(LIABILITY)	19	40,696	(19,699)
NET ASSETS		558,541	478,896
CAPITAL AND RESERVES			
Called up share capital	17	204	204
Share premium	18	228,967	228,967
Share based payment reserve	18	5,501	8,998
Other reserves	18	72,453	72,453
Profit and loss account	18	251,416	168,274
SHAREHOLDERS' FUNDS	23	558,541	478,896

The financial statements were approved the Board of Directors on 20/6/2011 and were signed on its behalf by

J Marshall

J Marshall - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accounting convention
A summary of the principal accounting policies is set out below all of which have been applied consistently throughout the year

Basis of preparation
The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Preparation of consolidated financial statements
The Company has taken advantage of the exemption permitted by section 400 of the Companies Act 2006 not to prepare group financial statements on the grounds that group financial statements are prepared by the ultimate UK parent company Consequently, the financial statements represent information about the Company as an individual undertaking rather than the group

Cash flow statement
The Company has taken advantage of the exemption permitted by Financial Reporting Standard 1 (Revised) Cash Flow Statements, not to prepare a cash flow statement on the grounds it is a wholly owned subsidiary undertaking

Turnover
Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty The following criteria must also be met before revenue is recognised

Sale of goods -Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of goods

Interest income - Revenue is recognised as interest accrues using the effective interest method

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses Cost comprises the aggregated amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows

Freehold buildings and long leasehold properties	2 5% - 5%
Plant and equipment	
Machinery and equipment (Including cold drink equipment)	7% - 11%
Vehicles	12 5% - 20%
Office equipment	20% - 33%

Short leasehold properties are depreciated over the term of the lease

In specific cases higher depreciation rates are used, e g machinery subject to technological changes, and any machinery with a high obsolescence factor

Development grants are shown as deferred income, and credited to the profit and loss account on an instalment basis

Major software development costs (comprising the cost of bought-in packages and related labour costs incurred during installation, when supplied externally) are capitalised and subsequently amortised over the expected useful life of the product

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

1 **ACCOUNTING POLICIES - continued**

Stocks

Stocks are valued at the lower of cost and net realisable value Cost equals purchase price or production cost in the case of products manufactured by the Company Production cost consists of material and direct labour costs together with a reasonable proportion of manufacturing overheads on the basis of normal activity level

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Deferred taxation

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

- 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, and

- 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

Pension costs

The Company operates a defined benefit pension scheme, which requires contributions to be made to an administered fund The scheme was closed to new members in October 2005 from which time membership of a defined contribution plan is available

The cost of providing benefits under the defined benefit plan is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice Past service costs are recognised in profit and loss on a straight-line basis over the vesting period or immediately if the benefits have vested When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the obligation, taking into account material changes in the obligation during the year The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year The difference between the expected return on plan assets and the interest cost is recognised in the profit and loss account as other finance income or expense Actuarial gains and losses are recognised in full in the statement of total recognised gains and losses in the period in which they occur

The defined benefit pension asset or liability in the balance sheet comprises the total for the scheme of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly Fair value is based on market price information and in the case of quoted securities is the published bid price The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme

Contributions to the defined contribution scheme are recognised in the profit and loss account in the period in which they become payable

1 **ACCOUNTING POLICIES - continued**

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange currency contract Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate All differences are taken to the profit and loss account

Operating leases
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Taxation
Current tax is provided at amounts expected to be paid using tax rates and laws that have been enacted at the balance sheet date

Provision for liabilities
A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation The effect of the time value of money is not material and therefore the provisions are not discounted

Financial Instruments
The Company uses financial instruments, in particular, forward exchange contracts and options, to manage the financial risks associated with the Company's underlying business activities and the financing of those activities

The Company does not undertake any trading activity in financial instruments

Forward exchange contracts and options are used to hedge foreign exchange exposures arising on forecast payments in foreign currencies Upon maturity, or when the contract ceases to be a hedge, gains and losses are taken to the profit and loss account

Share Based Payments
The Company adopted the provisions of FRS 20 "Share-based Payment" during 2007 On adoption the Company recognised compensation expense for all share-based payment awards that were granted or awarded after 7 November 2002 and were outstanding, but not yet vested as of 1 January 2006

FRS20 requires measurement at the date of grant of the fair value of all equity settled share awards that are expected to vest, including employee share options Management measures the fair value using a Black-Scholes model, unless the awards are subject to market conditions, in which case a Monte Carlo simulation model is used The Monte Carlo simulation model utilises multiple input variables to estimate the probability that market conditions will be achieved

An expense is recognised on a straight line basis over the vesting period, after allowing for estimated forfeitures Performance share units are only recognised when it becomes probable that the performance criteria specified in the plan will be achieved As the Company's share-based payments involve equity instruments of the ultimate parent company, Coca-Cola Enterprises, Inc ("CCE, Inc"), a corresponding increase is recognised in equity as a contribution from the parent

The Company pays a charge to CCE, Inc in respect of the cost of awards made to its employees based on the fair value at vesting, in the case of an award of shares, or exercise in the case of an award of options These payments are charged directly to equity, as they represent a return of the capital contribution recognised at the grant date, up to the amount of that contribution, and a distribution thereafter

2 TURNOVER

The Company has a single activity which is the manufacture, sale and distribution of non-alcoholic beverages in Great Britain

3 STAFF COSTS

a) Staff costs

	2010 £'000	2009 £'000
Salaries and wages	162,634	166,396
Social security costs	17,901	18,862
Pension costs	19,423	13,866
	199,958	199,124

Included in pension costs are £17 0m (2009 £12 8m) in respect of defined benefit pension scheme and £2 4m (2009 £1 1m) in respect of the defined contribution pension scheme

The average number of employees (including Directors) employed by the Company was

	2010 Number	2009 Number
Production	1,366	1,310
Distribution and marketing	3,099	3,178
Administration	276	354
	4,741	4,842

b) Directors' remuneration

	2010 £'000	2009 £'000
Aggregate emoluments	2,001	1,982
Company contributions paid to a pension scheme	87	60
	2,088	2,042
Numbers of directors accruing benefits under defined benefit schemes	2	1
	£'000	£'000
In respect of the highest paid director		
Aggregate emoluments	591	706
Contributions to a defined pension scheme	-	-
Accrued pension at the end of the year	-	-
Accrued lump sum at the end of the year	-	-

4 OPERATING PROFIT

	2010 £'000	2009 £'000
Operating profit is stated after charging		
Depreciation on owned assets	61,771	68,377
Operating lease rentals - plant and machinery	17,397	18,054
- land and buildings	4,715	4,850
Foreign exchange gains/(losses)	1,281	(8,743)
Auditors' remuneration - audit services	320	395

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £'000	2009 £'000
Short-term loans and deposits	150	205
Group interest receivable	331	462
Other interest receivable	7	946
	488	1,613

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £'000	2009 £'000
Bank overdraft and other short term borrowings	15	1
Ultimate parent company interest payable	119	338
Group interest payable	86	49
Other interest payable	168	44
	388	432

7 TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the year was a follows

	2010 £'000	2009 £'000
Current tax		
UK corporation tax	26,133	41,544
Deferred tax	23,469	4,774
Tax on profit on ordinary activities	49,602	46,318

UK corporation tax has been charged at 28% (2009 - 28%)

Deferred tax includes the effect of the UK Corporation tax change from 28% to 27% effective 1 April 2011 (2009 28%) In the 2011 Budget it was announced that there will be an additional rate reduction of 1% which will be enacted later in 2011 with a retrospective effect from 1 April 2011, the impact of this is estimated to be a reduction of £1 5m

Factors affecting the tax charge
The tax assessed for the year is lower than the standard rate of corporation tax in the UK The difference is explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	254,700	239,058
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	71,316	66,936
Effects of		
Expenses not deductible for tax purposes	640	854
Capital allowances for year in excess of depreciation	1,514	(1,048)
Utilisation of group relief	(21,520)	(22,523)
Adjustment for tax charge in respect of previous periods	(1,013)	(2,520)
Movement in short term timing differences Share based payments	(979)	628
Movement on pension timing differences	(23,718)	(783)
Other timing differences	(107)	-
Current tax charge	26,133	41,544

Factors that may affect the future tax charges
Based on current capital investment plans, the Company expects to continue to be able to claim capital allowances in excess of depreciation in future years

8 DIVIDENDS

	2010 £'000	2009 £'000
Dividend paid £399 30 (2009 £415 09) per ordinary share	143,000	148,655

9 TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Office equipment £'000	In course of construction £'000	Totals £'000
Cost				
At 1 January 2010	181,336	795,797	28,542	1,005,675
Additions	4,250	44,867	17,261	66,378
Disposals	(5)	(47,104)	-	(47,109)
Reclassifications/transfers	4,285	24,113	(28,398)	-
At 31 December 2010	189,866	817,673	17,405	1,024,944
Depreciation				
At 1 January 2010	55,401	516,236	-	571,637
Charge for year	4,721	57,050	-	61,771
Disposals	(3)	(43,713)	-	(43,716)
At 31 December 2010	60,119	529,573	-	589,692
Net Book Value				
At 31 December 2010	129,747	288,100	17,405	435,252
At 31 December 2009	125,935	279,561	28,542	434,038

The net book value of land and building comprises

	2010 £'000	2009 £'000
Land and buildings	126,626	123,578
Short leasehold	3,121	2,357
Net book value	129,747	125,935

10 STOCKS

	2010 £'000	2009 £'000
Raw materials and consumables	18,544	16,695
Finished goods and goods for resale	44,649	38,463
Sundry stocks	5,094	4,644
	68,287	59,802

The replacement cost of stock is not considered to be materially different from the balance sheet value

11 DEBTORS

	2010 £'000	2009 £'000
Amounts falling due within one year		
Trade debtors	368,272	360,389
Amounts due from ultimate parent company	1,838	113
Amounts due from group undertakings	52,154	45,881
Other debtors	-	100
Prepayments	3,753	3,147
	426,017	409,630
Amounts falling due after more than one year		
Prepayments	6,615	6,479
	432,632	416,109

Included within trade debtors above are the following amounts owed by related parties

	2010 £'000	2009 £'000
Coca-Cola International Sales Limited	48	2,718
SA Coca-Cola Services NV	6,089	4,063
Beverages Services Ltd	21	17
Waters & Robson	296	296
	6,454	7,094

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Trade creditors	127,344	117,758
Amounts due to ultimate parent company	45,002	378
Amounts due to group undertakings	20,102	12,976
Other creditors	117	-
Corporation tax	13,529	17,061
Social security and other taxes	5,738	4,601
VAT	37,355	27,526
Accruals and deferred income	193,806	179,184
	442,993	359,484

Included within trade creditors and accruals above are the followings amounts due to related parties

	2010 £'000	2009 £'000
Atlantic Industries	18,217	8,823
Coca-Cola International Sales Limited	272	38
Varoise de Concentres S A S	735	1,896
European Refreshments Limited	199	3,257
Coca-Cola Bottlers Sales and Service	67	-
Waters & Robson	91	1,179
	19,581	15,193

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £'000	2009 £'000
Not wholly repayable within five years		
Loan from immediate parent company	40,902	40,902

The amount not wholly repayable within five years is an interest free loan

14 OPERATING LEASE COMMITMENTS

At 31 December 2010 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Plant and equipment	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Expiring				
Within one year	87	216	2,604	2,200
Between one and five years	3,789	3,283	10,858	10,359
In more than five years	771	1,139	-	986
	4,647	4,638	13,462	13,545

15 FINANCIAL INSTRUMENTS

The Company's principal financial instruments, other than derivatives, comprise bank loans, cash and short-term deposits The main purpose of these financial instruments is to raise finance to support the group's operations The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations

The Company also enters into derivative transactions (principally forward exchange contracts and currency swaps) The purpose is to manage the currency risks arising from the Company's operations and its sources of finance

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken

The main financial risks mitigated by the Company's financial instruments are interest rate risk, liquidity risk and foreign currency risk The Company implements policies and strategies adopted by the Company's ultimate parent company for managing each of these risks and they are summarised below These policies have remained unchanged during the year

Interest rate risk
At the ultimate parent company's instruction the Company borrows at both fixed and floating rates of interest to generate the desired interest profile and to manage exposure to fluctuations in interest rates It is the Company's ultimate parent company's policy that, where appropriate, borrowings are on a medium to long term basis with fixed interest rates to reduce exposure to interest rate risks

Liquidity risk
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, bank loans and intergroup loans It is the Company's ultimate parent company's policy that fixed asset investments are matched by medium to long term borrowings As at 31 December 2010 approximately 9 4% of the Company's fixed assets are covered by medium to long term funds

Short-term flexibility is achieved by short-term borrowing and overdraft facilities

Foreign currency risk
The Company's principle borrowings are denominated in Sterling The Company also has transactional currency exposures Such exposures arise from the purchase of raw materials denominated in currencies other than Sterling The Company's policy is to reduce currency exposures at the time of purchases through forward exchange contracts and options

Interest rate profile of financial liabilities and assets
The interest rate profile of the financial liabilities of the Company as at 31 December 2010 and 31 December 2009 were as follows

	2010 £'000	2009 £'000
Fixed rate interest	45,000	-
Floating rate interest	13,124	16,508
Interest free	376,110	340,497
	434,234	357,005

The financial liabilities of the Company comprised

	2010 £'000	2009 £'000
Total borrowings	85,902	40,902
Creditors falling due within one year	348,332	316,103
	434,234	357,005

Floating rate financial liabilities comprise a revolving credit facility at commercial rates

15 FINANCIAL INSTRUMENTS (continued)

The interest rate profile of the financial assets of the Company as at 31 December 2010 and 31 December 2009 were as follows

	2010 £'000	2009 £'000
Floating rate interest	155,737	78,641
Interest free	378,582	361,913
	534,319	440,554

The financial assets of the Company comprise

Cash and deposits	112,173	34,071
Debtors falling due within one year	422,146	406,483
	534,319	440,554

Floating rate financial assets comprises cash and bank deposits bearing interest at commercial rates

Currency exposures

After taking into account the effects of currency options and forward exchange contracts the Company does not have any significant currency exposures on monetary assets and liabilities

Maturity of financial liabilities

The maturity of the Company's financial liabilities as at 31 December 2010 and 31 December 2009 were as follows

	2010 £'000	2009 £'000
In one year or less, or on demand	393,332	316,103
In more than five years	40,902	40,902
	434,234	357,005

Fair value of financial instruments

As at 31 December 2010 the book values and fair values of all the Group financial instruments were as follows

	Book value £'000	Fair value £'000
2010		
Cash and deposits	112,173	112,173
Debtors falling due within one year	422,146	422,146
Creditors falling due within one year	(393,332)	(393,332)
Borrowings falling due after more than one year	(40,902)	(40,902)
	100,085	100,085

	Book value £'000	Fair value £'000
2009		
Cash and deposits	34,071	34,071
Debtors falling due within one year	406,483	406,483
Creditors falling due within one year	(316,103)	(316,103)
Borrowings falling due after more than one year	(40,902)	(40,902)
	83,549	83,549

15 **FINANCIAL INSTRUMENTS (continued)**

Fair Values of financial instruments
The fair values of cash and cash equivalents, accounts receivable, and accounts payable approximate their carrying amounts due to their short-term nature The fair value of all other instruments is approximately equal to the book value due to their short-term nature or the fact that they bear interest at floating rates

16 **PROVISIONS FOR LIABILITIES**

	At 1 January 2010	Charged to the profit and loss account	Utilised	At 31 December 2010
	£'000	£'000	£'000	£'000
Deferred taxation	39,232	2,271	(1,515)	39,988
Environmental costs	1,132	521	(636)	1,017
Onerous contracts	183	332	(489)	26
Insurance claims	2,645	1,670	(1,700)	2,615
Customer claims	1,847	2,831	(1,720)	2,958
	45,039	7,625	(6,060)	46,604

Included in the charge to the profit and loss account for Deferred taxation, is a credit of £1 5m in relation to the tax rate change from 28% to 27%, effective 1 April 2011

The provision in respect of environmental costs reflects the levy imposed on packaging waste All of the associated outflows are estimated to occur within two years of the balance sheet date

The provision in respect of onerous contracts reflects the costs on leasehold properties not utilised by the Company less amounts receivable under sub-leases The associated outflows will occur over the remaining lease periods

Provision for insurance claims is made in respect of claims notified, and for claims incurred but which have not yet been notified, based on advice from the Company's external insurance advisers The associated outflows are estimated to arise over a period of up to five years from the balance sheet date

The provision in respect of customer claims reflects expected costs to be incurred in respect of audits conducted by customers on invoicing and retrospective discounts from prior years

	2010	2009
	£'000	£'000
The total potential liability for deferred taxation is as follows		
Accelerated capital allowances	39,988	39,232

17 **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid		Nominal	2010	2009
Number	Class	value	£'000	£'000
358,130	Ordinary	£0 01	4	4
200,000	Deferred	£1 00	200	200
			204	204

The deferred shares carry no rights to vote or receive dividends and on a winding-up the holders are entitled only to receive payment of the amount paid up on the share after the repayment to each holder of an ordinary share of a sum of £5 per share

18 RESERVES

	Profit and loss account £'000	Share premium £'000	Share based payment reserve £'000	Other reserves £'000	Totals £'000
At 1 January 2010	168,274	228,967	8,998	72,453	478,692
Profit for the year	205,098	-	-	-	205,098
Dividends paid	(143,000)	-	-	-	(143,000)
FRS17 Actuarial gain on pension scheme (net)	21,044	-	-	-	21,044
FRS20 Share based payments equity contribution from parent	-	-	2,846	-	2,846
Repayment of equity contribution	-	-	(6,343)	-	(6,343)
At 31 December 2010	251,416	228,967	5,501	72,453	558,337

Profit and loss account excluding pension liability	210,720
Pension surplus (refer note 19)	40,696
Profit and loss account	251,416

19 EMPLOYEE BENEFIT OBLIGATIONS

The Coca-Cola Enterprises Pension Scheme ("the Scheme") is a defined benefit arrangement A full actuarial valuation was carried out as at 5 April 2007 and updated to 31 December 2010 by a qualified independent actuary The major assumptions used by the actuary were

	2010 %	2009 %	2008 %
Discount rate	5 63	5 75	6 50
Expected return on scheme assets at the end of year	7 00	7 33	7 14
Rate of increases in salaries	4 13	4 25	4 00
Inflation assumption	3 38	3 25	3 20
Pension increases			
- Pension accrued before 6 July 2010	3 25	3 25	3 00
- Pension accrued after 5 July 2010	2 50	N/A	N/A

Mortality	PNXA00 tables with 92 series projections based on year of birth, rated up 2 years

	2010	2009
Retiring today		
Males	84 9	83 9
Females	87 4	86 2
Retiring in 20 years		
Males	86 0	84 9
Females	88 5	87 1

Recognised in the Balance Sheet:

	2010 £'000	2009 £'000
Plan assets at fair value		
Equities	388,260	326,536
Gilts and bonds	96,634	56,490
Property	27,807	24,410
Other	25,828	18,215
Fair value of plan assets	538,529	425,651
Present value of funded obligations	(482,781)	(453,011)
Defined benefit pension scheme surplus/(deficit)	55,748	(27,360)
Related deferred tax (liability)/asset	(15,052)	7,661
Net asset/(liability) in the balance sheet	40,696	(19,699)

19 EMPLOYEE BENEFIT OBLIGATIONS (continued)

Recognised in the Profit and Loss account:

	2010 £'000	2009 £'000
Current service cost	16,969	12,784
Recognised in arriving at operating profit	16,969	12,784
Expected return on scheme assets	(33,170)	(24,342)
Interest cost	26,243	23,046
Other finance income	(6,927)	(1,296)
Total recognised in profit and loss account	10,042	11,488

Taken to the Statement of Total Recognised Gains and Losses:

	2010 £'000	2009 £'000
Actuarial gain/(loss)	29,228	(31,664)
Actuarial gain/(loss) recognised in STRGL	29,228	(31,664)
Cumulative amount of actuarial losses	(88,825)	(118,053)

Changes in the present value of the defined benefit obligation are as follows:

	2010 £'000	2009 £'000
Present value of defined benefit obligation at beginning of the year	453,011	350,092
Service cost (employer cost)	16,969	12,784
Contributions by scheme participants	2,798	5,740
Interest cost	26,243	23,046
Actuarial (gain)/loss on scheme liabilities	(3,263)	70,948
Benefits paid	(12,977)	(9,599)
Present value of defined benefit obligation at end of year	482,781	453,011

Changes in the present value of the scheme assets are as follows:

	2010 £'000	2009 £'000
Fair value of scheme assets at start of year	425,651	319,850
Contributions by employer	63,922	46,035
Contributions by scheme participants	2,798	5,740
Expected return on scheme assets	33,170	24,342
Actuarial gain on scheme assets	25,965	39,284
Benefits paid	(12,977)	(9,600)
Fair value of scheme assets at end of year	538,529	425,651

19 EMPLOYEE BENEFIT OBLIGATIONS (continued)

History of assets, liabilities and actuarial gains and losses:

	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Fair value of scheme assets	538,529	425,651	319,850	388,469
Present value of defined benefit obligation	(482,781)	(453,011)	(350,092)	(349,676)
Surplus/(deficit) in the scheme	55,748	(27,360)	(30,242)	38,793
Experience gain/(loss) on scheme liabilities				
Amount (£000's)	20,667	823	(6,340)	(244)
Percentage of the present value of the scheme liabilities	4%	0%	(2%)	0%
Difference between the expected and actual return on scheme assets				
Amount (£000's)	25,965	39,284	(119,505)	(5,976)
Percentage of the present value of the scheme assets	5%	9%	(37%)	(2%)

Estimated contributions:
The employer's best estimate of contributions to be paid to the scheme by the company next year is £24 0m The employer's best estimate of contributions to be paid to the scheme by employees next year is £0 04m

Changes in the Pension Scheme:
Following full and active dialogue with employees and employee representatives, the Company announced in May 2010 the outcome of the consultation on proposals to make changes to the CCE defined benefit pension scheme This scheme was closed to new employees from October 2005 and therefore these changes only applied to existing members The Company needed to make changes to the scheme in order to ensure that the pension provision is sustainable by managing future cost and risk as well as to ensure fairness for all employees, whether or not they are members of the defined benefit scheme

The key changes in the pension scheme, effective from the 6th of July 2011 and applicable to services rendered after this date, were

- Normal retirement age increased from 60 to 65
- Increase to pensionable earnings are capped at the Retail Prices Index
- Salary sacrifice introduced
- Cap on annual increases to pensions in payment lowered from 5% to 2 5%

These changes are expected to reduce the Company's future contributions to the scheme by approximately 11 5% of the per annum salary At valuation date (effective 5 April 2010) the reduction of future contributions were estimated at €12 2m per annum The reduction in contribution is only effective from May 2011 onwards

20 ULTIMATE PARENT COMPANY

The Company's immediate parent company is Amalgamated Beverages Great Britain Limited The Company's ultimate UK parent company, Bottling Great Britain Ltd , is the only group of which the Company is a member, and for which group financial statements are prepared Copies of these group financial statements are available from Charter Place, Uxbridge, UB8 1EZ Intermediate parent company comprises of Coca-Cola Enterprises Great Britain Limited

The Company's ultimate parent undertaking and controlling party is Coca-Cola Enterprises, Inc , a corporation incorporated in the United States of America Copies of the group financial statements of Coca-Cola Enterprises Inc are available from 2500 Windy Ridge Parkway, Atlanta, Georgia 30339

21 CONTINGENT LIABILITIES

As at 31 December 2010 the Company has a duty deferment guarantee of £200k (2009 £200k) with HMRC - Customs and Excise for the import of raw materials and consumables

22 RELATED PARTY DISCLOSURES

In accordance with Financial Reporting Standard 8, Related Party Disclosures, The Coca-Cola Company is considered to be a related party, as a consequence of its franchisor relationship with CCE

The Company has not disclosed transactions with related parties that are part of the Bottling Great Britain group of companies as permitted by the above standard

Material transactions during the year with The Coca-Cola Company and its subsidiary and associate undertakings are detailed below

Company	Nature of transaction	2010 £'000 Income/ (Expenditure)	2009 £'000 Income/ (Expenditure)
Atlantic Industries	Product concentrate	(463,279)	(459,441)
Varoise de Concentres S A S	Product concentrate	(5,502)	(6,917)
Coca-Cola International Sales Limited	Raw Materials	(2,362)	(1,657)
Waters & Robson	Raw Materials	(1,268)	(1,303)
European Refreshments Limited	Finished goods	(10,886)	(11,722)
SA Coca-Cola Services NV	Marketing Support	48,202	60,176

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £'000	2009 £'000
Profit for the financial year	205,098	192,740
Dividends	(143,000)	(148,655)
	62,098	44,085
Other recognised gains and losses relating to the year (net)	21,044	(22,797)
FRS20 Share based payments equity contribution from parent	2,846	2,501
Repayment of equity contribution	(6,343)	(257)
Net addition to shareholders' funds	79,645	23,532
Opening shareholders' funds	478,896	455,364
Closing shareholders' funds	558,541	478,896

24 SHARE-BASED PAYMENT

Share-Based Payment Awards Prior to the Transaction
The Company participated in the Coca-Cola Enterprises Inc (Legacy CCE) share-based compensation plans that provided for the granting of non-qualified share options and restricted shares (units) to certain executives and management level employees Some of these awards contained performance or market conditions that were based on the stock price or performance of the Legacy CCE

On the effective date of the Transaction, where Coca-Cola Enterprises Ltd became a subsidiary of the new ultimate parent company, Coca-Cola Enterprises, Inc ("CCE, Inc "), employees had their Legacy CCE share-based awards converted into share-based payment awards in new CCE, Inc Such awards were converted in a manner that provided the employee with the same intrinsic value as the Legacy CCE shares had immediately prior to the effective date of the Transaction Service vesting requirements of converted share-based awards still need to be satisfied for the awards to vest On October 1, 2010, the outstanding Legacy CCE awards were converted to approximately 0 7 million share options and 0 6 million restricted shares (units) in new CCE, Inc

Share-Based Payment Awards following the Transaction
The Company maintains share-based compensation plans that provide for the granting of non-qualified share options and restricted shares (units), some with performance conditions, to certain executive and management level employees We believe that these awards better align the interests of our employees with the interests of our shareowners The share based payment schemes in place are an Employee Share Plan, a Share Options Plan, and a Restricted Shares Plan

The charge for the year ended 31 December 2010 for all non Employee Share Plan awards was £2 8m (2009 £2 5m) and the recharge by Coca-Cola Enterprises, Inc was £6 3m (2009 £0 3m)

Employee Share Plan
The former Coca-Cola Enterprises Ltd UK Employee Share Plan which had operated since March 2001 and had been approved by HM Revenue and Customs was closed in September 2010 as a result of the corporate restructure connected to the transaction between the Coca-Cola Company and Coca-Cola Enterprises, Inc , Coca-Cola Enterprises Ltd's parent company

In November 2010 HM Revenue and Customs approval was received to open a new Share Plan, the Coca-Cola Enterprises Ltd UK Employee Share Plan The plan was opened to employees in December 2010 and operates in the same way as the former plan Under the new plan employees have the opportunity to purchase CCE, Inc shares (partnership shares) out of pre-tax salary up to a maximum value of £1,500 per year For each share purchased by the employee, the Company provides a free matching share From opening the Plan and to the end of the 2010 financial year, 6,782 matching shares were purchased by the Trustee of the Plan at a cost to the Company of £112K

The following table illustrates the number of, and movements in, matching shares during the year

	2010 Number New Plan	2010 Number Old Plan	2009 Number Old Plan
Outstanding as at 1 January			
Purchased before 7 November 2002	-	55,063	71,672
Purchased 7 November 2002 onwards	-	813,509	738,300
	-	868,572	809,972
Movements during the year			
Purchased	6,782	80,225	175,128
Forfeited	-	(9,191)	(17,165)
Sold	-	(674,594)	(93,751)
Transferred	-	(265,012)	(5,612)
Outstanding as at 31 December			
Granted before 7 November 2002	-	-	55,063
Granted 7 November 2002 onwards	6,782	-	813,509
	6,782	-	868,572
Exercisable at 31 December	-	-	403,212

24 **SHARE-BASED PAYMENT (continued)**

Share Options

Share options (1) are granted with exercise prices equal to or greater than the fair value of CCE, Inc stock on the date of grant, (2) generally vest over a period of 36 months, and (3) expire 10 years from the date of grant Some of the share options granted contained market conditions that require the share price to increase for a defined period 25 percent for one-half of the award to vest and 50 percent for the other one-half of the award to vest Generally, when options are exercised, CCE, Inc issue new shares, rather than issuing treasury shares Options are normally forfeited if the employee leaves the Company before the options vest

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

	2010 Number New Plan	WAEP (1)	2010 Number Old Plan	WAEP (1)	2009 Number Old Plan	WAEP (1)
Outstanding as at 1 January						
Purchased before 7 November 2002	-		326,558		659,788	
Purchased 7 November 2002 onwards	-		945,706		916,931	
	-		1,272,264	$18 21	1,576,719	$18 66
Movements during the year						
Converted from the old plan	716,620	$21 80	-		-	
Granted	94,386	$24 40	-		117,751	$18 83
Forfeited	(5,075)	$21 80	(20,085)	$12 59	(36,606)	$20 24
Exercised (2)	(70,271)	$21 80	(660,829)	$17 85	(121,638)	$17 42
Expired	(437)	$21 80	(29,607)	$20 90	(293,962)	$31 43
Transferred to the new plan	-		(561,743)		-	
Outstanding as at 31 December						
Purchased before 7 November 2002	-		-		326,558	
Purchased 7 November 2002 onwards	735,223		-		945,706	
	735,223	$22 11	-		1,272,264	$18 21
Exercisable at 31 December 2010 (3)	475,028	$21 80			994,926	$19 60

(1) Weighted Average Exercise Price at date of grant
(2) Weighted Average Exercise Price at date of exercise was $24 81 for the new plan and $26 96 for the old plan (2009 $20 11)
(3) Weighted Average Remaining Contractual Life at 31 December 2010 was 7 28 (2009 5 17)

Restricted Shares (Units) & Performance Shares (Units)

Restricted shares (units) generally vest upon continued employment for a period of at least 42 months and the attainment of certain share price or performance targets Certain of the restricted shares (units) expire five years from the date of grant if the share price or performance targets have not been met The restricted share awards entitle the participant to full dividends and voting rights where as restricted share unit awards entitle the participant to hypothetical dividends (which vest, in some cases, only if the restricted share units vest), but not voting rights Unvested restricted shares (units) are restricted as to disposition and subject to forfeiture

Some of the restricted shares (units) granted in 2010 were performance share units for which the ultimate number of shares earned will be determined at the end of a three-year performance period These performance share units are subject to the performance criteria of compounded annual growth in net income per share over the performance period, as adjusted for certain items detailed in the plan document The purpose of the adjustments is to ensure a consistent year-over-year comparison of the specified performance criteria

24 SHARE-BASED PAYMENT (continued)

The following table illustrates the number and weighted average prices (WAP) of, and movements in, share awards during the year for both the old and new plans

	2010 Number New Plan	WAP (1)	2010 Number Old Plan	WAP (1)	2009 Number Old Plan	WAP (1)
Outstanding as at 1 January						
Granted 7 November 2002 onwards	-		582,863	$16 80	424,273	$17 27
	-		582,863		424,273	
Movements during the year						
Converted from the old plan	630,563	$21 80	-		-	
Granted	195,593	$24 40	-		213,153	$18 15
Forfeited	(11,793)	$21 80	(14,299)	$15 13	(54,563)	$16 11
Vested (2)	(93,117)	$21 80	(89,698)	$21 88	-	
Transferred to the new plan	-		(478,866)		-	
Outstanding as at 31 December						
Granted 7 November 2002 onwards	721,246	$22 44	-		582,863	$16 80
	721,246		-		582,863	

(1) Weighted Average Price at date of award
(2) Weighted Average Price at date of vesting was $23 14