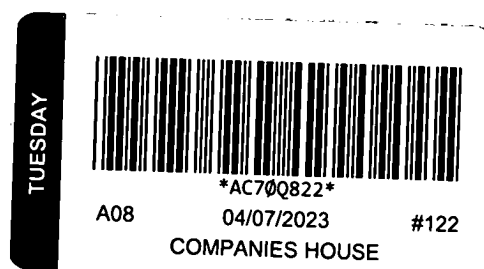


Coca-Cola Europacific Partners Great Britain Limited

Report and Financial Statements

31 December 2022



Coca-Cola Europacific Partners Great Britain Limited

Year ended 31 December 2022

Contents of the financial statements

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Coca-Cola Europacific Partners Great Britain Limited

Year ended 31 December 2022

Corporate information

Directors

F. Govaerts
N. Halpern
S. Moorhouse
E. Walker
J. Wang

Secretaries

L. Brown
A. Recker

Registered office

Pemberton House
Bakers Road
Uxbridge
UB8 1EZ
England

Registered number

27173 (England and Wales)

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Strategic report

The Directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of Coca-Cola Europacific Partners Great Britain Limited (the Company) continues to be the marketing, production and distribution of non-alcoholic beverages throughout Great Britain.

Review of the business and key performance indicators

The profit on ordinary activities for the year, after taxation, is £164.2m (2021: £259.9m).

Leading brands include Coca-Cola, Diet Coke, Coke Zero, Fanta, Sprite, Schweppes, Fuze tea, Monster and Smartwater.

The key performance indicators of Coca-Cola Europacific Partners plc (CCEP) and its subsidiaries (together, the Group), which includes the Company, are described in CCEP's 2022 Integrated Report. The Company's key financial and other performance indicators during the year were as follows:

| | 2022 £000 | 2021 £000 | Change % |
|-----------------------------|--------------|--------------|-------------|
| Turnover | 2,670,575 | 2,283,445 | 17.0% |
| Gross profit | 757,855 | 732,721 | 3.4% |
| Operating profit | 186,500 | 320,167 | -41.7% |
| Profit after tax | 164,179 | 259,875 | -36.8% |
| Shareholder's funds | 683,429 | 715,442 | -4.5% |
| Average number of employees | 3,107 | 3,150 | |

Turnover increased by 17.0% during the year mainly driven by two price increases being taken in the year to compete with the rising cost of goods and an increased volume in the away from home channel. Operating profit decreased by 41.7% driving a decrease in the profit after tax of 36.8% mainly as a result of higher net intragroup management fees. These Financial Statements have been prepared in compliance with FRS 101 - Reduced Disclosure Framework and the Company has taken advantage of the disclosure exemptions allowed under this standard.

Dividends

Dividends of £120m were declared and paid in 2022 (2021: £440m).

Future developments

The Directors are satisfied with the results for the year and expect the present level of activity to be sustained for the foreseeable future.

Strategic report

Principal risks and uncertainties

The board of directors of the ultimate parent company, CCEP, has a policy of continuous identification and review of key business risks and uncertainties. It oversees the development of processes to ensure these risks are managed appropriately and receives regular reporting on these outcomes.

A full description of the principal risks and uncertainties applicable to the Group, of which this company is a subsidiary, is disclosed within the Principal risks section and Risk factors section on pages 64-71 and 223-229 respectively of CCEP's 2022 Integrated Report.

The Directors deem the following risks and uncertainties in particular could adversely impact the Company's business and financial results when and if they were to occur:

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

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. 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 purchase our entire requirement of concentrates and syrups for TCCC owned brands from TCCC at prices and terms determined from time to time by TCCC at its sole discretion. CCEP has entered into a 10-year bottling agreement with TCCC which extends through 28 May 2026 and contains the right for CCEP to request a 10-year renewal. CCEP and TCCC reached an understanding on a new incidence-based concentrate pricing model and funding programme which was effective on 1 January 2017. The terms of this new understanding are tied to the term of the bottling agreement.

- Increase in costs or limitation of supplies of raw materials.

Increases in the costs of raw materials, ingredients, or packaging materials, such as aluminium, sugar, PET (plastic), fuel, or other cost items, and the inability to pass these increased costs on to our customers in the form of higher prices, would have an adverse impact on our financial results. We use supplier pricing agreements and, at times, derivative financial instruments to manage the volatility and market risk with respect to certain commodities. Generally, these hedging instruments establish the purchase price for these commodities in advance of the time of delivery.

- Legislative or regulatory changes.

Legislative or regulatory changes that affect our products, distribution, or packaging could reduce demand for our products or increase our costs. Our business is part of the wider GB economy and 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, impose additional costs on our products or those that limit our ability to design new packages or market certain packages, could negatively impact our financial results.

Section 172(1) statement from the Directors

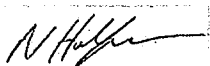
During 2022, the Directors acted in good faith to promote the long-term success of the Company.

The Company is a wholly owned subsidiary within the group of companies headed by CCEP. The Group operates within a single governance framework and the board of directors of CCEP (the CCEP Board) has considered the matters under Section 172(1) of the Companies Act 2006 (s172(1)) at a Group level. To the extent necessary for understanding the position of the Company, the Group analysis of s172(1) matters and an overview of the Group's stakeholders is set out on pages 14-18 of CCEP's 2022 Integrated Report.

Strategic report

The CCEP Board understands the importance of stakeholder engagement and strives to understand the views of CCEP's key stakeholders. Stakeholders are reviewed annually to ensure the CCEP Board have the right engagement and information to understand stakeholders' input to our business and our impact on them. This enables the CCEP Board to better consider stakeholders' interests in CCEP Board discussions and decision making. The Directors recognise that, as a subsidiary company within the Group, the Company does not engage directly with all Group stakeholders. Nonetheless, during the year, the Directors have had due regard to the aims and strategy of the Group when making decisions.

Approved by the Board of Directors on 26 June 2023 and signed on behalf of the Board by:



Nicholas Robert Halpern - Director

Directors' report

Registered No. 27173 (England and Wales)

The Directors present their report for the year ended 31 December 2022. The following information may be found in the Strategic report and is incorporated into the Directors' report by reference:

- Dividends
- Stakeholder engagement – see Section 172(1) statement from the Directors

Directors

The Directors shown below have held office during the period from 1 January 2022 to the date of this report.

F. Govaerts

N. Halpern

S. Moorhouse

E. Walker

J. Wang

None of the Directors held any interests in the share capital of the Company during the year under review.

Financial instruments

The Company finances its activities with a combination of loans from Group companies, finance leases and hire purchase contracts, cash and short-term deposits. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. The Company also enters into derivative transactions, including principally forward currency and commodity contracts and options to manage the cash flows and currency risks arising from the Company's underlying business activities operation.

Financial instruments give rise to price, credit, currency, liquidity and cash flow risks.

Information on how these risks arise and the objectives, policies and processes for their management and the methods used to measure each risk is set out below.

The Company, as part of the Group, has established a risk and financial management framework whose primary objectives are to protect the companies within the Group from events that hinder the achievement of the Group's performance objective. The objectives aim to limit undue counterparty risks, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its trade receivables. In order to manage credit risk, the Company performs an individual risk assessment based upon independent credit references, financial position, past experiences and other factors to incorporate the latest developments and qualitative information.

To maintain the relationships with key customers, the Company also strives to work in partnership with key distributors to deliver the products required whilst through the use of bank guarantees, trade insurance and payments in advance attempting to minimise the risk of being unable to recover a debt.

Directors' report

Financial instruments (continued)

Price risk

The Company is exposed to the risk of changes in commodity prices in relation to its purchase of certain raw materials.

The Company uses commodity forward contracts to hedge against this risk. All commodity forward contracts hedge future purchases of raw materials and the contracts are settled by physical delivery.

Currency risks

The Company is exposed to currency risks in respect of its purchases of raw materials and borrowings from Group companies. The Company manages currency exposures within prescribed limits, mainly through the use of forward foreign currency exchange contracts.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets for key accounts and using the intercompany borrowing facilities available to the Company. Details of outstanding borrowing and their terms are included in note 22.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The Company manages this risk (where significant) by use of derivatives.

Use of derivatives

The Company uses forward foreign currency contracts and options to manage the exposure arising on forecast payments as explained above.

Research and development

Research in the beverages field is undertaken on behalf of the Company by The Coca-Cola Company (TCCC). From time to time the Company engages third parties to undertake marketing research on its behalf.

The Company regularly undertakes eligibility assessments on investments in research and development and claims tax credits for the relevant qualifying expenditures.

Events after the balance sheet date

Refer to Note 27 in the notes to the financial statements.

Directors' report

Disabled employees

The Company always considers carefully an application for employment by any registered disabled person. If an employee becomes disabled it is normal 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. To accelerate disability inclusion, the Company has placed increased focus on advocacy by its senior leadership team and is identifying changes to its ways of working to improve accessibility. During 2022, as part of CCEP's updated sustainability action plan "This is Forward", a new target of 10% was set at a group level for CCEP's workforce to be represented by people with disabilities by 2030.

Employee involvement

Employees are kept informed through regular newsletters and electronic communications. Employees are encouraged to present their views and suggestions in respect of the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

The Company's management gives updates about the Company's overall, and local, performance through various channels, as well as through its published results. In 2022, the Company held regular, informal sessions to present updates on business performance.

Directors' liabilities

At the date of signing these financial statements, the Directors of the Company are indemnified in accordance with the articles of association of the Company to the maximum extent permitted by law, such indemnities being qualifying third party indemnities.

Statement of corporate governance arrangements

The Company is a wholly owned subsidiary within the group of companies headed by Coca-Cola Europacific Partners plc. The Group operates a single governance framework, which is overseen by the CCEP Board. CCEP has a standard listing of ordinary shares in the United Kingdom (UK), however the CCEP Board has chosen to apply the UK Corporate Governance Code on a voluntary basis, to demonstrate its commitment to good governance.

The Directors have not chosen to apply a separate governance code to the Company, as the governance practices of CCEP are embedded throughout the Group. CCEP's governance framework includes a group wide Code of Conduct and chart of delegated authorities, which enables the right people to make the right decisions at the right time. For an overview of the Group's governance framework, as applicable to the Company, see page 97 of CCEP's 2022 Integrated Report.

Going Concern

As at 31 December 2022, the Company is in a net asset position of £683m and in a net current asset position of £215m, both mainly supported by the fact that the Company has £261m of cash at bank and short-term investments at the balance sheet date. The Company generates cash as a result of its business operations, which have remained stable through the year and through to the date of approval of the financial statements.

The Directors have prepared and reviewed the cash forecasts of the Company up to 26 June 2024. Based on those reviews, they have not identified any events or conditions that might cast significant doubt over the Company's ability to continue as a going concern and therefore consider that the Company will be able to meet its liabilities when they fall due for the going concern period up to 26 June 2024.

Accordingly, they continue to adopt the going concern basis in preparing the accounts and do not believe there are any material uncertainties to disclose in relation to the Company's ability to continue as a going concern.

Directors' report

Directors' statement as to disclosure of information to the auditor

The Directors who were members of the board at the time of approving the Directors' report are listed on page 5. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- to the best of the Director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing its report) of which the Company's auditor is unaware; and
- the Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Directors on 26 June 2023 and signed on behalf of the Board by:



Nicholas Robert Halpern - Director

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCA-COLA EUROPACIFIC PARTNERS GREAT BRITAIN LIMITED

Opinion

We have audited the financial statements of Coca-Cola Europacific Partners Great Britain Limited for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position and the related notes 1 to 31, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included;

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of management's going concern assessment process and also engaged with management early to ensure all key factors were considered in its assessment;
- We obtained management's going concern assessment, which covers a period through to 26 June 2024;
- We tested the factors and assumptions included in management's going concern assessment, considered the appropriateness of the methods used to calculate the assessment and determined through inspection and testing of the methodology and calculations that the methods utilised were appropriately sophisticated to be able to make an assessment for the entity; and
- We reviewed the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 26 June 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

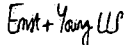
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the UK. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, food safety, employees, data protection and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk, focused on the measurement of arrangements with customers recorded as deductions from revenue. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions. The procedures included testing, on a sample basis, agreements, settlements of deductions and underlying calculations of arrangements with customers.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria, with a focus on journals posted to revenue and journals indicating large or unusual transactions based on our understanding of the business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 an auditor's report 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.

DocuSigned by:

81F446ACB1974A1...

Jon Killingley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

30 June 2023

Statement of comprehensive income

for the year ended 31 December 2022

| | Notes | 2022 £000 | 2021 £000 |
|---|-------|------------------------|-----------------------|
| TURNOVER | 3 | 2,670,575 | 2,283,445 |
| Cost of sales | | <u>(1,912,720)</u> | <u>(1,550,724)</u> |
| GROSS PROFIT | | 757,855 | 732,721 |
| Distribution costs | | (230,252) | (211,932) |
| Administrative expenses | | (113,153) | (143,672) |
| Other operating expenses | 4 | <u>(227,950)</u> | <u>(56,950)</u> |
| OPERATING PROFIT | 4 | 186,500 | 320,167 |
| Loss on disposal of fixed assets | | (522) | (6,334) |
| Interest receivable and similar income | 7 | 9,783 | 2,399 |
| Interest payable and similar cost | 8 | <u>(3,667)</u> | <u>(1,899)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 192,094 | 314,333 |
| Tax on profit on ordinary activities | 9 | <u>(27,915)</u> | <u>(54,458)</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>164,179</u> | <u>259,875</u> |
| OTHER COMPREHENSIVE INCOME | | | |
| ITEMS THAT CANNOT BE RECLASSIFIED TO PROFIT OR LOSS: | | | |
| Actuarial (loss)/gain on defined benefit pension plan | 29 | (101,547) | 202,464 |
| Tax on items relating to components of other comprehensive income | 9 | 25,386 | (50,616) |
| OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX | | <u>(76,161)</u> | <u>151,848</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>88,018</u> | <u>411,723</u> |

The notes on pages 17 to 44 form part of these financial statements

Coca-Cola Europacific Partners Great Britain Limited

Year ended 31 December 2022

Statement of changes in equity

for the year ended 31 December 2022

| | Note | Called up share capital £000 | Share premium £000 | Share based payment reserve £000 | Other reserves £000 | Retained earnings £000 | Total Equity £000 |
|---|------|---------------------------------------|--------------------------|--|------------------------|------------------------------|----------------------|
| At 1 January 2021 | | 204 | 195,029 | 2,650 | 301,420 | 244,095 | 743,398 |
| Profit for the financial year | | - | - | - | - | 259,875 | 259,875 |
| Other comprehensive income | | - | - | - | - | 151,848 | 151,848 |
| Total comprehensive income for the year | | - | - | - | - | 411,723 | 411,723 |
| Share-based payment transactions | 25 | - | - | (303) | - | (220) | (523) |
| Tax effect on share-based payments transactions | 9 | - | - | - | - | 844 | 844 |
| Equity dividends paid | 10 | - | - | - | (200,000) | (240,000) | (440,000) |
| At 31 December 2021 | | 204 | 195,029 | 2,347 | 101,420 | 416,442 | 715,442 |
| Profit for the financial year | | - | - | - | - | 164,179 | 164,179 |
| Other comprehensive loss | | - | - | - | - | (76,161) | (76,161) |
| Total comprehensive income for the year | | - | - | - | - | 88,018 | 88,018 |
| Share-based payment transactions | 25 | - | - | 45 | - | (273) | (228) |
| Tax effect on share-based payments transactions | 9 | - | - | - | - | 197 | 197 |
| Equity dividends paid | 10 | - | - | - | - | (120,000) | (120,000) |
| At 31 December 2022 | | 204 | 195,029 | 2,392 | 101,420 | 384,384 | 683,429 |

The notes on pages 17 to 44 form part of these financial statements

Coca-Cola Europacific Partners Great Britain Limited

Year ended 31 December 2022

Statement of financial position

at 31 December 2022

| | | 2022 | 2021 |
|--|--------------|----------------|----------------|
| | | <i>Total</i> | <i>Total</i> |
| | <i>Notes</i> | <i>£000</i> | <i>£000</i> |
| NON-CURRENT ASSETS | | | |
| Intangible assets | 11 | 1,258 | 1,255 |
| Tangible assets | 12 | 504,898 | 506,963 |
| Derivatives | 13 | 4,857 | 9,174 |
| Debtors: amounts falling due within more than one year | 16 | 46,431 | 46,431 |
| Defined benefit pension plan surplus | 29 | 108,703 | 206,469 |
| Total Non-current Assets | | 666,147 | 770,292 |
| CURRENT ASSETS | | | |
| Stocks | 17 | 176,279 | 140,960 |
| Debtors | 18 | 472,959 | 420,663 |
| Derivatives | 14 | 23,265 | 16,373 |
| Short-term investments | 19 | 96,000 | - |
| Cash at bank and in hand | | 165,056 | 281,678 |
| Total Current Assets | | 933,559 | 859,674 |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | | |
| Creditors: amounts falling due within one year | 20 | (718,930) | (703,047) |
| NET CURRENT ASSETS | | 214,629 | 156,627 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 880,776 | 926,919 |
| LIABILITIES AND EQUITY | | | |
| Creditors: amounts falling due within more than one year | 21 | (122,082) | (127,198) |
| Provisions for liabilities | 23 | (20,010) | (19,763) |
| Deferred tax liability | 9 | (55,255) | (64,516) |
| NET ASSETS | | 683,429 | 715,442 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 24 | 204 | 204 |
| Other reserves | | 101,420 | 101,420 |
| Share premium | | 195,029 | 195,029 |
| Share based payment reserve | 26 | 2,392 | 2,347 |
| Retained earnings | | 384,384 | 416,442 |
| TOTAL EQUITY | | 683,429 | 715,442 |

Approved by the Board of Directors on 26 June 2023 and signed on behalf of the Board by:



Nicholas Robert Halpern – Director

The notes on pages 17 to 44 form part of these financial statements

Notes to the financial statements

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Coca-Cola Europacific Partners Great Britain Limited (the Company) for the year ended 31 December 2022 were approved by the Board of Directors on 26 June 2023 and the balance sheet was signed on the Board's behalf by Nicholas Robert Halpern. The Company is a private limited company incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in British pounds and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

Preparation of consolidated financial statements

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Coca-Cola Europacific Partners plc. Consequently, the financial statements represent information about the Company as an individual undertaking.

The results of the Company are included in the consolidated financial statements of CCEP which are available from the Company Secretary, Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The Company has prepared its financial statements in compliance with FRS 101. The accounting policies set out below were applied in preparing the financial statements for the year ended 31 December 2022.

Going Concern

As at 31 December 2022, the Company is in a net asset position of £683m and in a net current asset position of £215m, both mainly supported by the fact that the Company has £261m of cash at bank and short-term investments at the balance sheet date. The Company generates cash as a result of its business operations, which have remained stable through the year and through to the date of approval of the financial statements.

The Directors have prepared and reviewed the cash forecasts of the Company up to 26 June 2024. Based on those reviews, they have not identified any events or conditions that might cast significant doubt over the Company's ability to continue as a going concern and therefore consider that the Company will be able to meet its liabilities when they fall due for the going concern period up to 26 June 2024.

Accordingly, they continue to adopt the going concern basis in preparing the accounts and do not believe there are any material uncertainties to disclose in relation to the Company's ability to continue as a going concern.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement:
 - (i) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, "Revenue from Contracts with Customers"; and
 - (ii) the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16, "Leases";
- d) the requirements of paragraph 58 of IFRS 16, "Leases";
- e) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1; and
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;

Notes to the financial statements

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

- f) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- g) the requirements of IAS 7 Statement of Cash Flows;
- h) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- i) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- j) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- k) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Pension

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of the plan, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 29.

Impairment of trade debtors

The Company strictly monitors its exposure to losses on trade receivables and maintains allowances for potential losses or adjustments. The allowances are determined by evaluating the aging of the receivables, analysing the history of adjustments, reviewing high-risk customers. Past due receivable balances are written off when the efforts have been unsuccessful in collecting the amounts due.

Impairment of assets

The Company assesses the recoverability of the carrying amount of its property, plant and equipment when events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If it is determined that the carrying amount of an asset or asset group is not recoverable based upon the expected discounted future cash flows of the respective asset or asset group, an impairment loss is recorded equal to the excess of the carrying amount over the estimated recoverable amount.

Deductions from revenue and sales incentives

The Company participates in various programmes and arrangements with customers designed to increase the sale of its products. Among the programmes are arrangements under which allowances can be earned by customers for attaining agreed-upon sales levels or participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Company is entitled to varies because of such programmes, the amount payable is deemed to be variable consideration.

Notes to the financial statements

2. Accounting policies (continued)

2.2 Judgements and key sources of estimation uncertainty (continued)

Management makes estimates on an ongoing basis for each individual promotion to assess the value of the variable consideration. The related accruals are recognised as a deduction from revenue and are not considered distinct from the sale of products to the customer.

2.3 Significant accounting policies

a) Foreign currency translation

The Company's financial statements are presented in British pounds (£000), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

Trade transactions within the Group are recorded at the spot rate at the date of transaction and are not remeasured as at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange rates used are:

| | 2022 | 2021 |
|--------------|---------|---------|
| | €:£ | €:£ |
| Average rate | 0.85198 | 0.85983 |
| Closing rate | 0.88693 | 0.83930 |

b) Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

c) Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate 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. Borrowing costs directly attributable to assets under construction and which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset.

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows:

| | |
|--|--------------|
| Freehold buildings and long leasehold properties | – 2.5% to 5% |
| Plant and equipment: | |
| Machinery and equipment (including cold drink equipment) | – 7% to 20% |
| Furniture and fixtures | – 10% to 20% |
| Vehicles | – 8% to 25% |
| Information technology equipment | – 20% to 33% |

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Notes to the financial statements

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

c) Tangible fixed assets (continued)

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the Statement of other comprehensive income in the period of de-recognition.

d) Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end.

Amortisation is provided on a straight-line basis over the expected useful life as follows:

| | |
|-------------------|---------|
| Computer software | – 20% |
| Customer list | – 33.3% |

e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

f) Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

g) Leases

The lease liabilities are initially measured at the present value of lease payments, discounted using an incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease whenever the Company is reasonably certain to exercise that option. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and reducing it by lease payments made.

Right of use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any direct costs and an estimate of asset retirement obligations, less lease incentives. Subsequently, right of use assets are measured at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight line basis over the length of the lease.

Company as a lessor

Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

Notes to the financial statements

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

h) Financial instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash, short-term investments, trade and other receivables and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments.

Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income (OCI), debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit and loss are carried in the balance sheet at fair value with changes in fair value recognised in other operating income and expenses in the income statement.

Loans and receivables

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable and similar income in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Trade accounts receivable are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. Typically, accounts receivable have terms of 30 to 60 days and do not bear interest. Balances are considered for impairment on an individual basis rather than by reference to the extent that they become overdue. The Company considers factors such as delinquency in payment, financial difficulties, payment history of the debtor as well as certain forward-looking macroeconomic indicators. The carrying amount of trade accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Credit insurance on a portion of the accounts receivable balance is also carried.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Notes to the financial statements

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

h) Financial instruments (continued)

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised in interest receivable and similar income and interest payable and similar costs respectively.

De-recognition of financial liabilities

A liability is generally de-recognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

iv) Fair values

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

v) Derivative financial instruments and hedging

The Company uses derivative financial instruments such as forward currency forward contracts and options to hedge its foreign exchange exposures arising on forecast payments in foreign currencies. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement.

i) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost equals purchase price or production cost in the case of products manufactured by the Group. 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.

j) Trade and other debtors

Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

k) Cash at bank and in hand

Cash in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

Notes to the financial statements

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

l) Short-term investments

The short-term investment balance is comprised of time deposits and treasury bills, with maturity dates of greater than three months and less than one year when acquired, which do not meet the definition of cash and cash equivalents and are expected to be held until maturity. These are highly liquid investments and due to their short-term nature, their carrying amount is not significantly different from the fair value.

m) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amounts of deferred income tax assets are reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

o) Pensions and other post-employment benefits

Throughout 2021 the Company operated a defined benefit pension scheme, which required 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 scheme was closed for future accrual on 31 March 2021.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit 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 obligation) and is based on actuarial advice. Past service costs are recognised in the Statement of comprehensive income on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the settlement or curtailment occurs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as interest income or expense.

Notes to the financial statements

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

o) Pensions and other post-employment benefits (continued)

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net assets (excluding amounts included in net interest), are recognised immediately in other comprehensive income in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), 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 restricted to the present value of any amount the Company expects to recover by way of refunds from the plan or reductions in the future contributions.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

p) Revenue recognition

i) Revenue from contracts with customers

Sale of goods

The Company derives its revenues by making, selling and distributing ready to drink beverages. The revenue from the sale of products is recognised at the point in time at which control passes to a customer, typically when products are delivered to a customer. A receivable is recognised by the Company at the point in time at which the right to consideration becomes unconditional.

The Company also determines the terms of the various promotional programmes under which rebates, refunds, price concessions or similar items can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Company is entitled to varies because of such programmes, it is deemed to be variable consideration. The related accruals are recognised as a deduction from revenue and are not considered distinct from the sale of products to the customer. Variable consideration is only included to the extent that it is highly probable that the inclusion will not result in a significant revenue reversal in the future, under normal commercial terms. Financing elements are not deemed present in the relevant contracts with customers as the sales are made with credit terms not exceeding normal commercial terms. Soft drinks industry levy is recorded on a gross basis (i.e. included in revenue) where the Company is the principal in the arrangement. Value added taxes are recorded on a net basis (i.e. excluded from revenue).

Rendering of services

The Company recognizes services as a single performance obligation and recognizes revenue from them over time as the client simultaneously receives and consumes the benefits provided by the Company. The Company uses the input method based on resources consumed/hours worked/costs incurred relative to the total expected inputs to the satisfaction of that performance obligation in order to assess the progress of the satisfaction of the performance obligation.

ii) Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

q) Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined 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.

In valuing equity-settled transactions, no account is taken of any service and performance (vesting conditions) other than performance conditions linked to the price of the shares of the Company (market conditions). Any other conditions which are required to be met in order for an employee to become fully entitled to an award are considered to be non-vesting conditions. Like market performance conditions, non-vesting conditions are taken into account in determining the grant date fair value.

Notes to the financial statements

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

q) Share-based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition or a non-vesting condition, which are treated as vesting irrespective of whether or not the market vesting condition or non-vesting condition is satisfied, provided that all other non-market vesting conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market vesting conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition or a non-vesting condition, be treated as vesting as described above. Performance share units are only recognised when it becomes probable that the performance criteria specified in the plan will be achieved.

The movement in cumulative expense since the previous balance sheet date is recognised in the income statement. As the Company's share-based payments involve equity instruments of the ultimate parent company, Coca-Cola Europacific Partners plc, a corresponding increase is recognised in equity as a contribution from the parent with a corresponding entry in equity.

The Company pays a charge to CCEP 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.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

r) Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all grant related conditions will be met, usually on submission of a valid claim for payment. Grants of revenue nature are credited to income so as to match them with the expenditure to which they relate.

3. Turnover

Turnover is analysed as follows:

| | 2022 | 2021 |
|-----------------------|------------------|------------------|
| | £000 | £000 |
| Sale of goods | 2,668,280 | 2,281,533 |
| Rendering of services | 2,295 | 1,912 |
| | <u>2,670,575</u> | <u>2,283,445</u> |

Coca-Cola Europacific Partners Great Britain Limited

Year ended 31 December 2022

Notes to the financial statements

3. Turnover (continued)

Deferred revenue

| | 2022 £000 | 2021 £000 |
|------------------------------------|----------------|----------------|
| At 1 January | (2,279) | (1,572) |
| Deferred during the year | (3,413) | (2,279) |
| Recognised in the income statement | 2,279 | 1,572 |
| At 31 December | <u>(3,413)</u> | <u>(2,279)</u> |
| Current | (3,413) | (2,279) |
| Non-current | - | - |

The deferred revenue refers to the accrual and release of transactions related to consignment sales of production. As at 31 December 2022, the estimated liability was approximately £3.4m (2021: £2.3m).

4. Operating profit

(a) Operating profit is stated after charging/(crediting):

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| Depreciation of property, plant and equipment (Note 12) | 81,485 | 68,908 |
| Amortisation of intangible assets (Note 11) | 330 | 327 |
| Cost of stocks recognised as an expense (included in cost of sales) | 1,562,308 | 1,299,394 |
| Including: – write (back)/down of stocks to net realisable value | (2,487) | 564 |
| Net foreign currency exchange differences | 4,175 | 1,025 |
| Net loss/(profit) on financial assets and financial liabilities at fair value through profit and loss | 12,307 | (20,000) |
| Government grants | (6) | (52) |

(b) Other operating expenses

| | 2022 £000 | 2021 £000 |
|---|------------------|-----------------|
| Intragroup management fee expenses | (214,350) | (78,407) |
| Net (loss)/profit on financial assets and financial liabilities at fair value through profit and loss | (12,307) | 20,000 |
| Other (expenses)/income | <u>(1,293)</u> | <u>1,457</u> |
| | <u>(227,950)</u> | <u>(56,950)</u> |

The management fees of the Company are the net result of income and expense from the related intercompany flows. Starting fiscal year 2022, the Company no longer receives income from management fees due to relocation of certain above-market roles to another Group undertaking in 2021. This in combination with the application of CCEP Group's transfer pricing policy for value added services, has been the driver of the change in net management fees for 2022.

Notes to the financial statements

5. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company. Another part of the auditor's remuneration for the period ended 31 December 2022 is borne by a fellow group undertaking.

| | 2022 | 2021 |
|-----------------------------------|------------|------------|
| | £000 | £000 |
| Audit of the financial statements | 348 | 333 |
| | 348 | 333 |

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of its ultimate parent, CCEP.

6. Staff costs and Directors' remuneration

(a) Staff costs

| | 2022 | 2021 |
|-----------------------|----------------|----------------|
| | £000 | £000 |
| Wages and salaries | 148,517 | 169,593 |
| Social security costs | 16,673 | 19,154 |
| Pension costs | 22,320 | 3,495 |
| | 187,510 | 192,242 |

Included in wages and salaries is a total cost of share-based payments of £1.2m (2021: £0.7m), all of which arise from transactions, accounted as equity-settled share-based payments transactions. Included in wages and salaries for 2021 is £16.3m compensation in relation to the closure of the defined benefit pension scheme in March 2021 (2022: £nil).

Pension costs are defined contribution scheme costs of £22.3m (2021: £3.5m). Included in pension costs for 2021 are £8.9m defined benefit scheme costs and a past service credit of £24.8m. No such costs/credits are incurred in 2022 as the defined benefit scheme was closed for future accrual on 31 March 2021. Details are included in note 29.

The average monthly number of employees during the year was made up as follows:

| | 2022 | 2021 |
|----------------------------|--------------|--------------|
| | Number | Number |
| Production | 1,130 | 1,054 |
| Distribution and marketing | 1,696 | 1,711 |
| Administration | 281 | 385 |
| | 3,107 | 3,150 |

(b) Directors' remuneration

| | 2022 | 2021 |
|--|--------------|--------------|
| | £000 | £000 |
| Directors' remuneration | 1,625 | 1,616 |
| Company contributions paid to a pension scheme | 39 | 46 |
| | 1,664 | 1,662 |

Amounts received under long-term incentive plans

| | | |
|---|---|---|
| Number of directors accruing benefits under defined benefit schemes | 0 | 2 |
| Number of directors who received shares in respect of qualifying services | 5 | 4 |
| Number of directors who exercised share options | 1 | 1 |

Coca-Cola Europacific Partners Great Britain Limited

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Notes to the financial statements

6. Staff costs and Directors' remuneration (continued)

| | 2022 | 2021 |
|--|--------------|--------------|
| | £000 | £000 |
| In respect of the highest paid director: | | |
| Aggregate remuneration | <u>1,063</u> | <u>1,069</u> |

The highest paid director exercised share options during the year.

7. Interest receivable and similar income

| | 2022 | 2021 |
|--|---------------------|---------------------|
| | £000 | £000 |
| Short-term loans and deposits third parties | 5,703 | 324 |
| Interest income from net defined benefit pension (note 29) | 3,870 | 1,325 |
| Interest receivable from direct and intermediate parents | 8 | - |
| Interest receivable from other group undertakings | 29 | 750 |
| Other interest receivable | <u>173</u> | <u>-</u> |
| Total interest income | <u>9,783</u> | <u>2,399</u> |

8. Interest payable and similar costs

| | 2022 | 2021 |
|--|-----------------------|-----------------------|
| | £000 | £000 |
| Interest payable to other group undertakings | (739) | (3) |
| Interest payable to direct and intermediate parents | (33) | - |
| Interest payable to third parties | 168 | (67) |
| Finance charges payable under leases and hire purchase contracts | (1,624) | (1,386) |
| Other | <u>-</u> | <u>(2)</u> |
| Total interest expense | <u>(2,228)</u> | <u>(1,458)</u> |
| Unwinding of discount on provisions (note 23) | <u>(1,439)</u> | <u>(441)</u> |
| Total interest payable and similar costs | <u>(3,667)</u> | <u>(1,899)</u> |

Coca-Cola Europacific Partners Great Britain Limited

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Notes to the financial statements

9. Taxation

(a) Tax charged in the profit or loss

| | 2022 | 2021 |
|---|-----------------|-----------------|
| | £000 | £000 |
| Current income tax: | | |
| Current income tax charge | (22,201) | (45,854) |
| Amounts over provided in previous years | 10,386 | 5,321 |
| Total current income tax expense | <u>(11,815)</u> | <u>(40,533)</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences | (16,100) | (13,731) |
| Impact of change in tax laws and rates | - | (194) |
| Tax expense in the profit or loss | <u>(27,915)</u> | <u>(54,458)</u> |

*(b) Tax relating to items credited to other comprehensive income***Deferred tax:**

| | | |
|--|---------------|-----------------|
| Tax on actuarial losses/(gains) on defined benefit pension plans | 25,386 | (50,616) |
| Total deferred tax | <u>25,386</u> | <u>(50,616)</u> |
| Tax benefit/(expense) in the other comprehensive income | <u>25,386</u> | <u>(50,616)</u> |

*c) Tax relating to items credited directly to equity***Current tax:**

| | | |
|---|------------|------------|
| Tax benefit on share-based payment transactions | 222 | 206 |
| Total current income tax benefit | <u>222</u> | <u>206</u> |

Deferred tax:

| | | |
|---|-------------|------------|
| Tax on share-based payment transactions | (25) | 638 |
| Total deferred tax (expense)/benefit | <u>(25)</u> | <u>638</u> |
| Tax benefit directly to equity | <u>197</u> | <u>844</u> |

(d) Reconciliation of the total tax charge

The tax expense in the income statement for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

| | 2022 | 2021 |
|---|-----------------|-----------------|
| | £000 | £000 |
| Profit from continuing operations before taxation | 192,094 | 314,333 |
| Tax calculated at UK standard rate of corporation tax of 19.00% (2021: 19%) | (36,498) | (59,723) |
| Expenses not deductible for tax purposes | 2,341 | 152 |
| Group relief claim | 4,018 | 4,866 |
| Adjustment for tax in respect of previous periods | 10,386 | 5,321 |
| Deferred tax reversing at a different rate | (8,162) | - |
| Change in tax laws and rate | - | (5,074) |
| Total tax expense reported in the profit or loss | <u>(27,915)</u> | <u>(54,458)</u> |

Notes to the financial statements**9. Taxation (continued)****(e) Change in Corporation Tax rate**

The UK corporation tax rate is 19% effective from 1 April 2017. The rate of corporation tax remains at 19% for the 2022-23 financial year, however, it has increased to 25% effective from 1 April 2023. Any deferred tax expected to reverse in subsequent years has been re-measured using the rates substantively enacted at 31 December 2022.

(f) Deferred tax

The deferred tax included in the Company's balance sheet is as follows:

| | 2022 £000 | 2021 £000 |
|---|-----------------|-----------------|
| Deferred tax liability | | |
| Accelerated capital allowances | (34,057) | (26,889) |
| Rolled over gains | (786) | (786) |
| Pensions benefits | (27,176) | (44,096) |
| | <u>(62,019)</u> | <u>(71,771)</u> |
| Deferred tax asset | | |
| Share based payments | 2,289 | 2,402 |
| Losses carried forward per hedge transactions | 507 | 760 |
| Other provisions and lease incentives | 3,968 | 4,093 |
| | <u>6,764</u> | <u>7,255</u> |
| Disclosed on the balance sheet | | |
| Deferred tax liability | <u>(55,255)</u> | <u>(64,516)</u> |
| | | |
| | 2022 £000 | 2021 £000 |
| Deferred tax in the profit or loss | | |
| Accelerated capital allowances | (7,168) | 108 |
| Other provisions and lease incentives | (125) | 348 |
| Share-based payment | (88) | (480) |
| Pension plans | (8,466) | (13,454) |
| Losses carried forward per hedge transactions | (253) | (253) |
| Deferred tax expense | <u>(16,100)</u> | <u>(13,731)</u> |
| Change in tax laws and rates | - | (194) |
| Total deferred tax expense | <u>(16,100)</u> | <u>(13,925)</u> |

Coca-Cola Europacific Partners Great Britain Limited

Year ended 31 December 2022

Notes to the financial statements

10. Dividends paid and proposed

| | 2022 | 2021 |
|--|----------------|----------------|
| | £000 | £000 |
| <i>Declared and paid during the year:</i> | | |
| Equity dividends on ordinary shares: | | |
| Dividend for 2022: £335 per ordinary share (2021: £1,229 per ordinary share) | 120,000 | 440,000 |
| Dividends paid | <u>120,000</u> | <u>440,000</u> |

Dividends of £120m were declared and paid in 2022 (2021: £440m).

Following due consideration, the Directors were comfortable that the Company had sufficient distributable reserves to pay the £120m (2021: £440m) and that payment of the dividend would not have an impact on the Company's ability to pay its debts as they fall due, having regard to the entirety of the Company's business and the actual and contingent liabilities (present and future) inherent in that business.

11. Intangible assets

| | Software £000 | Assets under construction £000 | Total £000 |
|-------------------------------------|-----------------------|--------------------------------------|-----------------------|
| <i>Cost:</i> | | | |
| At 1 January 2022 | 3,647 | 405 | 4,052 |
| Additions | 491 | 21 | 512 |
| Transfer on completion | 27 | (27) | - |
| Transfer to tangible assets | - | (179) | (179) |
| Disposals | (825) | - | (825) |
| At 31 December 2022 | <u>3,340</u> | <u>220</u> | <u>3,560</u> |
| <i>Depreciation and impairment:</i> | | | |
| At 1 January 2022 | (2,797) | - | (2,797) |
| Depreciation during the year | (330) | - | (330) |
| Disposals | 825 | - | 825 |
| At 31 December 2022 | <u>(2,302)</u> | <u>-</u> | <u>(2,302)</u> |
| <i>Carrying amount:</i> | | | |
| At 31 December 2022 | <u>1,038</u> | <u>220</u> | <u>1,258</u> |
| At 31 December 2021 | <u>850</u> | <u>405</u> | <u>1,255</u> |

Coca-Cola Europacific Partners Great Britain Limited

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Notes to the financial statements

12. Tangible assets

| | <i>Land and buildings</i> | <i>Plant and equipment</i> | <i>Assets under construction</i> | <i>Total</i> |
|-------------------------------------|-------------------------------|--------------------------------|--------------------------------------|------------------|
| | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> |
| <i>Cost:</i> | | | | |
| At 1 January 2022 | 271,151 | 643,687 | 39,394 | 954,232 |
| Additions | 5,755 | 30,502 | 43,506 | 79,763 |
| Transfer on completion | 1,890 | 9,566 | (11,456) | - |
| Transfer from intangible assets | | 179 | | 179 |
| Disposals | (1,088) | (23,998) | - | (25,086) |
| At 31 December 2022 | 277,708 | 659,936 | 71,444 | 1,009,088 |
| <i>Depreciation and impairment:</i> | | | | |
| At 1 January 2022 | (102,129) | (345,140) | - | (447,269) |
| Amortisation during the year | (11,494) | (69,991) | - | (81,485) |
| Disposals | 964 | 23,600 | - | 24,564 |
| At 31 December 2022 | (112,659) | (391,531) | - | (504,190) |
| <i>Carrying amount:</i> | | | | |
| at 31 December 2022 | 165,049 | 268,405 | 71,444 | 504,898 |
| at 31 December 2021 | 169,022 | 298,547 | 39,394 | 506,963 |

The net book value of land and buildings comprises:

| | <i>2022</i> | <i>2021</i> |
|------------------------|----------------|----------------|
| | <i>£000</i> | <i>£000</i> |
| Freehold | 101,613 | 102,058 |
| Leasehold improvements | 5,064 | 6,252 |
| Right of use assets | 58,372 | 60,712 |
| Net book value | 165,049 | 169,022 |

The following table summarises the net book value of right of use assets included within property, plant and equipment:

| | <i>31 December 2022</i> | <i>31 December 2021</i> |
|----------------------------|-----------------------------|-----------------------------|
| | <i>£ '000</i> | <i>£ '000</i> |
| Buildings and improvements | 58,372 | 60,712 |
| Machinery and equipment | 9,597 | 9,254 |
| Vehicle fleet | 13,250 | 12,501 |
| Total | 81,219 | 82,467 |

Total additions to the right of use assets during 2022 were £13.0m (2021: £12.7m).

Notes to the financial statements**12. Tangible fixed assets (continued)**

The following table summarises depreciation charges relating to right of use assets for the periods presented:

| | 31 December 2022 | 31 December 2021 |
|----------------------------|---------------------|---------------------|
| | £ '000 | £ '000 |
| Buildings and improvements | 6,239 | 7,132 |
| Machinery and equipment | 1,475 | 1,640 |
| Vehicle fleet | 5,335 | 4,107 |
| Total | 13,049 | 12,879 |

During the years ended 31 December 2022 and 31 December 2021, the total expense relating to low value and short-term leases was £3.3m and £4.3m, respectively.

Capitalised borrowing costs

No borrowing costs were capitalised during the year ended 31 December 2022 (2021: nil).

Assets Retirement Obligation

The carrying value of assets retirement obligation, included in Land and Buildings at 31 December 2022 was £1.1m (2021: £1.1m).

13. Derivatives – non-current

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Non-current forward commodity derivative contracts | 4,238 | 9,174 |
| Non-current forward currency derivative contracts | 619 | - |
| | 4,857 | 9,174 |

(a) Forward currency contracts

The fair value of forward currency derivative contracts was determined using quoted forward exchange rates matching the maturity of the contracts.

(b) Forward commodity contracts

The fair value of forward commodity derivative contracts was determined using quoted prices of the respective commodity.

14. Derivatives– current

| | 2022 £000 | 2021 £000 |
|--|---------------|---------------|
| Financial assets – current | | |
| Forward commodity derivative contracts | 20,859 | 15,843 |
| Forward currency derivative contracts | 2,406 | 530 |
| | 23,265 | 16,373 |

Forward currency contracts

The fair value of forward currency derivative contracts was determined using quoted forward exchange rates matching the maturity of the contracts.

Forward commodity contracts

The fair value of forward commodity derivative contracts was determined using quoted prices of the respective commodity.

Notes to the financial statements**15. Investments in subsidiaries**

The total cost of investments in subsidiaries is immaterial as at the balance sheet date.

| <i>Name of company</i> | <i>Country of incorporation</i> | <i>Registered address</i> | <i>Holding</i> | <i>Proportion of voting rights and shares held</i> | <i>Nature of Business</i> |
|---|---------------------------------|---|-----------------|--|--|
| Coca-Cola Europacific Partners Pension Scheme Trustees Limited ^(a) | United Kingdom | Pemberton House, Bakers Road, Uxbridge, UB8 1EZ | Ordinary shares | 100% | Trustee of the Coca-Cola Enterprises Pension Scheme |
| Coca-Cola Europacific Partners (Initial LP) Limited ^(a) | United Kingdom | Pemberton House, Bakers Road, Uxbridge, UB8 1EZ | Ordinary shares | 100% | Limited Partner in the Coca-Cola Europacific Partners Scottish Limited Partnership |
| Coca-Cola Europacific Partners (Scotland) Limited ^(a) | United Kingdom | 52 Milton Road, East Kilbride, Glasgow, Scotland, G74 5DJ | Ordinary shares | 100% | General Partner in the Coca-Cola Europacific Partners Scottish Limited Partnership |
| CCEP Scottish Limited Partnership | United Kingdom | 52 Milton Road, East Kilbride, Glasgow, Scotland, G74 5DJ | Cash | 100% | Pension Funding Partnership of the Coca-Cola Enterprises Pension Scheme |

^(a) 100% equity interest held directly by Coca-Cola Europacific Partners Great Britain Limited

16. Debtors: amounts falling due after more than one year

| | 2022 | 2021 |
|--|---------------|---------------|
| | £000 | £000 |
| Amounts owed by other group undertakings | 46,431 | 46,431 |
| | 46,431 | 46,431 |

On 15 March 2019 the Company provided a non-cash and non-interest bearing loan of £46.4m to its subsidiary Coca-Cola Europacific Partners (Initial LP) Limited.

17. Stocks

| | 2022 | 2021 |
|-------------------------------------|----------------|----------------|
| | £000 | £000 |
| Raw materials and consumables | 29,540 | 19,513 |
| Finished goods and goods for resale | 127,971 | 105,397 |
| Sundry stocks | 18,768 | 16,050 |
| | 176,279 | 140,960 |

Coca-Cola Europacific Partners Great Britain Limited

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Notes to the financial statements

18. Trade and other receivables

| | 2022 | 2021 |
|---|----------------|----------------|
| | £000 | £000 |
| Trade debtors | 433,380 | 383,346 |
| Amounts owed by ultimate parent company | - | 266 |
| Amounts owed by other group undertakings | 1,127 | - |
| Amounts owed by related parties (note 30) | 18,687 | 25,014 |
| Corporate income tax receivable | 11,868 | 6,364 |
| Prepayments | 6,663 | 5,653 |
| Other debtors | 1,234 | 20 |
| | 472,959 | 420,663 |

19. Short-term investments

| | 2022 | 2021 |
|------------------------|---------------|----------|
| | £000 | £000 |
| Short-term investments | 96,000 | - |
| | 96,000 | - |

The short-term investment balance is comprised of time deposits and treasury bills, with maturity dates of greater than three months and less than one year when acquired, which do not meet the definition of cash and cash equivalents, and are expected to be held until maturity. These are highly liquid investments and due to their short-term nature, their carrying amount is not significantly different from the fair value.

20. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|--|------------------|------------------|
| | £000 | £000 |
| Trade creditors | (342,002) | (287,223) |
| Accruals | (246,326) | (236,730) |
| Soft drink taxes | (50,310) | (52,442) |
| VAT | (22,845) | (23,487) |
| Lease obligations current | (20,070) | (17,096) |
| Forward commodity derivative contracts (note 22) | (12,372) | (2,385) |
| Forward currency derivative contracts (note 22) | (6,059) | (4,725) |
| Other taxes and social security costs | (5,442) | (5,599) |
| Amounts due to related parties (note 30) | (4,460) | (4,471) |
| Deferred revenue (note 3) | (3,413) | (2,279) |
| Income tax payable | (2,714) | (7,435) |
| Amounts due to immediate parent company | (2,427) | - |
| Amounts due to the ultimate parent company | (490) | - |
| Amounts due to group undertakings | - | (59,175) |
| | (718,930) | (703,047) |

Trade creditors are non-interest bearing and are normally settled as per creditor's payment terms. Other creditors are non-interest bearing and have an average term of six months.

Coca-Cola Europacific Partners Great Britain Limited

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Notes to the financial statements

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

| | 2022 | 2021 |
|--|------------------|------------------|
| | £000 | £000 |
| Lease liabilities non-current | (116,824) | (125,501) |
| Forward currency derivative contracts (note 22) | (4,321) | (165) |
| Forward commodity derivative contracts (note 22) | (937) | (1,532) |
| | <u>(122,082)</u> | <u>(127,198)</u> |

Lease liabilities

| | £000 | £000 |
|---|-----------------|------------------|
| | Current | Non-current |
| At 1 January 2022 | (17,096) | (125,501) |
| Additions to Leases during the period | - | (12,991) |
| Cash payments during the period | 19,743 | - |
| Interest charged on leases | (1,624) | - |
| Reclassifications from non-current to current | (21,668) | 21,668 |
| Other Miscellaneous Adjustments | 575 | - |
| At 31 December 2022 | (20,070) | (116,824) |

22. Financial liabilities

| | 2022 | 2021 |
|--|-----------------|----------------|
| | £000 | £000 |
| Current | | |
| Forward currency derivative contracts (note 20) | (6,059) | (4,725) |
| Forward commodity derivative contracts (note 20) | (12,372) | (2,385) |
| | <u>(18,431)</u> | <u>(7,110)</u> |
| Non-current | | |
| Forward currency derivative contracts (note 21) | (4,321) | (165) |
| Forward commodity derivative contracts (note 21) | (937) | (1,532) |
| | <u>(5,258)</u> | <u>(1,697)</u> |

Coca-Cola Europacific Partners Great Britain Limited

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Notes to the financial statements

23. Provisions for liabilities

| | Environ- mental costs £000 | Other tax provision £000 | Insurance claims £000 | Customer claims £000 | Employee cost provision £000 | Asset retirement obligation £000 | Restructuring /termination provision £000 | Total £000 |
|-------------------------------|-------------------------------------|--------------------------------|-----------------------------|----------------------------|---------------------------------------|---|--|---------------|
| At 1 January 2022 | (5,913) | (2,395) | (1,074) | (375) | (1,235) | (6,479) | (2,292) | (19,763) |
| Current | (5,913) | (2,395) | (8) | (375) | (1,235) | (608) | (1,678) | (12,212) |
| Non-current | - | - | (1,066) | - | - | (5,871) | (614) | (7,551) |
| Arising during the year | (10,618) | - | (524) | (1,019) | (196) | - | (1,634) | (13,991) |
| Utilised | 5,222 | 1,324 | 14 | 234 | - | - | 912 | 7,706 |
| Reversal of unused amounts | 1,755 | 1,071 | 401 | 461 | 1,235 | - | 1,061 | 5,984 |
| Unwinding of discount | - | - | - | - | - | (1,439) | - | (1,439) |
| Change in estimations | - | - | - | - | - | 1,493 | - | 1,493 |
| At 31 December 2022 | (9,554) | - | (1,183) | (699) | (196) | (6,425) | (1,953) | (20,010) |
| Analysed as: | | | | | | | | |
| Current | (9,554) | - | (14) | (699) | (196) | (412) | (1,698) | (12,573) |
| Non-current | - | - | (1,169) | - | - | (6,013) | (255) | (7,437) |
| | (9,554) | - | (1,183) | (699) | (196) | (6,425) | (1,953) | (20,010) |

Environmental costs

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

Other tax provision

Additional VAT payable to HM Revenue & Customs (HMRC) in respect of over-deducted VAT in prior years was paid during the year and the unused amount of the provision was reversed.

Insurance claims

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.

Customer claims

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.

Employee cost provision

The provision for potential additional tax payable to HM Revenue & Customs (HMRC) in respect of certain vehicles provided to CCEP employees in the course of their employment duties remaining on the balance sheet as of 31 December 2021 was reversed and additional employee-related provisions were accrued as of 31 December 2022.

Assets retirement obligation provision

Provisions for assets retirement obligations are recognised on a lease by lease basis, in accordance with our lease contracts.

Restructuring/termination provisions

The restructuring provisions relate to employee termination payments expected to be made redundant in respect of various ongoing restructuring projects.

Notes to the financial statements

24. Issued and called up share capital

| | 2022 thousands | 2021 thousands | 2022 £000 | 2021 £000 |
|---|-------------------|-------------------|--------------|--------------|
| <i>Allotted, called up and fully paid</i> | | | | |
| Ordinary shares of £0.01 each | 358 | 358 | 4 | 4 |
| Deferred shares of £1.00 each | 200 | 200 | 200 | 200 |

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.

25. Share-based payments

The Company participates in share-based compensation plans that provide for the granting of share options and restricted stock units, some with performance and/or market conditions, to certain executive and management level employees. These awards are designed to align the interests of our employees with the interests of CCEP's shareholders. The share-based payment schemes in place are a Share Incentive Plan (SIP) and Long-Term Incentive Plans (LTIPs).

The charge for the year ended 31 December 2022 for awards granted under the LTIPs was £1.2m (2021: £0.7m) and the recharge by CCEP recognised directly in the Share-Based Payment Reserve was £1.3m (2021: £1.2m).

SIP

The former Coca-Cola Enterprises Limited UK Employee Share Plan, which had operated since March 2001 and had been approved by HMRC, 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 Limited's ultimate parent company.

In November 2010, Bottling Great Britain Limited (indirect parent company of the Company) received approval from HMRC to open a new SIP, also known as the Coca-Cola Enterprises UK Employee Share Plan (the ESP). This plan was opened to employees in December 2010 and terminated in October 2019 and operated in the same way as the former plan. Under this plan, employees of the Company originally had the opportunity to purchase Coca-Cola Enterprise, Inc. shares and then, following the creation of CCEP, CCEP shares (partnership shares) out of pre-tax salary up to a maximum value of £1,800 per year (£1,500 per year before December 2014). For each share purchased by the employee a free matching share was awarded up to a maximum value of £1,500 per year or 3% of salary, whichever was the lower.

In October 2019, CCEP opened a new SIP, known as the Coca-Cola Europacific Partners plc UK Share Plan (the UKSP). This plan operates in largely the same way as the former plans. Under this plan, employees of the Company have the opportunity to purchase CCEP shares (partnership shares) out of pre-tax salary up to a maximum value of £1,800 per year. For each share purchased by the employee a free matching share is awarded up to a maximum value of £1,500 per year.

During the 2022 financial year 81,944 (2021: 74,637) matching shares were purchased by the trustee of the UKSP at a cost to the Company of £3.4m (2021: £3.01m).

The following table illustrates the number and average transaction price of matching shares sold during the year.

| | 2022 No. | 2022 (£) | 2021 No. | 2021 (£) |
|----------------------------|-------------|-------------|-------------|-------------|
| Matching shares sold | 31,304 | 41.98 | 41,989 | 40.57 |
| Outstanding at 31 December | 354,243 | 41.98 | 311,579 | 40.57 |

Notes to the financial statements

25. Share-based payments (continued)

Share Options

Share options granted under the LTIPs (1) are granted with exercise prices equal to or greater than the fair value of CCEP 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 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, CCEP issues new shares rather than using treasury shares, if available. Options are normally treated as forfeited if the employee leaves the Company before the options vest.

As a result of the merger of the businesses of Coca-Cola Enterprises, Inc. (CCE), Coca-Cola Iberian Partners S.A. and Coca-Cola Erfrischungsgetränke GmbH and the formation of CCEP (the Merger), there was a conversion of all outstanding share options during 2016. The option conversion was 1 CCE share for 1.3267 CCEP shares. Consequently, the grant prices of the share options and the Black-Scholes values were adjusted at ratio 0.7537.

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

| | 2022 No. | 2022 WAEP(£) | 2021 No. | 2021 WAEP(£) |
|----------------------------|-------------|-----------------|-------------|-----------------|
| Exercised | 51,804 | 20.29 | 53,643 | 26.00 |
| Outstanding at 31 December | 320,905 | 27.07 | 372,709 | 24.08 |

Restricted Stock Units (RSUs) & Performance Share Units (PSUs)

RSUs generally vest upon continued employment for a period of at least 36 months. They entitle the participant to accrue dividends, which are paid in cash only if the RSUs vest. RSUs do not give voting rights. On vesting, the participant is granted one CCEP share for each RSU. Unvested RSUs are restricted as to disposition and subject to forfeiture.

PSUs generally vest upon continued employment for a period of at least 36 months and the attainment of certain performance targets. They entitle the participant to the same benefits as RSUs. The ultimate number of shares awarded will be determined at the end of a performance period, which is usually for three-years.

Upon completion of the Merger, during 2016 each unvested RSU of CCE shares was converted into a cash payment of US \$14.50 and one RSU of CCEP shares. The cash payment and RSU both vest concurrently and under the same schedule as the original CCE RSU. Thus, it is considered as a continuation of the existing RSU award. Further, the Group determined that the total fair value of the cash payment and the new RSU immediately after the Merger equalled the fair value of the original RSU immediately prior to the Merger; thus no incremental expense was recognised. The additional US \$14.50 will be paid upon vesting by CCEP and would not be recharged to the Company. Therefore, no additional transfer from equity to non-current and current liabilities was deemed necessary.

The following table illustrates the number and average vesting prices of, and movements in, restricted and performance units during the year.

| | 2022 No. | 2022 (£) | 2021 No. | 2021 (£) |
|----------------------------|-------------|-------------|-------------|-------------|
| Exercised | - | - | - | - |
| Outstanding at 31 December | 122,394 | 41.34 | 133,495 | 36.87 |

26. Share-based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 25 for further details of these plans.

27. Post balance sheet events

No significant events after the balance sheet date have taken place.

28. Contingent liabilities

As at 31 December 2022 the company does not have any contingent liabilities.

Notes to the financial statements

29. Pensions and other post-employment benefits

The Coca-Cola Enterprises Pension Scheme (the Scheme) is a defined benefit arrangement. A full actuarial valuation was carried out as at 31 December 2022 by a qualified independent actuary.

The assets and liabilities of the schemes at 31 December are:

| | 2022 £000 | 2021 £000 |
|---|----------------|----------------|
| <i>Scheme assets at fair value</i> | | |
| Bonds | 595,300 | 1,264,200 |
| Properties | 241,600 | 277,300 |
| Other | 7,368 | 7,573 |
| Asset Backed Contribution arrangement | 95,060 | 116,100 |
| Fair value of scheme assets | 939,328 | 1,665,173 |
| Present value of scheme liabilities | (830,625) | (1,458,704) |
| Defined benefit pension plan surplus | 108,703 | 206,469 |

In 2019 the trustee of the scheme used a special one-off contribution of £124.3m from the Company to invest in an asset-backed contribution arrangement with a Scottish Limited Partnership. This in turn provides the scheme with a series of fixed payments which are paid semi-annually on 5 January and 5 July each year, ceasing in 2034. The value of the interest that the Trustee holds within the arrangement has been included with the Scheme's total assets as at 31 December 2022.

The Company's pension schemes have not invested in any of the Company's own financial instruments nor in properties or other assets used by the Company.

On 8 October 2020, the CCEP Group announced a proposal to close the Company's defined benefit scheme to future accrual, which was implemented on 31 March 2021. The affected employees were offered to enrol in the Group's defined contribution scheme (DC scheme), resulting in £16.3 million of expenses incurred for the year ending 31 December 2021 related to discrete payments to the affected employees in the form of cash or a contribution to their pension (DC scheme). Subsequent to the implementation of the closure of the Scheme, the members moved from active to deferred status, with future indexation of deferred pensions before retirement measured by reference to the consumer price index (CPI). As a result, a gain of £24.8 million was recognised as a past service cost credit in the year ending 31 December 2021.

Details on the total defined contribution scheme costs are included in note 6.

The amounts recognised in the Statement of Comprehensive Income for the year are analysed as follows:

| | 2022 £000 | 2021 £000 |
|--|----------------|-----------------|
| <i>Recognised in the profit or loss</i> | | |
| Current service cost | - | 8,879 |
| Past service credit | - | (24,760) |
| Administrative expenses | 89 | 600 |
| Recognised in arriving at operating profit | 89 | (15,281) |
| Net interest income on net pension position (note 7) | (3,870) | (1,325) |
| Total recognised in the profit or loss | (3,781) | (16,606) |

Taken to the Other Comprehensive Income

| | | |
|---|------------------|----------------|
| Actuarial (losses)/gains | (101,547) | 202,464 |
| Total recognised in other comprehensive income | (101,547) | 202,464 |

Notes to the financial statements**29. Pensions and other post-employment benefits (continued)**

Changes in the present value of the defined benefit pension obligations are analysed as follows:

| | 2022 | 2021 |
|--|------------------|--------------------|
| | £000 | £000 |
| At 1 January | (1,458,704) | (1,557,705) |
| Current service cost | - | (8,879) |
| Past service credit | - | 24,760 |
| Interest cost | (27,124) | (27,002) |
| Benefits paid | 48,598 | 58,998 |
| Actuarial gains due to change in financial and demographic assumptions | 628,100 | 52,435 |
| Actuarial (losses) due to plan experience | (21,495) | (1,310) |
| Contributions paid by participants | - | (1) |
| Defined benefit obligation | (830,625) | (1,458,704) |

Changes in the fair value of plan assets are analysed as follows:

| | 2022 | 2021 |
|---|----------------|------------------|
| | £000 | £000 |
| At 1 January | 1,665,173 | 1,537,975 |
| Interest income on plan assets | 30,994 | 28,327 |
| Contributions by employer | - | 7,128 |
| Contributions by employees | - | 1 |
| Benefits paid | (48,598) | (58,998) |
| Actuarial (losses)/gains | (708,152) | 151,340 |
| Administrative expenses | (89) | (600) |
| Fair value of plan assets at 31 December | 939,328 | 1,665,173 |

Pension contributions are determined with the advice of independent qualified actuaries, Aon, on the basis of annual valuations using the projected unit credit method. The projected unit credit method is an accrued benefits valuation method in which the scheme liabilities make allowance for future earnings. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

| | 2022 | 2021 |
|---|------|------|
| | % | % |
| <i>Main assumptions:</i> | | |
| Rate of increase in pensions in payment | | |
| - Pension accrued before 6 July 2010 | 3.00 | 3.25 |
| - Pension accrued after 5 July 2010 | 2.00 | 2.25 |
| Discount rate | 4.75 | 1.88 |
| Inflation assumption | 2.50 | 2.63 |
| Post-retirement mortality (in years) | | |
| Current pensioners at 65 – male | 86.9 | 86.8 |
| Current pensioners at 65 – female | 89.4 | 89.3 |
| Future pensioners at 65 – male | 87.8 | 87.7 |
| Future pensioners at 65 – female | 90.5 | 90.4 |

Notes to the financial statements

29. Pensions and other post-employment benefits (continued)

Many of the key financial assumptions are derived directly from the yields on AA-rated or high quality corporate bonds. The assumptions for inflation and for increases in pensions are based on the yield gap between long-term index-linked and long-term fixed interest gilt securities. Mortality rates are based on S3 Normal Base Tables adjusted to reflect recent experience in the scheme.

The post-retirement mortality assumptions allow for expected increases in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2037.

The sensitivities regarding the principal assumptions used to measure the scheme asset are set out below:

| <i>Assumption</i> | <i>Change in assumption</i> | <i>Impact on scheme liabilities</i> |
|----------------------|-----------------------------|-------------------------------------|
| Discount rate | Decrease by 0.5% | Increase with £71.8m |
| Inflation assumption | Increase by 0.5% | Increase with £32.6m |
| Life expectancy | Increase by 1 year | Increase with £25.3m |

Notes to the financial statements

30. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries of the Group. Transactions entered into, and trading balances outstanding at 31 December with other related parties, are described below:

Purchase transactions during the year and balances with The Coca-Cola Company, Cobega S.A. and their subsidiary and associate undertakings are detailed below:

| | | 2022 | 2021 | 2022 | 2021 |
|--|--|--------------------------------|--------------------------------|---------------------------|---------------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Company | Nature of transaction | Purchases from related parties | Purchases from related parties | Amounts owed to (note 20) | Amounts owed to (note 20) |
| Coca-Cola Midi SAS (Varoise de Concentres SAS) | Product concentrate | (6,406) | (6,750) | (345) | (380) |
| International Beverages Unlimited Company | Raw Materials | (2,964) | (1,854) | (177) | (63) |
| Waters & Robson Limited | Raw Materials, rent and other services | (263) | (458) | - | (459) |
| BEVERAGE SERVICES LTD - CONCENTRATE | Product concentrate & IPM | (597,327) | (509,513) | (336) | (3,154) |
| BEVERAGE REFRESHMENTS UNLIMITED COMPANY | Finished goods | (12,635) | (8,740) | (826) | (233) |
| SA Coca-Cola Services NV | Marketing Support | (2,488) | (2,916) | (2,459) | (129) |
| Coca-Cola USA | Spare parts | (632) | (727) | (30) | (48) |
| BEVERAGE SERVICES LTD | Other Services | - | (64) | - | - |
| Costa Ltd | Other Services | (4) | (5) | - | (5) |
| Costa Express Ltd | Other Services | (1) | - | (1) | - |
| Nosoplas S.L. | Other Services | (235) | - | (286) | - |
| | | (622,955) | (531,027) | (4,460) | (4,471) |

Coca-Cola Europacific Partners Great Britain Limited

Year ended 31 December 2022

Notes to the financial statements

30. Related party transactions (continued)

Sales transactions during the year and balances with The Coca-Cola Company and its subsidiary and associate undertakings as well as sales transactions with joint ventures are detailed below:

| Company | Nature of transaction | 2022 | 2021 | 2022 | 2021 |
|---|---|--------------------------|--------------------------|---------------------------|---------------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| | | Sales to related parties | Sales to related parties | Amounts owed by (note 18) | Amounts owed by (note 18) |
| SA Coca-Cola Services NV | Wholesales, Marketing support and other | 20,222 | 17,144 | 12,342 | 12,142 |
| Beverages Services Limited | Wholesales, Marketing support and other | 32,893 | 30,170 | 5,884 | 11,164 |
| BEVERAGE REFRESHMENTS UNLIMITED COM | Sales | - | - | - | (1) |
| Costa Ltd | Sales | 7,661 | 5,572 | 421 | 599 |
| Coca-Cola International Sales Limited | Marketing Support | - | (64) | - | - |
| Waters & Robson | Other Services | 509 | 421 | - | 1,107 |
| Coca cola export corporation | Sales | - | - | - | (2) |
| Coca-Cola beverages (Shanghai) Co. | Sales | - | 79 | - | - |
| Coca-Cola Singapore beverages PTE L | Sales | 55 | 50 | - | 5 |
| Coca-Cola Refreshments Malaysia Sdn Bhd | Sales | 12 | - | 4 | - |
| Starstock Group Limited (joint venture) | Sales | 38 | - | 36 | - |
| | | 61,390 | 53,372 | 18,687 | 25,014 |

Sales and purchases between related parties are made on an arm's length basis. The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2022, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2021: nil).

31. Ultimate Group undertaking

The immediate parent of the Company is Coca-Cola Europacific Partners Holdings Great Britain Limited. The Company's ultimate parent undertaking and controlling party is Coca-Cola Europacific Partners plc, a company incorporated in England and Wales. Copies of the group financial statements of Coca-Cola Europacific Partners plc are available from the Company Secretary, Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ.