

BRITVIC SOFT DRINKS LIMITED

Financial Statements for the 52 weeks ended 1 October 2006
together with Directors' report and report of the auditors.

Registered Number: 517211

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BRITVIC SOFT DRINKS LIMITED

Directors' report

The Directors present their annual report on the affairs of the Company, together with the financial statements and report of the auditors, for the 52 weeks ended 1 October 2006

Principal activities and business review

The principal activities of the Company continue to be the manufacture and sale of soft drinks

Turnover for the year was £667,547,000

The profit for the year before taxation amounted to £32,429,000

After charging taxation of £13,993,000 the profit for the year was £18,436,000

In November 2004 the Company made a small acquisition comprising the water business of Ben Shaw. This investment will enable the business to expand its product range in the water category.

In the prior year, the Company also purchased the trade and assets of Robinsons Soft Drinks Limited, Orchid Drinks Limited and Red Devil Energy Drinks Limited and has been granted 15 year licences to manufacture and sell the brands owned by these companies.

The Company's ultimate parent undertaking, Britvic plc, has been floated through an Initial Public Offering, with Admission to the London Stock Exchange occurring on 14 December 2005.

Key performance indicators

The principal indicators that management uses to assess the performance of the Company in addition to profit and loss account measures of performance are as follows:

Volume growth

The number of litres sold by the Company relative to prior year

Average realised price (ARP)

Average revenue per litre sold

Revenue growth

Sales achieved by the Group relative to the prior year

Brand contribution margin

Revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product, divided by revenue. Such costs include brand specific advertising and promotion costs, raw materials, and marginal production and distribution costs. Management uses the brand contribution margin to analyse the Company's financial performance because it provides a measure of contribution at brand level.

The key performance indicators are shown in the tables below:

Carbonates

	2006 £m	2005 £m	Percentage change
Volume (millions litres)	848.3	899.6	(5.7)
ARP per litre	39.2p	39.7p	(1.3)
Revenue	332.5	356.9	(6.8)
Brand contribution	130.1	143.3	(9.2)
Brand contribution margin	39.1%	40.2%	(1.1)%pts

Carbonate volumes at 848.3m litres for the period were down 5.7 per cent on prior year. However volumes had experienced an improved trend during the period from down 7.2 per cent in the first half to down 4.2 per cent in the second half as the market as a whole benefited from a hot July, the impact of the World Cup, significant new product launches and high levels of promotional activity.

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Principal activities and business review (continued)

Revenues for the year were £332.5m, down 6.8 per cent on the prior year. Revenues also saw an improved trend with revenues down 4.7 per cent in the second half from down 9 per cent in the first half. Management responded to the promotional activity in the market place with clear action both in store and above the line but continued to focus on ARP. The new IT systems of SAP and SIEBEL implemented as part of the Business Transformation Programme have enabled more efficient promotions. As a result ARP was essentially maintained during the second half against last year. This positively impacted the brand contribution margin improving from down 3 percentage points against the prior year at the first half to down 1 percentage point for the full year.

Stills

	2006 £m	2005 £m	Percentage change
Volume (millions litres)	446.5	437.3	2.1
ARP per litre	72.1p	71.9p	0.3
Revenue	321.9	314.3	2.4
Brand contribution	152.0	147.5	3.0
Brand contribution margin	47.2%	46.9%	0.3%pts

Stills volumes increased by 2.1 per cent for the year driven by a strong second half volume growth of 3.8 per cent. Revenue also grew to £321.9m, up 2.4 per cent on last year, again driven by strong second half growth of 5.6 per cent predominantly due to

- New product launches with a strong performance from Britvic's new kids' water brand, Fruit Shoot H2O, with the other water launches of Pennine Spring and Drench performing in line with management's expectations,
- A solid performance in the key categories of juice drinks and adult, with Fruit Shoot and J2O performing well, and
- Robinsons squash performing well due to improved distribution, consumers moving into the category away from carbonates, and additional marketing investment in the period.

Stills revenue at £321.9m showed an improvement on the prior year of 2.4 per cent. First half revenue performance was down 1.0 per cent and was affected by structural changes to the take home customer base and some pricing and promotional issues, which were satisfactorily resolved, with a small number of customers that had a marked impact on revenue in the last few weeks of the period. Prior to this, for the first 20 weeks of the year, stills revenue growth was at 4.5 per cent.

The majority of the brand contribution margin growth of 0.3 percentage points was driven by the growth in ARP of 0.3 per cent and the increase in water sales which had reduced prime costs. This was partially offset by input cost increases, notably from pressure in fruit juices and also the additional cost of production of Robinsons' large packs.

Risks and uncertainties

The Company's results of operations could be materially adversely affected by

Risks relating to the Company

- A decline in certain key brands,
- A termination or variation of its bottling and distribution arrangements with PepsiCo or an adverse development in the PepsiCo relationship,
- A further consolidation in its customer base,
- Any interruption in, or change in the terms of, the Company's supply of packaging and raw materials,
- Any failure in the processes or the new IT systems implemented as part of the Group's Business Transformation Programme,
- Any inability to protect the intellectual property rights associated with its current and future brands,
- Contamination of its raw materials,
- Litigation, complaints or adverse publicity in relation to its products,
- Loss of key employees,
- Any increase in the Company's funding needs or obligations in respect of the Group pension scheme, and
- Any failure or unavailability of the Company's operational infrastructure.

Risks relating to the market

- A change in consumer preferences, perception and/or spending,
- Poor economic conditions and weather,
- Potential impact of any regulatory developments,
- Actions taken by competition authorities or private actions in respect of supply or customer arrangements,
- Actions by the Company's competitors, and
- Changes in accounting principles or standards.

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Principal activities and business review (continued)

Financial risk management objectives and policies

The main risks arising from the Company's financial instruments are foreign currency risk, commodity price risk and interest rate risk. The board of directors review and agree policies for managing these risks as summarised below.

Foreign currency risk

The Company has transactional exposures arising from purchases of prime materials and commercial assets in currencies other than the functional currency of the Company. Such purchases are made in the currencies of US dollars and euros. The Company hedges an appropriate percentage of forecast exposures 12 months in advance using forward foreign exchange contracts.

Commodity price risk

The main commodity price risk arises in the purchases of prime materials, being PET, sugar, cans and frozen concentrated orange juice. Where it is considered commercially advantageous, the Company enters into fixed price contracts with suppliers to hedge against unfavourable commodity price changes.

Interest rate risk

The Company borrows in desired currencies at both fixed and floating rates of interest and then uses interest rate swaps to generate the desired interest rate profile and to manage the Group's exposure to interest fluctuation. At 1 October 2006, £100.0m (2005 £100.0m) of the Company's borrowings were at fixed rates after taking account of interest rate swaps.

Credit risk

There are no significant concentrations of credit risk within the Company.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funds and flexibility through the use of bank loans and overdrafts. The bank loans entered into by the Company are unsecured.

Future developments

The Directors expect the Company to continue to trade profitably.

Research and development

Research and development work undertaken by the Company continues to focus on product quality, operational efficiencies and new initiatives. Responsibility rests with the operating functions of the Company with particular emphasis placed on new packaging and product development to ensure that the Company can meet the demands of a competitive and changing market.

Results and dividends

Results, dividends and recommended transfers to reserves are as follows:

	£000
Profit for the year after taxation	18,436
Dividends	(12,000)
	<hr/>
Transfer to profit and loss reserves	6,436
	<hr/>

BRITVIC SOFT DRINKS LIMITED

Directors and their interests

The following served as Directors of the Company during the year

P S Moody
 J M Gibney
 A C Marsden
 A Richards
 M N J Rose
 A R Beaney
 D Frost
 R Solomons - Resigned 24 November 2005

The interests of Mr P S Moody and Mr J M Gibney, who are also Directors of Britvic plc, are reported in that Company's accounts

The interests of the other Directors and their families in the shares of Britvic plc are shown below

Name of Director	Fully paid ordinary shares (Number of Shares)	
	<u>Britvic plc</u> <u>1 October 2006</u>	<u>Britvic plc</u> <u>14 December 2005</u>
A C Marsden	37,487	20,750
A Richards	2,232	-
M N J Rose	7,232	-
A R Beaney	2,232	-
D Frost	4,232	-

Notes

The above shareholdings, which are all beneficial, include ordinary shares held on behalf of the Directors by trustees under the Britvic Share Incentive Plan

Directors' Interests in Britvic plc Share Options

The Directors participated in the Britvic Executive Share Option Plan

Name	Date of grant	At 2 Oct 2005	Granted during period	Lapsed during period	Exercised during period	At 1 Oct 2006	Option Price (pence)	Date exercisable from	Expiry date
A C Marsden	15/12/05	-	134,694	-	-	134,694	245 0	15/12/08	15/12/15
A Richards	15/12/05	-	122,449	-	-	122,449	245 0	15/12/08	15/12/15
M N J Rose	15/12/05	-	113,265	-	-	113,265	245 0	15/12/08	15/12/15
A R Beaney	15/12/05	-	113,265	-	-	113,265	245 0	15/12/08	15/12/15
D Frost	15/12/05	-	122,449	-	-	122,449	245 0	15/12/08	15/12/15

The market price of Britvic plc shares on 1 October 2006 was 231 8p per share

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Directors' Interests in the Britvic Performance Share Plan

The Directors participated in the Britvic Performance Share Plan

Name	Date of award	At 2 Oct 2005	Awarded during period	Lapsed during period	Vested during period	At 1 Oct 2006	Market price at date of award (pence)	Date from which restrictions lift
A C Marsden	15/12/05 *	-	47,826	-	-	47,826	242 0	15/12/08
A C Marsden	15/12/05 **	-	217,392	-	-	217,392	242 0	15/12/06, 15/12/07 & 15/12/08
TOTAL		-	265,218	-	-	265,218		
A Richards	15/12/05 *	-	43,478	-	-	43,478	242 0	15/12/08
A Richards	15/12/05 **	-	217,392	-	-	217,392	242 0	15/12/06, 15/12/07 & 15/12/08
TOTAL		-	260,870	-	-	260,870		
M N J Rose	15/12/05 *	-	40,217	-	-	40,217	242 0	15/12/08
M N J Rose	15/12/05 **	-	217,392	-	-	217,392	242 0	15/12/06, 15/12/07 & 15/12/08
TOTAL		-	257,609	-	-	257,609		
A R Beaney	15/12/05 *	-	40,217	-	-	40,217	242 0	15/12/08
A R Beaney	15/12/05 **	-	217,392	-	-	217,392	242 0	15/12/06, 15/12/07 & 15/12/08
TOTAL		-	257,609	-	-	257,609		
D Frost	15/12/05 *	-	43,478	-	-	43,478	242 0	15/12/08
D Frost	15/12/05 **	-	217,392	-	-	217,392	242 0	15/12/06, 15/12/07 & 15/12/08
TOTAL		-	260,870	-	-	260,870		

* Annual Performance Share Plan award

**In addition to the annual awards, a one-off transitional award was made to compensate the directors for the loss of long-term incentive bonuses which were discontinued upon flotation of the company's ultimate parent undertaking, Britvic plc. The award vests in three equal tranches, after the first, second & third anniversary of the award.

Fixed assets

Information relating to changes in fixed assets is given in Notes 10, 11 and 12 to the accounts. In the opinion of the Directors there is no material difference between the book and the current value of interests in land and buildings.

Supplier payment policy

The Company agrees payment terms with all of its main suppliers and abides by these terms subject to satisfactory performance by the supplier. Amounts owed to other suppliers are settled on or before the end of the month following receipt of a valid invoice. At 1 October 2006, trade creditors outstanding represented approximately 41 days purchases (2005: 33 days) from suppliers comprising trade creditors.

Charitable and political contributions

The Company contributed £36,491 to charities (2005: £34,018) and £nil for political purposes (2005: £nil).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that all employees be given equal opportunities in respect of training, career development and promotion.

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Employee consultation

The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group

The Group has widely established arrangements involving briefing Group consultancy committees and the publication of Company newspapers as part of the general process of employee consultation

All our eligible employees are able to participate in the Britvic Share Incentive Plan. It is Group policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin and that equal opportunity shall be given to all employees

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

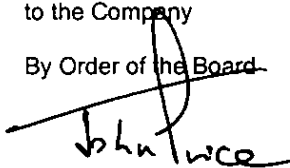
Auditors

The Directors will place a resolution before the Annual General Meeting to reappoint Ernst & Young LLP as auditors for the ensuing year

Liability insurance for Company officers

As permitted by the Companies Act 1985, the Company has maintained insurance cover for the Directors against liabilities in relation to the Company

By Order of the Board

A handwritten signature in black ink, appearing to read 'D B J Price', is written over a horizontal line that has been crossed out.

D B J PRICE

Secretary

Britvic House
Chelmsford

22 January 2007

BRITVIC SOFT DRINKS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES in relation to financial statements

The following statement, which should be read in conjunction with the Report of the Auditors set out on page 9, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

BRITVIC SOFT DRINKS LIMITED

INDEPENDENT AUDITORS' REPORT to the members of Britvic Soft Drinks Limited

We have audited the company's financial statements for the year ended 1 October 2006 which comprise the Profit and Loss Account, the Statement of Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Reconciliation of Movement in Shareholders' Funds, the Balance Sheet, and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 1 October 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP
Registered auditor
Nottingham

Ernst & Young LLP

23 January 2007

BRITVIC SOFT DRINKS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 1 OCTOBER 2006

	Note	2006 £000	2005 £000 Restated
Turnover	2	667,547	575,470
Costs and overheads, less other income, before exceptional operating expenses	3	(624,730)	(553,728)
Exceptional operating expenses	4	(13,634)	(5,779)
		<hr/> (638,364) <hr/>	<hr/> (559,507) <hr/>
Operating profit		29,183	15,963
Other interest receivable and similar income	6	20,376	13,832
Interest payable and similar charges	6	(18,330)	(6,183)
Other net finance income/(charges)	6	1,200	(1,200)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		32,429	22,412
Tax on profit on ordinary activities	7	(13,993)	(6,997)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		<hr/> 18,436 <hr/>	<hr/> 15,415 <hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE 52 WEEKS ENDED 1 OCTOBER 2006

	2006 £000	2005 £000 Restated
Profit on ordinary activities after taxation	18,436	15,415
Actuarial loss on defined benefit pensions	(10,644)	(3,147)
Deferred tax related to actuarial loss on defined benefit pensions	3,193	944
	<hr/>	<hr/>
Total recognised profits relating to the period	<hr/> 10,985 <hr/>	<hr/> 13,212 <hr/>

BRITVIC SOFT DRINKS LIMITED

HISTORICAL COST PROFITS AND LOSSES

FOR THE 52 WEEKS ENDED 1 OCTOBER 2006

	Note	2006 £000	2005 £000 Restated
Profit on ordinary activities before taxation		32,429	22,412
Difference between historical cost depreciation charge and actual depreciation charge	19	(338)	(299)
Historical cost profit on ordinary activities before taxation		32,091	22,113
Historical cost profit retained after taxation and dividends		6,098	1,284

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

FOR THE 52 WEEKS ENDED 1 OCTOBER 2006

	Note	2006 £000	2005 £000 Restated
Profit attributable to ordinary shareholders		10,985	13,212
Ordinary dividends	9	(12,000)	(13,832)
Retained loss		(1,015)	(620)
Capital contribution received		-	369,000
Ordinary shares issued		-	22,600
Movement in share based schemes		5,255	492
Net addition to shareholders' funds		4,240	391,472
Opening shareholders' funds		371,177	(20,295)
Net addition to shareholders' funds (as above)		4,240	391,472
Closing shareholders' funds		375,417	371,177

BRITVIC SOFT DRINKS LIMITED

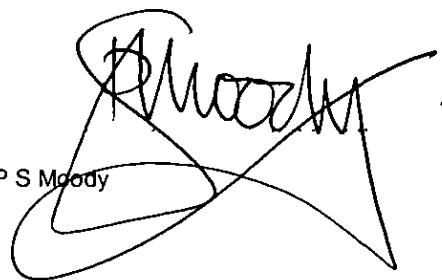
COMPANY BALANCE SHEET

AT 1 OCTOBER 2006

	Note	2006 £000	2005 £000
Fixed Assets			
Intangible assets	10	333,416	361,964
Tangible assets	11	247,209	261,767
Investments	12	39,336	39,336
		<hr/>	<hr/>
		619,961	663,067
		<hr/>	<hr/>
Current Assets			
Stocks	13	31,723	37,912
Debtors	14	445,276	342,877
		<hr/>	<hr/>
		476,999	380,789
Creditors			
Amounts falling due within one year	15	(198,210)	(183,568)
		<hr/>	<hr/>
Net Current Assets		278,789	197,221
		<hr/>	<hr/>
Total Assets less Current Liabilities		898,750	860,288
Creditors			
Amounts falling due after more than one year	16	(454,686)	(408,102)
Provision for Liabilities and Charges	8	(23,707)	(22,699)
Net Pension Liability	21	(44,940)	(58,310)
		<hr/>	<hr/>
		375,417	371,177
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	18	45,200	45,200
Share scheme reserve	19	4,526	-
Share premium	19	450	450
Revaluation reserve	19	3,411	3,073
Other reserves	19	15,220	15,220
Profit and loss account	19	306,610	307,234
		<hr/>	<hr/>
Shareholders' Funds		375,417	371,177
		<hr/>	<hr/>

The Directors approved the financial statements on 22 January 2007

P S Moody



BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

1 ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below

a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets. They have been drawn up to comply with applicable United Kingdom accounting standards.

The Company has not produced consolidated Group accounts, as it is exempt under section 228 of the Companies Act. Accordingly these financial statements present the financial information for the Company and not its Group. The Company's results are included in the consolidated financial statements of Britvic plc.

b) Change in accounting policy

In preparing this financial information for the current year, the Company has early adopted all of the requirements of FRS 20 'Share-based Payment', mandatory for accounting periods beginning on or after 1 January 2006. The adoption of FRS 20 has resulted in a change in accounting policy for share-based payment transactions. FRS 20 requires the fair value of options and share awards which ultimately vest to be charged to the profit and loss account over the vesting or performance period. For equity-settled transactions the fair value is determined at the date of the grant using an appropriate pricing model. If an award fails to vest as the result of certain types of performance condition not being satisfied, the charge to the income statement will be adjusted to reflect this.

The comparative information has been restated for the adoption of FRS 20 where applicable. For the Company the impact in the profit on ordinary activities after taxation for the year ended 2 October 2005 was a cost of £492,000 and the impact on equity shareholders' funds as at 2 October 2005 was £nil.

c) Cash flow

In accordance with FRS 1 these financial statements do not include a cash flow statement as the Company is a wholly owned subsidiary undertaking of a UK parent whose financial statements for the 52 weeks to 1 October 2006 include a consolidated cash flow statement.

d) Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates ruling on the dates of the transactions, adjusted for the effects of any hedging arrangements. Assets and liabilities denominated in foreign currencies are translated into sterling at the relevant rates of exchange ruling at the balance sheet date.

The results of overseas operations are translated into sterling at weighted average rates of exchange for the period. Exchange differences arising from the retranslation of opening net assets (including goodwill) denominated in foreign currencies are taken direct to reserves, net of exchange differences arising from the retranslation of foreign currency borrowings used to hedge those net assets. All other exchange differences are taken to the profit and loss account.

The Group uses forward foreign currency contracts to reduce exposure to foreign exchange rates. The criteria for forward foreign currency contracts are:

- The instrument must be related to a contract foreign currency commitment,
- It must involve the same currency as the hedge item, and
- It must reduce the risk of foreign currency exchange movements on the Group's operations.

The rates under such contracts are used to record the hedged item. As a result, gains and losses are offset against the foreign exchange gains and losses on the related financial assets and liabilities, or where the instrument is used to hedge a committed future transaction, are not recognised until the transaction occurs.

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

1 ACCOUNTING POLICIES (Continued)

e) Intangible fixed assets

Goodwill relates to purchased goodwill and adjustments necessary in ascribing fair values to the separable net assets relating to the soft drinks business acquired. The capitalised goodwill is being amortised on a straight line basis over its useful economic life, estimated at 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Licences relates to brand licences transferred to Britvic Soft Drinks Limited for the domestic sale of Robinsons, Orchid and Red Devil products. Licences have been transferred at fair value and are amortised on a straight line basis over their useful economic lives, estimated at 15 years. Licences are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

No value is attributed to trademarks, concessions, patents and similar rights and assets, including management contracts.

Costs incurred on trademarks, concessions, patents and similar rights, whether purchased or created by the Company, are expensed in the profit and loss account in the period in which they are incurred.

f) Investments

Fixed asset investments are stated at cost less any provision for diminution in value.

g) Leases

Assets held under finance leases are capitalised in the balance sheet and included within tangible fixed assets and are depreciated at the appropriate rates. The capital element of future lease payments is included in borrowings. The interest element of the lease obligations is charged to the profit and loss account.

The cost of operating leases is charged to the profit and loss account on a straight line basis over the term of the lease.

h) Pensions

For defined benefit schemes, scheme assets are measured at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at an interest rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Full actuarial valuations are obtained at least every three years and are updated at each balance sheet date. The resulting surplus or deficit, net of taxation thereon, is presented separately on the face of the balance sheet.

The service cost of providing pension benefits to employees for the period is charged to the profit and loss account. The cost of making improvements to pension benefits is recognised in the profit and loss account on a straight line basis over the period during which the increase in benefits vests. To the extent that the improvements vest immediately, the cost is recognised immediately. These costs are recognised as an operating expense.

A charge representing the unwinding of the discount on the scheme liabilities during the period is included within other net finance charges.

A credit representing the expected return on the scheme assets during the period is included within other net finance charges. This credit is based on the market value of the scheme assets, and expected rates of return, at the beginning of the period.

Actuarial gains and losses may result from differences between the expected return and the actual return on scheme assets, differences between the actuarial assumptions underlying the scheme liabilities and actual experience during the period, or changes in the actuarial assumptions used in the valuation of the scheme liabilities. Actuarial gains and losses, and taxation thereon, are recognised in the statement of total recognised gains and losses.

For defined contribution plans, contributions payable for the period are charged to the profit and loss account as an operating expense.

i) Research and development

Expenditure on research and development is charged to the profit and loss account as incurred.

j) Stocks

Stocks are stated at the lower of cost, including an appropriate element of production overhead cost, and net realisable value.

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

1 ACCOUNTING POLICIES (Continued)

k) Tangible fixed assets and depreciation

- (i) Freehold and leasehold properties are stated at cost or valuation, less depreciation. The transitional rules of FRS15 have been adopted for properties and, accordingly, the carrying value of properties at 30 September 1999 (most of which had been revalued that year) has been retained as cost or valuation.
- (ii) Surpluses arising from the professional valuations of properties are taken direct to the revaluation reserve. Valuation surpluses realised on sale are transferred from the revaluation reserve to the profit and loss account reserve. Any deficit arising from the professional valuation of properties which results in an impairment is taken direct to the revaluation reserve and eliminated against the revaluation reserve in respect of that property with any excess being charged to the profit and loss account.
- (iii) Freehold land is not depreciated.
- (iv) Freehold properties are written off over 50 years.
- (v) Leasehold properties are written off over 50 years or over the unexpired term of the lease when less than 50 years.
- (vi) Cost of plant, machinery, fixtures, fittings, tools and equipment (owned or leased) is spread, by equal instalments, over the estimated useful lives of the relevant assets, namely:

Plant and machinery	3 - 20 years
Equipment in retail outlets	5 - 10 years
Other fixtures and fittings	3 - 7 years
Vehicles	5 - 7 years
- (vii) Interest payable in respect of certain major projects is capitalised to the extent that it relates to the period prior to the project becoming operational.

l) Deferred Taxation

Deferred tax assets and liabilities are recognised, subject to certain exceptions, in respect of all material timing differences between the recognition of gains and losses in the financial statements and for tax purposes. Those timing differences recognised include accelerated capital allowances, unrelieved tax losses and short term timing differences. Timing differences not recognised include those relating to the revaluation of fixed assets in the absence of a commitment to sell the assets, the gain on sale of assets rolled into replacement assets and the distribution of profits from overseas subsidiaries in the absence of any commitment by the subsidiary to make the distribution.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

m) Turnover

Turnover represents sales (excluding VAT and similar taxes and intra-Group transactions) of goods and services, net of discounts, provided in the normal course of business.

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

2 TURNOVER

Turnover is attributable to one continuing activity

Turnover is stated after deducting trade discounts and is analysed by geographical destination as follows

	2006 £000	2005 £000
United Kingdom - external	654,376	565,345
- fellow subsidiaries	13,171	10,125
	<hr/>	<hr/>
	667,547	575,470
	<hr/>	<hr/>

The turnover is predominately sourced from the United Kingdom

3 COSTS AND OVERHEADS LESS OTHER INCOME

	2006 £000	2005 £000 Restated
Change in stocks of finished goods	5,074	(6,681)
Raw materials, consumables and excise duty	265,650	239,225
Other external charges	163,711	158,740
Staff costs (note 5)	118,768	104,370
Depreciation on tangible fixed assets – owned	42,979	40,414
Amortisation of goodwill and other intangible assets	28,548	17,660
	<hr/>	<hr/>
	624,730	553,728
	<hr/>	<hr/>

The following amounts are included above

Operating lease rentals		
- Plant and machinery	6,313	6,400
- Land and buildings	3,458	3,417

Auditors' remuneration

- audit work	212	156
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Other fees to auditors

- audit of the group pension scheme	15	16
- corporate finance services	956	1,903
- other	4	2

	985	1,921
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Research and development expenditure	1,982	1,152
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BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

4 EXCEPTIONAL OPERATING ITEMS

	2006 £000	2005 £000
Costs incurred in relation to the listing of Britvic plc on the London Stock Exchange	-	5,779
Incentive schemes directly associated with the flotation of Britvic plc	6,557	-
Restructuring costs *	7,077	-
	<hr/> 13,634	<hr/> 5,779

* 'Restructuring costs' includes the costs of major restructuring programmes undertaken in the year. These costs relate principally to redundancy costs and advisors' fees.

5 STAFF

a) Costs

Particulars of employees (including executive Directors) are shown below

	2006 £000	2005 £000 Restated
Wages and salaries	91,951	81,001
Employee profit share scheme	6,849	4,052
Social security costs	8,349	8,056
Other pension costs	11,619	11,261
	<hr/> 118,768	<hr/> 104,370

b) Average number of employees

The average weekly number of persons employed by the Company during the year, including part time employees was as follows

	2006 NUMBER	2005 NUMBER
Administration	317	335
Distribution	605	578
Production	1,157	887
Sales and marketing	786	841
	<hr/> 2,865	<hr/> 2,641

c) Pensions

Pension information is disclosed in note 21

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

5 STAFF (Continued)

d) Directors' remuneration

Directors' remuneration was paid in respect of Directors of the Company as follows

	Total		Highest Paid Director	
	2006 £000	2005 £000	2006 £000	2005 £000
Fees as Directors	992	921	214	196
Other emoluments	67	72	22	17
Bonuses	307	643	61	194
	<hr/>	<hr/>	<hr/>	<hr/>
	1,366	2,348	297	407
	<hr/>	<hr/>	<hr/>	<hr/>
Accrued pension			75	83
			<hr/>	<hr/>

The 2006 figure above includes Mr Gibney's 'Fees' and 'Other emoluments' up to and including 26 October 2005, when he became a Director of Britvic plc. After that date, his 'Fees' and 'Other emoluments' have been included within the accounts of Britvic plc.

There are six Directors to whom benefits are accruing under defined benefit pension schemes (2005 - 6)

6 INTEREST RECEIVABLE / PAYABLE AND SIMILAR INCOME AND CHARGES

	2006 £000	2005 £000
a) Interest receivable		
Interest receivable from Group undertakings	8,195	-
Other interest receivable	181	-
Dividends receivable	12,000	13,832
	<hr/>	<hr/>
	20,376	13,832
	<hr/>	<hr/>
b) Interest payable		
Loan interest payable (other than by instalments)	18,330	6,183
	<hr/>	<hr/>
c) Other net finance income/(charges)		
Expected return on pension scheme assets (note 21)	21,900	18,400
Interest on pension scheme and other post-retirement benefit liabilities (note 21)	(20,700)	(19,600)
	<hr/>	<hr/>
	1,200	(1,200)
	<hr/>	<hr/>

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

Tax charge/(credit)	2006 £000	2005 £000
UK corporation tax at 30% (2005- 30%)		
Current year	3,526	(3,822)
Prior years	531	(1,176)
Total current tax	4,057	(4,998)
Deferred tax		
Origination and reversal of timing differences	9,999	13,173
Prior years	(63)	(1,178)
Total deferred tax	9,936	11,995
Tax on profit on ordinary activities	13,993	6,997

The tax credit relating to exceptional items of £13,634,000 (see note 4) amounts to £4,035,000

Tax reconciliation	2006 %	2005 % Restated
UK corporation tax standard rate	30.0	30.0
Permanent differences	11.7	(8.2)
Depreciation in excess of capital allowances	1.7	(4.8)
Pension timing differences	(27.5)	(31.4)
Other timing differences	(5.0)	(2.8)
Adjustment to tax charge in respect of prior periods	1.6	(5.1)
Effective current tax rate	12.5	(22.3)

Factors which may affect future tax charges

Capital tax losses of £425,000 (2005 £425,000) have not been recognised as their use is uncertain or not currently anticipated

Future disposal of properties at their revalued amounts could have an effect on the future tax rate as the consequences of disposals would depend on the particular assets disposed of, even though no overall liability exists on the portfolio as a whole

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

8 DEFERRED TAX

	2006 £000	2005 £000
Opening balance	22,699	17,903
Profit and loss account, excluding amounts relating FRS 17 pension deficit	1,008	4,796
	<hr/>	<hr/>
Closing balance	23,707	22,699
	<hr/>	<hr/>
Analysed as tax on timing differences related to		
Fixed assets	24,255	24,863
Other	(548)	(2,164)
	<hr/>	<hr/>
	23,707	22,699
	<hr/>	<hr/>

No provision has been made for deferred tax assets on the sale of properties at their revalued amounts as the Company is not committed to their disposal. The total unrecognised asset is estimated at £9,970,000 (2005 £3,504,000)

No provision has been made for deferred tax on the sale of properties where gains have been deferred against expenditure on replacement assets. The total liability unprovided is estimated at £4,861,000 (2005 £4,215,000)

9 DIVIDENDS

	2006 £000	2005 £000
2005 Interim dividend of 30 60p per share	-	13,832
2005 Final dividend of 26 55p per share	12,000	-
	<hr/>	<hr/>
	12,000	13,832
	<hr/>	<hr/>

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

10 INTANGIBLE FIXED ASSETS

	Goodwill 2006 £000	Brand Licences 2006 £000	Total 2006 £000	Total 2005 £000
Cost at beginning of year	80,572	369,000	449,572	78,823
Additions	-	-	-	370,749
Cost at end of year	80,572	369,000	449,572	449,572
Amortisation at beginning of year	(73,889)	(13,719)	(87,608)	(69,948)
Amortisation provided during the year	(3,948)	(24,600)	(28,548)	(17,660)
Amortisation at end of year	(77,837)	(38,319)	(116,156)	(87,608)
Net book amount at end of year	2,735	330,681	333,416	361,964

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

11 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £000	Long Leasehold Land and Buildings £000	Plant and Machinery £000	Fixtures Fittings Tools and Equipment £000	Total £000
a) Cost or valuation					
At 3 October 2005	51,691	21,734	196,530	232,981	502,936
Additions during the year	919	1,930	12,806	17,366	33,021
Transfers from/(to) Group companies and Reclassification	(1,599)	1,599	-	-	-
Disposals	-	-	(2,154)	(13,451)	(15,605)
At 1 October 2006	51,011	25,263	207,182	236,896	520,352
b) Depreciation and amortisation					
At 3 October 2005	4,217	2,485	117,303	117,163	241,168
Transfers from/(to) Group companies and Reclassification	(23)	23	-	-	-
Charge for year	732	455	17,099	24,693	42,979
Relating to disposals	-	-	(1,963)	(9,041)	(11,004)
At 1 October 2006	4,926	2,963	132,439	132,815	273,143
c) Net book amounts					
At 1 October 2006	46,085	22,300	74,743	104,081	247,209
At 2 October 2005	47,474	19,249	79,227	115,818	261,768
d) Summary at 1 October 2006			Cost or Valuation £000	Depreciation £000	Total £000
Freehold			51,011	(4,926)	46,085
Leasehold over 100 years			14,198	(1,970)	12,228
Leasehold 50 to 100 years			11,065	(993)	10,072
Total properties			76,274	(7,889)	68,385
Plant and machinery			207,182	(132,439)	74,743
Fixtures, fittings, tools & equipment			236,896	(132,815)	104,081
			520,352	(273,143)	247,209
e) Historic cost of land and buildings					
At 1 October 2006			83,983	(20,280)	63,703
At 2 October 2005			81,133	(18,757)	62,376

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

11 TANGIBLE FIXED ASSETS (continued)

- f) In accordance with the transitional rules of FRS 15, the carrying value of properties at 30 September 1999 has been retained at cost

Properties are included above at cost or valuation less depreciation. The most recent valuation of the Group's freehold and long-leasehold properties was undertaken in 1999 by external Chartered Surveyors Chesterton plc in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The basis of valuation was existing use value for all properties. No valuation was performed in the year.

12 FIXED ASSET INVESTMENT

	2006 £000	2005 £000
Cost of shares at beginning of year	39,570	234
Additions	-	39,336
Cost of shares at end of year	39,570	39,570
Loans from subsidiaries	(234)	(234)
	39,336	39,336

On 15 April 2005 Britvic Soft Drinks Limited acquired the entire issued share capital of Robinsons Soft Drinks Limited, for a consideration of £22,600,000. On 17 April 2005 Britvic Soft Drinks Limited acquired the entire issued share capital of Orchid Drinks Limited, for a consideration of £16,736,242.

The Company's subsidiaries, incorporated in the United Kingdom and registered in England are

	Principal Activity	Class of Share	Direct %
Robinsons Soft Drinks Limited	Issue of brand licences	Ordinary	100
Orchid Drinks Limited	Issue of brand licences	Ordinary	100
		'A' Ordinary	100
		'A' Preference	100
British Vitamin Products Limited	Dormant	Ordinary	100
R White & Sons Limited	Dormant	Ordinary	100
Britvic Beverages Limited (formerly Britvic Limited)	Dormant	Ordinary	100
Sunfresh Soft Drinks Limited	Dormant	Ordinary	100
Idris Limited	Dormant	Ordinary	100
Hooper Struve & Company Limited	Dormant	Ordinary	100
The London Essence Company Limited	Dormant	Ordinary	100
H D Rawlings Limited	Dormant	Ordinary	100
The Southern Table Water Company Limited	Dormant	Ordinary	100
		1 % deferred cumulative preference redeemable preference	100
Britvic Healthcare Trustee Limited (formerly Britvic Corona Limited)	Dormant	Ordinary	100

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

13 STOCKS

The following are included in the net book value of stocks

	2006 £000	2005 £000
Raw materials	7,929	9,705
Finished goods	15,907	20,975
Consumable stores	6,930	6,269
Returnable bottles and cases	957	963
	<hr/>	<hr/>
	31,723	37,912
	<hr/>	<hr/>

The replacement cost of stocks approximates to the value at which they are stated in the accounts

14 DEBTORS

The following are included in the net book value of debtors

	2006 £000	2005 £000
Amounts falling due within one year		
Trade debtors	87,208	85,493
Amounts owed by other Group undertakings	345,669	235,334
UK corporation tax receivable	-	5,731
Other debtors	921	2,466
Prepayments and accrued income	11,478	13,853
	<hr/>	<hr/>
	445,276	342,877
	<hr/>	<hr/>

Amounts owed to group undertakings includes £683,000 which is due after one year (2005 - £235,334,000)

15 CREDITORS Amounts falling due within one year

The following amounts are included in creditors falling due within one year

	2006 £000	2005 £000
Bank overdraft	25,068	28,082
Unsecured bank loans	<hr/> 17,500	<hr/> 13,900
Borrowings	42,568	41,982
Trade creditors	92,325	83,110
Amounts owed to other Group undertakings	5,882	71
Other creditors		
- UK corporation tax payable	2,905	-
- Other taxation	18,214	11,696
- Other creditors	9,147	19,468
Accruals and deferred income	27,169	27,241
	<hr/>	<hr/>
	198,210	183,568
	<hr/>	<hr/>

The unsecured bank loans are repayable in May 2007 (2005 May 2006) and attract interest at a rate of 5.25% (2005 4.70% to 4.84%)

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

16 CREDITORS Amounts falling due after more than one year

The following amounts are included in creditors falling due after more than one year

	2006 £000	2005 £000
Unsecured bank loans	285,000	220,000
Less issue costs	(666)	(734)
	<hr/> 284,334	<hr/> 219,266
Amounts owed to other Group undertakings (see note 17)	170,352	188,836
	<hr/> 454,686	<hr/> 408,102

The inter-company loan is an unsecured non interest-bearing loan and is repayable after more than 5 years

The unsecured bank loans are repayable in May 2010 and attract interest at an average rate of 5 34% (2005 5 20%)

17 BORROWINGS

a) Analysis by year of repayment

	Bank Loans & Overdrafts £000	Amounts Owed to Group Undertakings £000	2006 Total £000	2005 Total £000
Due within one year	42,568	-	42,568	41,982
Due in more than two years but less than five years	284,334	-	284,334	219,266
Due after 5 years	-	170,352	170,352	188,836
Due after more than one year	284,334	170,352	454,686	408,102
Total borrowings	<hr/> 326,902	<hr/> 170,352	<hr/> 497,254	<hr/> 450,084

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

17 BORROWINGS (Continued)

b) Analysis of borrowings

	2006			2005	
	Within 1 Year £000	2 – 5 Years £000	More than 5 years £000	Total £000	Total £000
Total bank loans and overdrafts	25,068	-	-	25,068	28,082
Total unsecured loans	17,500	284,334	170,352	472,186	422,002
Total borrowings	42,568	284,334	170,352	497,254	450,084

18 CALLED UP SHARE CAPITAL

	Authorised		Allotted and Fully Paid	
	2006 £000	2005 £000	2006 £000	2005 £000
Ordinary shares of £1 each	45,200	45,200	45,200	45,200

On 15 April 2005 the directors of Britvic Soft Drinks Limited approved an increase in the authorised share capital of the company of £22,600,000

On 15 April 2005 Britvic Soft Drinks Limited issued 22,600,000 £1 ordinary shares to Britannia Soft Drinks Limited, in exchange for the entire issued share capital of Robinsons Soft Drinks Limited

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

19 RESERVES

	Share Scheme Reserve £000	Share Premium £000	Revaluation Reserves £000	Other Reserves £000	Profit and Loss £000
At 2 October 2005	-	450	3,073	15,220	307,234
Revaluation element in depreciation charge	-	-	338	-	(338)
Actuarial losses net of tax	-	-	-	-	(7,451)
Retained profit for the year	-	-	-	-	6,436
Movement in share based schemes	4,526	-	-	-	729
At 1 October 2006	4,526	450	3,411	15,220	306,610

20 FINANCIAL COMMITMENTS

	2006 £000	2005 £000
a) The aggregate amount of capital expenditure not dealt with in the Company accounts is		
In respect of contracts placed	3,928	3,277
Authorised by the Directors but not contracted for	8,912	9,095

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

20 FINANCIAL COMMITMENTS (continued)

b) Commitments for annual rentals under non-cancellable operating leases are as follows

	Land and Buildings		Plant and Machinery	
	2006 £000	2005 £000	2006 £000	2005 £000
Leases expiring -				
Within 1 year	438	174	1,008	602
Within 2 to 5 years	1,211	479	4,296	4189
After 5 years	1,925	2,387	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,574	3,040	5,304	4,791
	<hr/>	<hr/>	<hr/>	<hr/>

c) In addition to the above, the Company had commitments to purchase raw materials and foreign currency under forward contracts in the normal course of trading

21 RETIREMENT BENEFITS

The Group operates a pension scheme, the Britvic Pension Plan ("the Plan"), which has both a defined benefit and a defined contribution section. The defined benefit section of the scheme was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the scheme. The Plan's funds are administered by trustees and are independent of the Group's finances. Contributions are paid to the Plan in accordance with the recommendations of an independent actuary.

Defined Contribution Section

	2006 £000	2005 £000
Pension costs charged in operating profit during the period	1,284	919

Defined Benefit Section

The net liability of the defined benefit section of the Plan is determined in accordance with FRS 17 by an independent actuary. The value of the plan liabilities as at 1 October 2006 has been measured using the projected unit method and has been based on the actuarial valuation as at 31 March 2004, updated to the accounting date in accordance with FRS 17.

The following table sets out the key FRS 17 assumptions used for the Plan

	2006 %	2005 %
Price inflation	3.0	2.8
Discount rate	5.0	5.0
Pension increases (LPI)	3.0	2.8
Salary growth	4.5	4.3

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

21 RETIREMENT BENEFITS (continued)

The fair value of the scheme's assets, the present value of the scheme's liabilities, the expected return and the net pension liability were as follows

	Expected return %	2006 £000	Expected return %	2005 £000
Equities and property	7.3	227,200	7.5	201,400
Bonds and gilts	4.5	162,000	4.5	124,600
Cash	4.0	1,100	4.3	2,900
		<hr/>		<hr/>
Total		390,300		328,900
Present value of actuarial liability		(454,500)		(412,200)
		<hr/>		<hr/>
Pension liability before deferred tax		(64,200)		(83,300)
Related deferred tax asset		19,260		24,990
		<hr/>		<hr/>
Net pension liability		(44,940)		(58,310)
		<hr/>		<hr/>

The post retirement deficit under FRS17 moved over the period as follows

	2006 £000	2005 £000
Deficit at start of period	(83,300)	(107,300)
Current service cost	(11,600)	(11,100)
Employer contributions	39,044	39,547
Curtailment gain	1,600	-
Past service cost	(500)	(100)
Net return on assets/(interest cost)	1,200	(1,200)
Actuarial loss	(10,644)	(3,147)
	<hr/>	<hr/>
Deficit at end of period	(64,200)	(83,300)
	<hr/>	<hr/>

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

21 RETIREMENT BENEFITS (continued)

The following amounts are included within operating profit under FRS17

	2006 £000	2005 £000
Current service cost	11,600	11,100
Past service cost	500	100
Curtailment gain	(1,600)	-
Total operating charge	10,500	11,200

The following amounts are included as net finance income under FRS17

	2006 £000	2005 £000
Expected return on pension scheme assets	21,900	18,400
Interest on pension liabilities	(20,700)	(19,600)
Net return to credit/(charge) to finance income	1,200	(1,200)

The following amounts are recognised within the statement of total recognised gains and losses ("STRGL") under FRS17

	2006 £000	2005 £000
Actual return less expected return on scheme assets	10,156	28,300
Experience gains and (losses) arising on scheme's liabilities	(2,000)	-
Gain or (loss) due to changes in assumptions	(18,800)	(31,447)
Actuanal loss recognised in the STRGL	(10,644)	(3,147)

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

21 RETIREMENT BENEFITS (continued)

The history of experience gains and losses is

	2006	2005	2004
Actual return less expected return on scheme assets (£000)	10,156	28,300	6,100
Percentage of scheme's assets	3%	9%	2%
Experience gains and (losses) arising on scheme's liabilities (£000)	(2,000)	-	10,500
Percentage of the FRS 17 value of the scheme's liabilities	0%	0%	3%
Total amount recognised in the STRGL (£000)	(10,644)	(3,147)	(15,800)
Percentage of the FRS 17 value of the scheme's liabilities	(2%)	(1%)	(4%)

The defined benefit section of the Plan is closed to new entrants and, under the method used to calculate pension costs in accordance with FRS 17, the cost as a percentage of covered pensionable payroll will tend to increase as the average age of the membership increases

As a result of the full actuarial valuation at 31 March 2004, further contributions of £30m were made in March and December 2005 and an annual contribution of £10m in December 2006 to 2010 is being made in order to eliminate the deficiency in the scheme arising at that time

22 SHARE BASED PAYMENTS

The expense recognised for share-based payments in respect of employee services received during the year to 1 October 2006 is £6.9m (2005 £4.4m). All of that expense arises from transactions which are expected to be equity-settled share-based payment transactions

The Britvic Share Incentive Plan ("SIP")

The SIP is an all-employee plan approved by HMRC. The plan allows for annual awards of free ordinary shares with a value of 3% of salary (subject to HMRC maximum limits) together with an offer of matching shares on the basis of one free matching share for each ordinary share purchased with a participant's savings, up to a maximum of £75 per four week pay period. Employees are entitled to receive the annual free share award provided they are employed by the Company on the last day of each financial year and on the award date. There are no cash settlement alternatives.

Awards made during the 52 weeks ended 1 October 2006 were as follows

	No of shares
Annual free shares award	957,953
Matching shares award – 1 free share for every ordinary share purchased	347,212
Special free shares award after flotation	915,408
Special matching shares award – 2 free shares for every ordinary share purchased	339,952

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

22 SHARE BASED PAYMENTS (continued)

The Britvic Executive Share Option Plan ("Option Plan")

The Option Plan allows for options to buy ordinary shares to be granted to selected employees. The option price is the market price of Britvic plc's shares on the business day before the date of grant. Options become exercisable on the satisfaction of the performance condition and remain exercisable until ten years after the date of grant.

The performance condition requires average growth in EPS of 7% pa over a three year period in excess of the growth in RPI over the same period for the options to vest in full. If EPS growth averages 3% per annum in excess of RPI growth, 40% of the options will vest. Straight-line apportionment will be applied between these two levels to determine the number of options that vest and no options will vest if average EPS growth is below the lower threshold.

In some circumstances, at the discretion of Britvic plc, an optionholder who exercises his/her option may receive a cash payment rather than the Ordinary shares under option. The cash payment would be equal to the amount by which the market value of the ordinary shares under option exceeds the option price. However, it is expected that this plan will be equity-settled and as a consequence has been accounted for as such.

The following table illustrates the movements in the number of share options during the year.

	Number of share options	Weighted average exercise price (pence)
Outstanding as at 3 October 2005	-	-
Granted during the year	1,644,828	245.0
Forfeited during the year	(62,199)	245.0
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 1 October 2006	1,582,629	245.0
Exercisable at 1 October 2006	-	-

The share options outstanding as at 1 October 2006 had a weighted average remaining contractual life of 9.2 years and had an exercise price of 245.0p.

The weighted average fair value of options granted during the year was 40.4p.

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial model, taking account of the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year ended 1 October 2006.

	2006
Dividend yield (%)	3.0
Expected volatility (%)	19.0
Risk-free interest rate (%)	4.3
Expected life of option (years)	5.0
Share price at date of grant (pence)	242.0
Exercise price (pence)	245.0

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

22 SHARE BASED PAYMENTS (continued)

The Britvic Performance Share Plan ("PSP")

The PSP allows for awards of ordinary shares to be made to selected employees subject to the satisfaction of a performance condition. Different performance conditions apply to different groups of employees.

Awards granted to members of the senior leadership team are subject to a performance condition which measures Britvic plc's total shareholder return ("TSR") relative to the TSR of a comparator group (consisting of 22 other companies) over a three year performance period. The awards will not vest unless Britvic plc's position in the comparator group is at least median. At median 40% will vest, rising on a straight-line basis to 100% vesting at upper quartile.

Awards granted to members of the senior management team will be subject to a performance condition which requires average growth in EPS of 7% pa over a three year period in excess of the growth in RPI over the same period for the awards to vest in full. If EPS growth averages 3% pa in excess of RPI growth, 40% of the awards will vest. Straight-line apportionment will be applied between these two levels to determine the number of awards that vest and no awards will vest if average EPS growth is below the lower threshold.

In addition, a transitional award has been made to members of both the senior leadership team and the senior management team shortly after flotation, at levels varying according to seniority. These awards will vest in tranches over a period of up to three years, subject to the satisfaction of a performance condition. The performance condition requires the Britvic plc's Return on Invested Capital ("ROIC") to be at least 17% over the performance period for the award to vest in full. If ROIC is 15% over the performance period, 50% of the award will vest. Straight-line apportionment will be applied between these two levels to determine the percentage of awards that vest and no awards will vest if ROIC is below the lower threshold.

In some circumstances, at the discretion of Britvic plc, vested awards may be satisfied by a cash payment rather than a transfer of ordinary shares. However, it is expected that this plan will be equity-settled and as a consequence has been accounted for as such.

The following table illustrates the movements in the number of shares during the year.

	Number of Shares subject to TSR condition	Number of Shares subject to EPS condition	Number of Shares subject to ROIC condition
Outstanding as at 3 October 2005	-	-	-
Granted during the year	744,872	746,956	3,834,820
Vested during the year	-	-	-
Lapsed or cancelled during the year	(44,163)	(63,465)	(170,458)
Outstanding at 1 October 2006	700,709	683,491	3,664,362
Weighted average fair value of shares granted during the year	120.5p	221.4p	229.0p

The fair value of equity-settled shares granted is estimated as at the date of grant using separate models as detailed below, taking account of the terms and conditions upon which the shares were granted.

The following table lists the inputs to the models used for the year ended 1 October 2006.

	Shares subject to TSR condition	Shares subject to EPS condition	Shares subject to ROIC condition
Valuation model used	Monte Carlo Simulation	Share price at date of grant adjusted for dividends not received during vesting period	Share price at date of grant adjusted for dividends not received during vesting period
Dividend yield (%)	3.0	3.0	3.0
Expected volatility (%)	19.0	N/A	N/A
Share price at date of grant (pence)	242.0	242.0	242.0

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

22 SHARE BASED PAYMENTS (continued)

InterContinental Hotels Group PLC - Executive Share Option Plan ("IHG ESOP")

Some employees also participated in the Executive Share Option Plan of InterContinental Hotels Group PLC, which was the ultimate parent undertaking of the Group prior to flotation. As a result of the Britvic plc's flotation, the performance condition relating to options granted in 2004 and 2005 was changed and the number of options which vested was determined. These options will remain exercisable until 13 June 2009. Options granted in earlier years became exercisable on the satisfaction of their respective three year performance conditions and remain exercisable until ten years after the date of grant. The cost in relation to the exercise of these options is ultimately borne by InterContinental Hotels Group PLC.

The following table illustrates the movements in the number of share options during the year

	Number of share options	Weighted average exercise price Pence
Outstanding at beginning of the year	1,724,338	491.0
Exercised during the year	(724,500)	485.9
Lapsed or cancelled during the year	(370,952)	556.7
Outstanding at end of the year	628,886	458.1
Exercisable at end of year	628,886	458.1

The weighted average share price at the date of exercise for share options exercised during the year was 876.3p

The share options outstanding as at 1 October 2006 had a weighted average remaining contractual life of 4.7 years and the range of exercise prices was 349.1p – 619.8p

There were no options granted to Britvic employees under this plan in 2006

InterContinental Hotels Group PLC – Sharesave Plan ("IHG SAYE")

Some employees also participated in the Sharesave Plan of InterContinental Hotels Group PLC. As a result of the Britvic plc's flotation, the Sharesave Options became exercisable for the period from 14 December 2005 to 13 June 2006. Any unexercised options were lapsed on 14 June 2006. The cost in relation to the exercise of these options is ultimately borne by InterContinental Hotels Group PLC.

The following table illustrates the movements in the number of share options during the year

	Number of share options	Weighted average exercise price Pence
Outstanding at beginning of the year	672,738	420.5
Exercised during the year	(386,813)	420.5
Lapsed or cancelled during the year	(285,925)	420.5
Outstanding at end of the year	-	N/A
Exercisable at end of year	-	N/A

The weighted average share price at the date of exercise for share options exercised during the year was 983.0p

There were no options granted to Britvic employees under this plan in 2006

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 1 OCTOBER 2006

23 CONTINGENT LIABILITIES

The Company has assigned its interest in certain leasehold properties to other tenants. It remains liable for rentals due to the landlord for any defaults on the part of these tenants. It is not practicable to estimate the amount or timing of rentals that may default.

24 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 available to subsidiary undertakings not to disclose transactions with other Group companies.

25 PARENT UNDERTAKING

The immediate parent undertaking of Britvic Soft Drinks Limited is Britannia Soft Drinks Limited, incorporated in Great Britain and registered in England.

The smallest group of which the Company is a member and for which group financial statements are prepared, is Britvic plc incorporated in Great Britain and registered in England.

InterContinental Hotels Group PLC was the ultimate parent undertaking of Britvic Soft Drinks Limited up to and including 13 December 2005. The consolidated financial statements of InterContinental Hotels Group PLC are available to the public and may be obtained from 67 Alma Road, Windsor, Berkshire, SL4 3HD.

As of 14 December 2005, Britvic plc became the ultimate parent undertaking of Britvic Soft Drinks Limited. Consolidated financial statements of Britvic plc are available to the public and may be obtained from Britvic House, Broomfield Road, Chelmsford, Essex CM1 1TU.