Registered Number: 517211

BRITVIC SOFT DRINKS LIMITED

Financial statements for the 52 weeks ended 29 September 2013

together with directors' report and auditor's report

BRITVIC SOFT DRINKS LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the 52 weeks ended 29 September 2013

Principal activities and business review

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

Turnover for the period was £907,704,000 (2012 £864,157,000) The profit for the period before taxation amounted to £112,812,000 (2012 £233,863,000) After charging taxation of £13,223,000 (2012 £21,649,000) the profit for the period was £99,589,000 (2012 £212,214,000)

No dividend paid was paid in the year (2012 £58,134,000) The directors do not recommend payment of a final dividend (2012 £nil)

A new strategy for the business

In May 2013, the Britvic plc group set out a new strategy to drive market leading profit growth underpinned by margin enhancing revenue growth Delivery of the strategy requires a new streamlined organisation structure based on three clear principles, simplicity to reduce complexity, enabling faster decision making and a lower cost operating model, focus against fewer strategic priorities matching resources and capability to execute better, and accountability ensuring there is clear ownership to deliver performance

Strategic initiatives

- To increase operational leverage through fewer manufacturing sites by redistributing capacity, reducing the cost base and improving asset utilisation Production is expected to cease in Chelmsford and Huddersfield by March 2014
- To transform procurement and product optimisation initiatives, by increasing investment in people, systems and insight, implementing a strategic sourcing programme for key raw materials, and consolidating the indirect supplier base
- To implement a commercial change programme in GB to ensure the company's brands deliver strong and profitable revenue growth

The restructure of the GB team is due to be largely completed in quarter two 2014 The Britvic plc group is working hard to simplify internal ways of working across all functions and will continue to fully support all employees impacted by change, including those in supply chain who will leave the business between February and May 2014, or relocate between sites following the closure of the Chelmsford and Huddersfield sites

Key performance indicators

The principal indicators that management uses to assess the performance of the company are as follows

Volume growth

The number of litres sold by the company relative to the prior period

Average realised price (ARP)
Average turnover per litre sold

Sales growth

Sales achieved by the company relative to the prior period

Brand contribution margin

Turnover less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product, divided by turnover 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

BRITVIC SOFT DRINKS LIMITED

DIRECTORS' REPORT (continued)

Key performance indicators (continued)

The key performance indicators are shown in the tables below In order to better assess performance, these are split between carbonates and stills

Carbonates

	2013	2012	Percentage change
Volume (millions litres)	1,153 9	1,154 1	-
ARP per litre	46 5p	44 9p	3 6
Turnover £m	536 4	517 9	3 6
Brand contribution £m	200 1	188 7	6 0
Brand contribution margin %	37 3%	36 4%	90bps

In what was a competitive environment, the company maintained its volume position and grew ARP, leading to revenue growth of 3 6% Following the 2012 Olympic year share gains in carbonates, and especially on Pepsi, the company has successfully held take-home market volume share and gained market value share

Brand contribution was up 6 0%, with a 90bps margin improvement This was as a result of both the focus on revenue and promotional management as well as the strong performance of the impulse channel which benefited the company's overall mix

Stills

	2013	2012	Percentage Change
Volume (millions litres)	398 7	402 9*	(1 0)
ARP per litre	85 3p	79 8p*	6 9
Turnover £m	340 1	321 7	5 7
Brand contribution £m	154 5	141 2	9 4
Brand contribution margin %	45 4%	43 9%	150bps

* 2012 volume and ARP figures are no longer adjusted for the impact of double concentrate on Robinsons

Full year volume was down 1 0%, reflecting the limited availability of Fruit Shoot earlier in the year Supply returned to historical levels in January 2013 with a phased return of promotional activity in quarter two Fruit Shoot has now returned its take-home market share to pre-recall levels and its brand perception measures are strong Robinson's double concentrate continued to grow with the introduction of the 500ml pack this year J2O also grew this year, in part helped by the warm weather this summer which had a positive impact on both at-home social occasions and casual dining in the pub and club channel

Brand contribution margin was up by 150 basis points in the year The growth in margin was due to a combination of effective promotional management and positive product mix which drove the strong ARP growth, as well as lower raw material cost inflation

Intercompany

Included within turnover, on the profit and loss account on page 8, are sales made to fellow subsidiaries within the Britvic plc group of £31,184,000 (2012 £24,590,000)

Risks and uncertainties

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

Risks relating to the company

- Changes in consumer preferences could reduce sales,
- Increased competition could reduce the company's profitability by reducing average realised price,
- Health and obesity debates could reduce sales,
- Reduction in business could result from a termination or variation of the bottling and distribution arrangements with PepsiCo,
- Increasing commodity demand and pricing could impact the company's profitability,
- A product quality issue could lead to a recall and significant costs for the company,
- The loss of a key operational site could reduce product availability and therefore sales,
- Any increase in the company's funding needs or obligations in respect of its pension scheme could result in additional cash contributions to be made by the company,
- A system issue could result in significant disruption to the business over a prolonged period or permanent loss of records and data if the company's IT disaster recovery plans are not adequate, and
- Inadequate security over the IT network could result in data loss or corruption

BRITVIC SOFT DRINKS LIMITED

DIRECTORS' REPORT(continued)

Risks and uncertainties (continued)

Risks relating to the market

- Changes in the economic environment could reduce consumer spending on the company's brands,
- Future regulation changes that affect the sale of soft drinks could impact the company's profitability,
- Changes in tax legislation could impact the company's shareholder returns, and
- A change in the macro-economic environment could adversely impact the business

Financial risk management objectives and polices

The financial risks faced by the Britvic plc group are identified and managed by a central treasury department The department does not operate as a profit centre and no transactions are entered into for speculative purposes

The main risks the company is exposed to are foreign currency risk, commodity price risk, interest rate risk, credit risk and liquidity 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 principally 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
To manage the company's exposure to interest rate fluctuations, the company can borrow in desired currencies at both fixed and floating rates of interest and then use interest rate swaps to generate the desired interest rate profile

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

Directors
The following served as directors of the company during the period

P S Moody	(resigned 26 February 2013)
J M Gibney	
M N J Rose	(resigned 29 September 2013)
A R Beaney	(resigned 1 October 2013)
D J Frost	
S N Stewart	
M J Harris	(resigned 18 January 2013)
P S Litherland	

Subsequent to the period end, R P Graham was appointed director on 18 October 2013

Fixed assets
Information relating to changes in fixed assets is given in note 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

BRITVIC SOFT DRINKS LIMITED

DIRECTORS' REPORT (continued)

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 29 September 2013, the number of days of purchases outstanding for the company was approximately 43 (2012 49)

Charitable and political contributions
The company contributed £586,161 to charities (2012 £1,591,619) and £nil for political purposes (2012 £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 company continues and that appropriate training is arranged It is the policy of the company that all employees be given equal opportunities in respect of training, career development and promotion

Employee consultation

The company 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 company

The company has widely established arrangements involving briefing company 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 company 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 auditor

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 their 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

Auditor

In accordance with section 485 of the Companies Act 2006, the directors will place a resolution before the Annual General Meeting to reappoint Ernst & Young LLP as Auditor for the ensuing year

Liability insurance for company officers

As permitted by section 234 of the Companies Act 2006, the company has maintained insurance cover for the directors against liabilities in relation to the company Such qualifying third party indemnity provision remains in force at the date of approving the directors' report

Registered company number
517211

By order of the board

C Thomas

Clare Thomas
Secretary
Breakspear Way
Breakspear Park
Hemel Hempstead

19th December 2013

BRITVIC SOFT DRINKS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in relation to financial statements

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have 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 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

BRITVIC SOFT DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT

to the members of Britvic Soft Drinks Limited

We have audited the financial statements of Britvic Soft Drinks Limited for the 52 week period ended 29 September 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the historical cost profits and losses, the reconciliation of movement in shareholders' funds, the balance sheet, and the related notes 1 to 24 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 September 2013 and of its profit for the 52 week period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Simon O'Neill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

19 December 2013

BRITVIC SOFT DRINKS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2013

	Note	2013 £000	2012 £000
Turnover	2	907,704	864,157
Cost of sales		(419,954)	(409,060)
Gross profit		487,750	455,097
Selling and distribution costs		(231,411)	(234,243)
Administrative income/(expenses)			
Before exceptional items		(180,118)	(148,416)
Exceptional items	4	(28,406)	162,013
Administrative income/(expenses)		(208,524)	13,597
Operating profit	3	47,815	234,451
Income from investments	6	59,818	-
Interest receivable and similar income	7	9,708	11,136
Interest payable and similar charges	7	(9,929)	(12,724)
Other net finance income	7	5,400	1,000
Profit on ordinary activities before taxation		112,812	233,863
Tax on profit on ordinary activities	8	(13,223)	(21,649)
Profit for the period attributable to the members of the parent company	18	99,589	212,214

All activities relate to continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2013

	Note	2013 £000	2012 £000
Profit on ordinary activities after taxation		99,589	212,214
Actuarial (loss)/gain on defined benefit pension scheme	20	(44,100)	18,000
Tax related to actuarial (loss)/gain on defined benefit pension scheme		10,364	(4,500)
Impact of corporation tax rate change on deferred tax on defined benefit pension scheme		(3,293)	(1,167)
Total recognised gains and losses relating to the period		62,560	224,547

BRITVIC SOFT DRINKS LIMITED

HISTORICAL COST PROFITS AND LOSSES

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2013

	Note	2013 £000	2012 £000
Profit on ordinary activities before taxation		112,812	233,863
Difference between historical cost depreciation charge and actual depreciation charge	18	(75)	(80)
Historical cost profit on ordinary activities before taxation		112,737	233,783
Historical cost profit retained after taxation		99,514	212,134

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2013

	Note	2013 £000	2012 £000
Total recognised gains and losses relating to the period		62,560	224,547
Capital contribution from parent		6,205	3,557
Dividend paid	10	-	(58,134)
Net addition to shareholders' funds		68,765	169,970
Opening shareholders' funds		577,138	407,168
Net addition to shareholders' funds (as above)		68,765	169,970
Closing shareholders' funds		645,903	577,138

BRITVIC SOFT DRINKS LIMITED

BALANCE SHEET
AT 29 SEPTEMBER 2013

	Note	2013 £000	2012 £000
Fixed assets			
Intangible fixed assets	11	140,168	167,968
Tangible fixed assets	12	148,405	166,272
Investments	13	95,261	95,261
		383,834	429,501
Current assets			
Stocks	14	46,237	36,103
Debtors			
Amounts falling due after one year	15	1,434	1,250
Amounts falling due within one year	15	695,564	471,087
		696,998	472,337
Cash at bank and in hand		83,329	40,475
		826,564	548,915
Creditors			
Amounts falling due within one year	16	(621,502)	(482,975)
Net current assets/(liabilities)		205,062	65,940
Total assets less current liabilities		588,896	495,441
Provision for liabilities and charges	9	(6,154)	-
Net assets excluding pension asset		582,742	495,441
Net pension asset	20	63,161	81,697
Net assets		645,903	577,138
Capital and reserves			
Called up share capital	17	45,200	45,200
Share premium account	18	450	450
Revaluation reserve	18	847	772
Other reserves	18	15,220	15,220
Profit and loss account	18	584,186	515,496
Equity		645,903	577,138

The financial statements were approved by the directors on 19th December 2013 and were signed on its behalf by

R P Graham

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

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 400 of the Companies Act 2006 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 ('the group')

The company has net current assets of £205,062,000 (2012 net current assets £65,940,000) at the period end with a net amount due from group companies of £179,406,000 (2012 due from group companies £61,710,000) Whilst amounts due to/from group companies are payable on demand, the group companies concerned have confirmed there is no plan to require balances to be repaid in the next twelve months and their on-going financial support The company continues to trade profitably and the directors have prepared projected trading and cash flow information for the period ending 12 months from the date of signing of these financial statements On the basis of the future trading projection, the directors consider that the company will continue to generate trading profits and positive cash flow and therefore feel it is appropriate to prepare the financial statements on a going concern basis

b) Cash flow statement

In accordance with FRS 1 'Cash Flow Statements' these financial statements do not include a cash flow statement as the company is a wholly owned subsidiary undertaking of a United Kingdom parent whose financial statements for the 52 weeks to 29 September 2013 include a consolidated cash flow statement

c) 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 company uses forward currency contracts to hedge its risks associated with foreign currency fluctuations The criteria for forward currency contracts are

- The instrument must be related to a contractual foreign currency commitment,
- It must involve the same currency as the hedged item, and
- It must reduce the risk of foreign currency exchange movements on the company'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

d) Dividends

Dividend income is recognised when the company's right to receive payment is established

Final dividends payable are recorded in the financial statements in the period in which they are approved by the company's shareholders Interim dividends payable are recorded in the period in which they are declared

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

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

Brand licenses relate to 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 13 7 or 13 8 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, for which no hedging arrangements have been entered into, are stated at cost less any provision for impairment Fixed asset investments denominated in foreign currencies, for which hedging arrangements have been entered into, are retranslated at the balance sheet date

g) Leases

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 or income 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

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

1 ACCOUNTING POLICIES (CONTINUED)

j) Stocks

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

k) Tangible fixed assets and depreciation

(i) Freehold and leasehold properties are stated at cost or valuation, less depreciation The transitional rules of FRS15 'Tangible Fixed Assets' have been adopted for properties and, accordingly, the carrying value of properties at 30 September 1999 (most of which had been re-valued 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

* Included within 'Plant and machinery' in note 12
** Included within 'Fixtures, fittings, tools and equipment' in note 12

(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 substantively enacted at the Balance Sheet date

m) Turnover

Turnover represents sales (excluding VAT and similar taxes) of goods and services, net of discounts, provided in the normal course of business Turnover is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount can be measured reliably

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

1 ACCOUNTING POLICIES (CONTINUED)

n) Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted Fair value is determined by an external valuer using an appropriate pricing model In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares ('market conditions')

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date') The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that, in the opinion of the directors and based on the best available estimate at that date, will ultimately vest (or in the case of an instrument subject to a market condition, be treated as vesting as described below) The profit and loss account charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period

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

The group has taken advantage of the transitional provisions of FRS 20 'Share-based Payment' in respect of equity-settled awards and has applied FRS 20 only to equity-settled awards granted after 7 November 2002 that had not vested before 1 January 2005

In respect of FRS 20 'Share-based payment' the company records an increase in its profit and loss reserve to reflect a capital contribution from its parent company in respect of share based payment awards granted by the parent company to the company's employees This reflects current best practise following the issue of UITF 44

2 TURNOVER

Turnover is predominantly attributable to one continuing activity relating to the manufacture and sale of soft drinks

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

		2013 £000	2012 £000
United Kingdom	- external	876,520	839,567
	- fellow subsidiaries	31,184	24,590
		907,704	864,157

Turnover is predominately sourced from the United Kingdom

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

3 OPERATING PROFIT

This is stated after charging

	2013 £000	2012 £000
Depreciation and impairment of tangible fixed assets	40,967	33,176
Amortisation and impairment of goodwill and other intangible assets	27,800	26,827
Operating lease rentals		
- plant and machinery	8,394	9,016
- land and buildings	5,489	5,847
Auditor's remuneration of financial services *	346	213
Research and development expenditure	610	574

* Britvic Soft Drinks Limited bears the cost of the auditor's remuneration for the GB subsidiaries of the Britvic plc group, including the cost of the auditor's remuneration for other group subsidiaries The auditor's remuneration in respect of Britvic Soft Drinks Limited is £67,000 (2012 £65,000) The group accounts of Britvic plc include disclosures in respect of non-audit services, in accordance with SI 2011/2198 we refer to the Britvic plc consolidated accounts in respect of these disclosures

4 EXCEPTIONAL ITEMS

	2013 £000	2012 £000
Asset impairments (see note 12)	10,410	-
Goodwill impairment (see note 11)	1,006	-
Strategic restructuring costs	8,261	6,512
Aborted merger costs	9,572	-
Gain on maturity of share swaps	(843)	-
Head office relocation	-	1,475
Net gain on sale of brands	-	(170,000)
Exceptional items expense/(income)	28,406	(162,013)

Asset and goodwill impairments
Following the strategic cost initiatives announced in May 2013, asset impairments relate to the planned closures of two factories, and the goodwill impairment relates to the write down of goodwill relating to the water business

Strategic restructuring costs
Strategic restructuring costs in 2013 relate to the implementation of cost initiatives announced in May 2013, including costs associated with the closure of two factories and planned changes to the business operating model

In 2012, restructuring costs mainly related to the separation of functional support structures between group and the company and the outsourcing of the customer operations technical service

Aborted merger costs
This relates to the previously proposed merger of Britvic plc and A G Barr plc

Gain on maturity of share swaps
In 2013, this relates to a gain on maturity of certain share swaps held by the company where hedge accounting cannot be applied

Head office relocation
In 2012, head office relocation costs related to the transfer of the Britvic plc head office from Chelmsford to Hemel Hempstead

Net gain on sale of brands
In 2012, brands with a net book value of £nil were transferred to Britvic Brands LLP for a cash consideration of £170,000,000, resulting in a gain on sale of assets of £170,000,000

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

5 **STAFF**

a) Costs

Operating profit is stated after charging employee costs (including executive directors) of

	2013 £000	2012 £000
Wages and salaries	87,759	85,492
Share based payments	6,205	3,557
Social security costs	8,813	8,795
Other pension costs	6,583	10,264
	109,360	108,108

b) Average number of employees

The average monthly number of persons employed by the company during the period, including part time employees was as follows

	2013 Number	2012 Number
Administration	332	337
Distribution	246	267
Production	887	871
Sales and marketing	657	704
	2,122	2,179

c) Pensions

Pension information is disclosed in note 20

d) Directors' remuneration

Directors' remuneration paid or receivable by directors of the company is as follows

	Highest Paid Director		Total	
	2013 £000	2012 £000	2013 £000	2012 £000
Fees as directors	424	507	2,044	2,299
Other emoluments	111	18	603	305
Bonuses	704	-	2,274	-
	1,239	525	4,921	2,604
Company contributions – defined contribution scheme	-	-	-	-
Accrued pension – defined benefit scheme	-	145		

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

5. STAFF (CONTINUED)

d) Directors' remuneration (continued)

None of the directors exercised share options during the year (2012 1)

During the period 6 directors, including the highest paid director (2012 8 directors, including the highest paid director) received shares under the company's long term incentive scheme, Britvic Performance Share Plan (note 21)

None of the directors have benefits accruing under defined benefit schemes (2012 none)

6 INCOME FROM INVESTMENTS

	2013 £000	2012 £000
Dividend receivable	59,818	-

The dividend receivable of £59,818,000 was cash settled in full on 23 September 2013

7 INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR INCOME/(CHARGES)

	2013 £000	2012 £000
Interest receivable and similar income		
Interest receivable from group undertakings	9,656	11,093
Other interest receivable	52	43
	9,708	11,136
Interest payable and similar charges		
Loan interest payable	(566)	(1,052)
Interest payable to group undertakings	(9,363)	(11,672)
	(9,929)	(12,724)
Other net finance income		
Expected return on pension scheme assets (note 20)	29,400	27,500
Interest on pension liabilities (note 20)	(24,000)	(26,500)
	5,400	1,000

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8 TAX ON PROFIT ON ORDINARY ACTIVITIES

Tax charge	2013 £000	2012 £000
UK corporation tax		
Current period	14,945	-
Prior periods	1,975	6,417
Total current tax charge	16,920	6,417
Deferred tax		
Origination and reversal of timing differences	(3,070)	15,559
Prior periods	(627)	(327)
Total deferred tax (credit)/charge	(3,697)	15,232
Tax charge on profit on ordinary activities	13,223	21,649

The tax credit in relation the exceptional items charge of £28,406,000 (2012 £162,013,000 income) (see note 4) amounts to £6,199,000 (2012 £1,478,000 charge)

The average UK standard rate of corporation tax for the period is 23 5% (2012 25 0%)

Tax reconciliation	2013 %	2012 %
UK corporation tax standard rate	23 5	25 0
Permanent differences	0 9	0 3
Profit on transfer of brands	-	(18 2)
Transfer pricing adjustment	1 2	0 6
Capital allowances less than depreciation	2 8	1 7
Pension timing differences	(3 5)	(9 5)
Tax relief on share based payments	(0 5)	(0 7)
Other timing differences	(1 7)	0 2
Permanent differences in respect of fixed assets	-	0 2
Adjustment to tax charge in respect of prior periods	1 8	2 7
Dividend received from subsidiary	(13 3)	-
Group relief received for nil payment	(1 7)	(2 4)
Amortisation	5 5	2 8
Effective current tax rate	15 0	2 7

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

8 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The deferred tax asset/(liability) included in the balance sheet is as follows

	2013 £000	2012 £000
Deferred tax asset/(liability) (note 9 and 15)	4,048	2,144
Included in defined benefit pension asset (note 20)	(15,539)	(24,403)
	(11,491)	(22,259)
Accelerated capital allowances	(1,100)	(4,595)
Share-based payments	1,759	1,259
Other short term timing differences	3,389	5,480
Pension costs	(15,539)	(24,403)
	(11,491)	(22,259)

	£000
At 30 September 2012 including deferred tax on pension asset	(22,259)
Deferred tax credit in profit and loss account	3,697
Amount credited to the statement of total recognised gains and losses	7,071
At 29 September 2013 including deferred tax on pension asset	(11,491)

Factors which may affect future tax charges

Future disposal of properties at their revalued amounts could have an effect on the effective 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

Impact of rate change

The Finance Act 2013 enacted reductions in the main rate of UK corporation tax from 23% to 21% from 1 April 2014, with a further reduction to 20% from 1 April 2015 The effect of the new rate is to reduce the deferred tax provision by a net £1,800,000, comprising a credit of £5,100,000 to the profit and loss and a charge of £3,300,000 to the statement of total recognised gains and losses

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

9 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions

	Restructuring provision £'000
At 30 September 2012	-
Provisions made during the year	(8,241)
Provisions utilised during the year	2,087
At 29 September 2013	**(6,154)**

Restructuring provisions

During the 52 week period ended 29 September 2013, the company committed to a restructuring plan to reduce costs across the supply chain and back office functions Following the announcement of the plan, the company recognised a provision of £8,241,000 for expected restructuring costs, including contract termination costs, consultation fees and employee termination benefits Estimated costs were based on the terms of relevant contracts It is expected that the remaining provision will be utilised within 2014

Deferred taxation	**2013 £000**	**2012 £000**
Opening deferred tax asset/(liability)	2,144	(185)
Profit and loss account, excluding amounts relating to FRS 17 pension deficit	1,904	2,329
Closing deferred tax asset (note 15)	4,048	2,144
Analysed as tax on timing differences related to		
Accelerated capital allowances	(1,100)	(4,595)
Other	5,148	6,739
	4,048	2,144

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 un-provided is estimated at £1,056,000 (2012 £1,214,000)

10 DIVIDENDS PAID

	2013 £000	**2012 £000**
Dividends paid	-	58,134

The 2012 dividend paid of £58,134,000 was settled in cash on 25 September 2012

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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11 INTANGIBLE FIXED ASSETS

	Goodwill £000	Brand licences £000	2013 Total £000	2012 Total £000
Cost at beginning and end of period	80,572	369,000	449,572	449,572
Amortisation at beginning of period	(79,512)	(202,092)	(281,604)	(254,777)
Amortisation provided during the period	(54)	(26,740)	(26,794)	(26,827)
Impairment *	(1,006)	-	(1,006)	-
Amortisation at end of period	(80,572)	(228,832)	(309,404)	(281,604)
Net book amount at end of period	-	140,168	140,168	167,968

* Following the strategic cost initiative announcement in May 2013, the carrying value of goodwill relating to the water business of £1,006,000 has been impaired, and the impairment charge recognised within exceptional items (see note 4)

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

12 TANGIBLE FIXED ASSETS

a)

	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and machinery £000	Fixtures fittings tools and equipment £000	Total £000
Cost or valuation					
At 30 September 2012	23,839	21,087	202,106	198,073	445,105
Additions during the period	670	2,486	9,750	13,566	26,472
Disposals	-	-	(2,126)	(11,665)	(13,791)
At 29 September 2013	**24,509**	**23,573**	**209,730**	**199,974**	**457,786**
Depreciation and amortisation					
At 30 September 2012	4,966	5,053	136,804	132,010	278,833
Charge for period	21	463	14,511	15,562	30,557
Disposals	-	-	(1,038)	(9,381)	(10,419)
Impairments	-	-	10,410	-	10,410
At 29 September 2013	**4,987**	**5,516**	**160,687**	**138,191**	**309,381**
Net book amounts					
At 29 September 2013	**19,522**	**18,057**	**49,043**	**61,783**	**148,405**
At 30 September 2012	18,873	16,034	65,302	66,063	166,272

b) Summary at 29 September 2013

	Cost or valuation £000	Depreciation £000	Total £000
Freehold	24,509	(4,987)	19,522
Leasehold over 100 years	16,186	(4,353)	11,833
Leasehold 50 to100 years	5,144	(1,013)	4,131
Leasehold under 50 years	2,243	(150)	2,093
Total land and buildings	48,082	(10,503)	37,579
Plant and machinery	209,730	(160,687)	49,043
Fixtures, fittings, tools & equipment	199,974	(138,191)	61,783
	457,786	(309,381)	148,405

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

12 TANGIBLE FIXED ASSETS (CONTINUED)

c) Historic cost of land and buildings

	Cost £000	Depreciation £000	Total £000
At 29 September 2013	50,872	(14,139)	36,733
At 30 September 2012	47,716	(13,580)	34,136

d) In accordance with the transitional rules of FRS 15 'Tangible Fixed Assets', the carrying value of properties at 30 September 1999 has been retained as 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 period

13 FIXED ASSET INVESTMENTS

	2013 £000	2012 £000
At beginning and end of period	95,261	95,261

The company's principal subsidiary companies are

Name	Principal activity	Country of incorporation	% Equity interest
Directly held			
Robinsons Soft Drinks Limited	Issue of brand licences	United Kingdom	100
Orchid Drinks Limited	Issue of brand licences	United Kingdom	100
Indirectly held			
Red Devil Energy Drinks Limited	Issue of brand licences	United Kingdom	100
Britvic Overseas Limited	Investment Holding company	United Kingdom	100
Britvic Irish Holdings Limited	Investment Holding company	Republic of Ireland	86 8
Robinsons (Finance) Limited	Financing company	Republic of Ireland	86 8
Robinsons (Finance) No 2 Limited	Financing company	United Kingdom	86 8
Britvic Ireland Limited	Manufacture and marketing of soft drinks	Republic of Ireland	86 8
Britvic Northern Ireland Limited	Marketing and distribution of soft drinks	Republic of Ireland	86 8
Aquaporte Limited	Supply of water-coolers and bottled water	Republic of Ireland	86 8

Particulars of dormant subsidiaries have been excluded

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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14 STOCKS

The following are included in the net book value of stocks

	2013 £000	2012 £000
Raw materials	15,481	10,726
Finished goods	24,863	19,103
Consumable stores	5,893	6,274
	46,237	36,103

15 DEBTORS

	2013 £000	2012 £000
Amounts falling due after one year		
Prepayments	1,434	1,250
Amounts falling due within one year		
Trade debtors	157,641	135,308
Amounts owed by other group undertakings	515,807	297,692
Other debtors	3,861	10,955
Prepayments and accrued income	14,207	24,988
Deferred tax asset (note 8)	4,048	2,144
Total debtors amounts falling due within one year	695,564	471,087
Total debtors	696,998	472,337

Amounts owed by other group undertakings are repayable on demand and attract interest at LIBOR plus a margin

16 CREDITORS: amounts falling due within one year

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

	2013 £000	2012 £000
Trade creditors	181,039	181,632
Amounts owed to other group undertakings	336,401	235,982
Other creditors		
- UK corporation tax payable	13,841	5,905
- Other taxation	23,680	15,244
- Other creditors	1,729	1,702
Accruals and deferred income	64,812	42,510
	621,502	482,975

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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17 CALLED UP SHARE CAPITAL

	Authorised		Allotted, Called Up and Fully Paid	
	2013 £000	2012 £000	2013 £000	2012 £000
Ordinary shares of £1 each	45,200	45,200	45,200	45,200

18 RESERVES

	Share premium account £000	Revaluation reserve £000	Other reserves £000	Profit and loss account £000
At 30 September 2012	450	772	15,220	515,496
Revaluation element in depreciation charge	-	75	-	(75)
Actuarial losses net of tax	-	-	-	(37,029)
Profit for the period	-	-	-	99,589
Capital contribution from parent	-	-	-	6,205
At 29 September 2013	450	847	15,220	584,186

The tax treatment of amounts taken to revaluation reserve is given in the accounting policies note to the financial statements

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

19 FINANCIAL COMMITMENTS

	2013 £000	2012 £000
a) Amounts contracted for but not provided in the financial statements		
In respect of contracts placed	2,549	2,650

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

	Land and Buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Leases expiring -				
Within 1 year	-	-	1,732	1,405
Between 2 and 5 years	328	193	6,997	7,022
After 5 years	4,371	4,967	16,024	16,024
	4,699	5,160	24,753	24,451

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

20 RETIREMENT BENEFITS

The Britvic Pension Plan (BPP) has both a defined benefit and contribution section The defined benefit section was closed to new members from 1 August 2002 and closed to future accrual for active members from 1 April 2011, with new members moving to the defined contribution section for future service benefits The Plan's funds are administered by trustees who are independent of the company's finances

Contributions are paid to the Plan as determined by the Trustee, agreed by the company and certified by an independent actuary in the Schedule of Contributions The latest formal actuarial valuation for contribution purposes was carried out as at 31 March 2010 The 31 March 2013 valuation is currently underway and is expected to be completed by 30 June 2014 Changes to the contributions payable could result

The BPP is a limited partner of Britvic Scottish Limited Partnership (Britvic SLP), which in turn is a limited partner in both Britvic Property Partnership (Britvic PP) and Britvic Brands LLP (Britvic Brands) Britvic SLP, Britvic PP and Britvic Brands are all consolidated by the Britvic group

Properties were transferred to Britvic PP at a value of £28 6m and certain group brands to the value of £72 4m were transferred to Britvic Brands, all of which are leased back to Britvic Soft Drinks Limited The group retains operational flexibility over the properties and brands including the ability to substitute the properties and brands held by Britvic PP and Britvic Brands respectively

The BPP is entitled to a share of the profits in Britvic SLP for the next 13 years At the end of this period, the partnership capital allocated to the BPP will be changed to an amount equal to any funding deficit of the BPP at this time, up to a maximum of £105m

In addition to the expected partnership income of at least £5m per annum, the group will make payments to the BPP of £15m per annum by 31 December each year, from 2013 to 2017 During this year £12 5m of additional contributions were paid to the BPP, of which £7 5m was paid by the company and £5 0m relates to income received from the pension funding partnership structure

Britvic's business in GB also has a secured unfunded unregistered retirement benefit scheme called The Britvic Executive Top Up Scheme (BETUS) which provides benefits for members who have historically exceeded the Earnings Cap, or the Lifetime Allowance whilst members of the defined benefit section of the BPP BETUS closed to future accrual on 10 April 2011 which coincided with the closure of the defined benefit section of the BPP

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

20 RETIREMENT BENEFITS (CONTINUED)

Defined contribution section

	2013 £000	2012 £000
Pension costs charged against operating profit during the period	10,383	10,264

Defined benefit section

The net asset or liability of the defined benefit section of the Plan is determined in accordance with FRS 17 'Retirement Benefits' by an independent actuary The value of the Plan's liabilities as at 29 September 2013 has been measured using the projected unit method and has been based on the actuarial valuation as at 31 March 2010, updated to the accounting date in accordance with FRS 17

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

	2013 %	2012 %
Price inflation	3 35	2 90
Discount rate	4 55	4 85
Pension increases (LPI)	1 95-3 05	1 80-2 75
Salary growth	n/a	n/a
Expected return on assets	4 84	5 67

The expected return on assets figure is that applying for the year ending the date shown To develop the expected (long-term) rate of return on assets assumption, the following were considered the level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns for each asset class The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the whole portfolio

The most significant non-financial assumption is the assumed rate of mortality This is based on standard actuarial tables known as SAPS Series 1 An allowance for future improvements in mortality has also been included The following life expectancy assumptions have been used

	2013 Years	2012 Years
Current pensioners (at age 65) - males	22 2	22 1
Current pensioners (at age 65) - females	24 8	24 7
Future pensioners currently aged 45 (at age 65) - males	24 4	24 3
Future pensioners currently aged 45 (at age 65) - females	27 1	27 0

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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20 RETIREMENT BENEFITS (CONTINUED)

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

	2013 £000	2012 £000
Pension Funding Partnership assets	94,400	98,600
Equities and property	232,900	271,500
Bonds and gilts	310,700	236,600
Cash	3,100	3,300
Total	641,100	610,000
Present value of actuarial liability	(562,400)	(503,900)
Pension asset before deferred tax	78,700	106,100
Deferred tax	(15,539)	(24,403)
Net pension asset	63,161	81,697

The movements in the present value of the benefit obligation are as follows

	2013 £000	2012 £000
At beginning of period	(503,900)	(481,200)
Settlement gain	3,800	-
Current service cost	-	-
Member contributions	-	-
Interest cost on benefit obligation	(24,000)	(26,500)
Benefits paid	17,100	16,700
Actuarial losses	(55,400)	(12,900)
Present value of scheme liabilities at end of period	(562,400)	(503,900)

The movements in the fair value of the plan assets are as follows

	2013 £000	2012 £000
At beginning of period	610,000	485,900
Expected return on plan assets	29,400	27,500
Actuarial gains	11,300	30,900
Employer contributions	7,500	10,000
Employer contributions for purchase of interest in Britvic SLP	-	72,400
Member contributions	-	-
Benefits paid	(17,100)	(16,700)
Fair value of Plan assets at end of period	641,100	610,000

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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20 RETIREMENT BENEFITS (CONTINUED)

There are no unrecognised past service costs and no amounts not recognised as an asset due to the limit in paragraph 41 of FRS 17

Expected employer contributions for the year ending 28 September 2014 are £15,000,000

The following amounts are included within operating profit before exceptional items under FRS17

	2013 £000	2012 £000
Current service cost	-	-

The following amounts are included within exceptional items in note 4

	2013 £000	2012 £000
Settlement gain	3,800	-

The following amounts are included as net finance (charges) / income under FRS17

	2013 £000	2012 £000
Expected return on pension scheme assets	29,400	27,500
Interest on pension liabilities	(24,000)	(26,500)
Net credit to finance income	5,400	1,000

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

	2013 £000	2012 £000
Actuarial (losses)/gains recognised in the STRGL	(44,100)	18,000

The history of experience gains and losses is shown below

	2013	2012	2011	2010	2009
Actual return less expected return on the Plan's assets (£000)	11,300	30,900	(21,600)	25,111	284
Percentage of Plan's assets	2%	5%	(4%)	5%	0%
Experience gains/(losses)arising on the Plan's liabilities (£000)	4,300	-	-	36,600	-
Percentage of the FRS 17 value of the Plan's liabilities	1%	n/a	n/a	7%	n/a
Assumptions gains/(losses) arising on the Plan's liabilities (£000)	(59,700)	(12,900)	60,800	(95,100)	(68,700)
Percentage of the FRS 17 value of the Plan's liabilities	(11%)	(3%)	13%	(17%)	(17%)
FRS 17 value of Plan liabilities (£000)	(562,400)	(503,900)	(481,200)	(544,600)	(411,700)
Fair value of Plan assets (£000)	641,100	610,000	485,900	459,300	470,800
Surplus/(deficit) in the Plan (£000)	78,700	106,100	4,700	(85,300)	(59,100)

BRITVIC SOFT DRINKS LIMITED

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21 SHARE BASED PAYMENTS

The expense recognised for share-based payments in respect of employee services received during the 52 weeks ended 29 September 2013, including national insurance of £1,090,000 (2012 £413,000) and dividend equivalents of £nil (2012 £1,151,000), is £6,205,000 (2012 £3,557,000) This 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 discretionary 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 £50 (2012 £50) per four week pay period Employees are entitled to receive the annual free share award, where granted by Britvic plc, 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 period are shown in the table below The fair value of these awards is equivalent to the intrinsic value of the shares

	No of shares	
	2013	**2012**
Annual free shares award	-	-
Matching shares award – 1 free share for every ordinary share purchased	185,563	281,662

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 average market price of Britvic plc's shares on the three business days 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 average 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, 25% (2012 25%) 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 option holder 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 period

	Number of share options	Weighted average exercise price (pence)
Outstanding as at 2 October 2011	8,764,386	314 8
Granted during the period	2,175,767	331 6
Exercised during the period	(244,499)	233 1
Forfeited during the period	(246,138)	406 4
Lapsed during the period	(9,496)	347 0
Outstanding at 30 September 2012	**10,440,020**	**318 0**
Granted during the period	1,583,878	427 5
Exercised during the period	(2,220,417)	253 7
Forfeited during the period	(573,284)	367 7
Lapsed during the period	(1,994,425)	364 4
Outstanding at 29 September 2013	**7,235,772**	**347 1**
Exercisable at 29 September 2013	**2,739,540**	**257 1**

The weighted average share price at the date of exercise for share options exercised during the period was 491 1p (2012 362 2p)

The share options outstanding as at 29 September 2013 had a weighted average remaining contractual life of 6 8 years (2012 6 7 years) and the range of exercise prices was 221 0p – 464 6p (2012 221 0p – 464 6p)

The weighted average fair value of options granted during the period was 79 8p (2012 58 2p)

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

BRITVIC SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 WEEKS ENDED 29 SEPTEMBER 2013

21 SHARE BASED PAYMENTS (CONTINUED)

The Britvic Performance Share Plan (PSP)
The PSP allows for awards of ordinary shares or nil cost options to be made to selected employees with vesting subject to the satisfaction of a performance condition Different performance conditions apply to different groups of employees Awards up to and including 2008 were made in respect of ordinary shares Awards granted since 2009 have been in respect of nil cost options Nil cost options become exercisable on the satisfaction of the performance conditions and remain exercisable until 10 years / 7 years after the date of grant for employees based in the UK / Ireland respectively

The performance condition applying to the total number of awards granted to members of the senior leadership team during the current period is divided equally between the total shareholder return ("TSR") and return on invested capital ("ROIC") performance conditions described below

The TSR condition measures Britvic plc's TSR relative to a comparator group (consisting of 18 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 25% (2012 25%) will vest, rising on a straight-line basis to 100% vesting at upper quartile

For the award granted during the 52 weeks ended 29 September 2013, the ROIC performance condition requires the company's ROIC to be at least 21 5% (2012 22 3%) over the three year performance period for the award to vest in full If ROIC is 20 7% (2012 21 5%) over the performance period, 25% (2012 25%) 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

Awards granted to members of the senior management team vest solely 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, 25% (2012 25%) 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 some circumstances, at the discretion of the company, 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 tables illustrate the movements in the number of shares and nil cost options during the period

	Number of shares subject to TSR condition	Number of shares subject to EPS condition	Number of shares subject to ROIC condition
Outstanding at 2 October 2011	584,781	1,095,428	584,779
Granted during the period	-	14,997	-
Vested during the period*	(532,156)	(916,249)	(532,157)
Outstanding at 30 September 2012 and 29 September 2013	**52,625**	**194,176**	**52,622**

	Number of nil cost options subject to TSR condition	Number of nil cost options subject to EPS condition	Number of nil cost options subject to ROIC condition
Outstanding at 2 October 2011	699,278	1,342,025	699,278
Granted during the period	481,128	1,001,479	481,128
Forfeited during the period	(62,591)	(313,138)	(62,591)
Outstanding at 30 September 2012	**1,117,815**	**2,030,366**	**1,117,815**
Granted during the period	372,514	746,155	372,514
Forfeited during the period	(116,080)	(244,435)	(116,080)
Lapsed during the period	(353,192)	(578,173)	(353,192)
Outstanding at 29 September 2013	**1,021,057**	**1,953,913**	**1,021,057**

* The share price on the date of vesting was 329 8p

There were no nil cost options exercisable at 29 September 2013 (2012 nil)

BRITVIC SOFT DRINKS LIMITED

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52 WEEKS ENDED 29 SEPTEMBER 2013

21 SHARE BASED PAYMENTS (CONTINUED)

The Britvic Performance Share Plan (PSP) (continued)

The nil cost options outstanding as at 29 September 2013 had a weighted average remaining contracted life of 8 2 years (TSR condition) (2012 8 2 years), 8 3 years (EPS condition) (2012 8 0 years) and 8 2 years (ROIC condition) (2012 8 2 years)

The weighted average fair value of nil cost options granted during the period was 203 1p (TSR condition) (2012 194 2p), 381 5p (EPS condition) (2012 323 0p) and 250 2p (ROIC condition) (2012 322 7p)

Key assumptions used to determine the fair value of the options

The fair value of equity-settled shares and nil cost options granted is estimated as at the date of grant using separate models, taking account of the terms and conditions upon which the shares and nil cost options were granted The fair value of the options subject to the TSR condition is determined using a Monte Carlo simulation The fair value of all other options is calculated using the share price at the date of grant, adjusted for dividends not received during the vesting period

The following table lists the inputs to the model used in respect of the Option Plan and PSP awards granted during the 52 weeks ended 29 September 2013 The comparative shows the inputs to the model used in respect of the awards granted during the 52 weeks ended 30 September 2012

	2013	2012
Dividend yield (%)	**4.45**	3 6
Expected volatility (%)	**32 2**	27 9
Risk-free interest rate (%)	**0 8**	0 8
Expected life of option (years)	**5 0**	5 0
Share price at date of grant (pence)	**421 0**	329 8
Exercise price (pence)	**427 5**	331 6

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome

22 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

23 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 'Related Party Disclosures' available to subsidiary undertakings not to disclose transactions with other group companies

24 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of Britvic Soft Drinks Limited is Britannia Soft Drinks Limited, incorporated in the United Kingdom and registered in England and Wales

The smallest group of which the company is a member and for which group financial statements are prepared, is Britvic plc incorporated in the United Kingdom and registered in England and Wales

Britvic plc is the ultimate parent undertaking of Britvic Soft Drinks Limited The consolidated financial statements of Britvic plc are available to the public and may be obtained from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ