

# **COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED**

## **Report and Accounts**

**31 December 2005**

1724995



# **COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED**

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## **DIRECTORS' REPORT**

<b>Directors:</b>	G Galbraith	
	C Oades	Resigned: 08th May 2006
	P Matthews	
	P van Hoegaerden	
	J Goldin	Resigned: 08th May 2006
	D Kearney	Appointed: 11th October 2005
	S Guha	Appointed: 08th May 2006
	C Sleight	Appointed: 08th May 2006
<b>Secretary:</b>	P Matthews	

### **Registered**

**Office:** 1 Queen Caroline Street, London W6 9HQ

**Number:** 1724995

The directors present their report and accounts of the company and its subsidiary undertakings for the year ended 31 December 2005.

### **RESULTS AND DIVIDENDS**

The consolidated profit after taxation for the year amounts to £8,062,000 (2004 - £8,466,000).

A final dividend of £10,000,000 (2004 - £12,500,000) was paid on 31 December 2005.

### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS**

The principal activities of the group are the promoting, manufacturing and selling of beverages.

### **FUTURE DEVELOPMENTS**

No new developments of any significance are anticipated.

### **CHARITABLE CONTRIBUTIONS**

During the year charitable donations of £937,000 (2004 - £851,000) were made.

### **EMPLOYEE INVOLVEMENT**

During the year, the policy of providing employees with information about the group has been continued through the newsletter 'Update' in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the group's profit sharing schemes and are encouraged to invest in the group through participation in share option schemes.

### **DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year ended 31 December 2005 were those listed above. The directors have no beneficial interests in the shares of the company.

# **COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED**

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## **DIRECTORS' REPORT**

### **DISABLED PERSONS**

It is the group's policy to give full consideration to suitable applications for employment by disabled persons.

Disabled persons are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the group who become disabled to continue in their employment or be trained for other positions in the group.

### **CREDITOR PAYMENT POLICY**

The company recognises the importance of maintaining good relations with its suppliers and is committed to paying all invoices within the agreed terms.

At 31 December 2005, the company had an average 13 days (2004 - 13 days) purchases outstanding in trade creditors.

### **AUDITORS**

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board.

P van Hoegaerden:  
Director

Date: 26.10.2006

## **COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The directors are responsible for preparing the annual report and the financial statement in accordance with applicable law and UK Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COCA-COLA HOLDINGS**

#### **(UNITED KINGDOM) LIMITED**

We have audited the group's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Group and Company Balance Sheets and the related notes 1 to 24. These financial statements have been prepared on the basis of 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**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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.

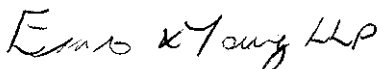
#### **Basis of audit opinion**

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 judgements 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 affairs of the company and group as at 31 December 2005 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
London

26 OCT 2006

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2005

		2005	Restated 2004
	Notes	£000	£000
Turnover	2, 3	131,450	135,741
Cost of sales		(56,377)	(58,748)
<b>GROSS PROFIT</b>		<b>75,073</b>	<b>76,993</b>
Administrative costs		(62,173)	(63,827)
Exchange (loss)		(604)	(110)
<b>OPERATING PROFIT</b>	4	<b>12,296</b>	<b>13,056</b>
Interest receivable and similar income	5	692	942
Interest payable and similar charges	6	(1,098)	(1,016)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>11,890</b>	<b>12,982</b>
Tax on profit on ordinary activities	9	(3,828)	(4,516)
<b>PROFIT FOR THE YEAR</b>		<b>8,062</b>	<b>8,466</b>

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2005	2004
	Notes	£000	£000
Profit on ordinary activities for the year		8,062	8,466
Actuarial return less expected return on pension assets	21	8,374	1,457
Experience losses arising on scheme liabilities	21	5,000	(481)
Change in assumptions underlying the present value of the scheme liabilities	21	(16,432)	(2,269)
Actuarial loss in pension plan	21	(3,058)	(1,293)
Deferred tax on defined benefit pension scheme	21	917	388
Total recognised gains in the year		5,921	7,561
Prior year adjustment		(8,724)	-
Total recognised (losses)/gains since last annual report		(2,803)	7,561

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## GROUP BALANCE SHEET

at 31 December 2005

		2005 £000	Restated 2004 £000
	<i>Notes</i>		
<b>FIXED ASSETS</b>			
Tangible assets	11	15,222	16,614
		<u>15,222</u>	<u>16,614</u>
<b>CURRENT ASSETS</b>			
Stocks	13	39,267	33,701
Debtors: amounts falling due within one year	14	18,989	29,263
Cash at bank and in hand		17,704	13,923
		<u>75,960</u>	<u>76,887</u>
<b>CREDITORS: amounts falling due within one year</b>	15	(20,229)	(18,905)
<b>NET CURRENT ASSETS</b>		<u>55,731</u>	<u>57,982</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		70,953	74,596
<b>NET PENSION LIABILITY</b>	21	(19,846)	(18,724)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	16	(1,594)	(1,580)
Provision for contractual obligations	16	(3,070)	(3,770)
		<u>46,443</u>	<u>50,522</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	17,18	200	200
Profit and loss account	18	46,243	50,322
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18	<u>46,443</u>	<u>50,522</u>

P van Hoegaerden:  
Director

Date:

26.10.2006

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## COMPANY BALANCE SHEET

at 31 December 2005

		2005	Restated 2004
	Notes	£000	£000
<b>FIXED ASSETS</b>			
Tangible assets	11	6,495	6,817
Investments	12	19,546	19,546
		<u>26,041</u>	<u>26,363</u>
<b>CURRENT ASSETS</b>			
Stocks	13	39,098	33,327
Debtors	14	4,769	4,901
Cash at bank and in hand		2,863	2,218
		<u>46,730</u>	<u>40,446</u>
<b>CREDITORS: amounts falling due within one year</b>	15	(15,417)	(13,786)
<b>NET CURRENT ASSETS</b>		<u>31,313</u>	<u>26,660</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		57,354	53,023
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	16	(888)	(854)
		<u>56,466</u>	<u>52,169</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	17,18	200	200
Profit and loss account	18	56,266	51,969
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18	<u>56,466</u>	<u>52,169</u>

P van Hoegaerden:

Director

Date:

26.10.2006



## COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

### NOTES TO THE ACCOUNTS

at 31 December 2005

#### 1. ACCOUNTING POLICIES

##### *Accounting convention*

The accounts are prepared under the historical cost convention, modified by the revaluation of freehold land and buildings, and in accordance with applicable accounting standards in the United Kingdom.

In preparing the financial statements for the current year, the company has adopted FRS 17 (Retirement Benefits).

The change in accounting policy has resulted in a prior year adjustment. Reserves at 1 January 2004 have decreased by £ 18,347,000 and the recognised gains for the year ended 31 December 2004 have increased by a net £ 313,000 being expenses of £ 905,000 taken directly to the Statement of Total Recognised Gains and Losses, a reduction in operating expenses of £1,814,000 and an increase of £596,000 in interest payable recognised in the profit and loss account.

A pension liability of £ 18,724,000 net of deferred tax has been recognised as at 31 December 2004. A pension liability of £ 19,846,000 has been recognised as at 31 December 2005 and the recognised gains for the year have decreased by £ 686,000, being expenses of £ 2,141,000 taken directly to the Statement of Total recognised Gains and Losses, a reduction in operating expenses of £2,022,000 and an increase of £567,000 in interest payable recognised in the profit and loss account.

The company has adopted FRS21 with effect from 1 January 2005 and now only recognises dividends in the financial statements once paid or approved at the annual general meeting. As a result of this change in policy, proposed dividends of £ 10,000,000 recognised in 2004 have been adjusted out of the 2004 numbers, reducing 2004 creditors by £ 10,000,000 and increasing the profit and loss account at 31 December 2004 by the same amount. In accordance with FRS 25, equity dividends are now taken direct to reserves rather than being shown on the face of the profit and loss account.

##### *Basis of consolidation*

The group accounts incorporate the accounts of the company and each of its subsidiary undertakings for the year ended 31 December 2005.

##### *Fixed asset investments*

The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

##### *Depreciation*

No depreciation is provided on freehold land. Depreciation on other tangible fixed assets acquired prior to 1 April 1985 is provided using the declining balance method over their estimated useful lives. Assets acquired on or after 1 April 1985 have been depreciated using the straight-line method. Estimated useful lives of assets by category are as follows:

Freehold buildings	20-40 years
Leasehold land and buildings	20 years or the remaining lease term
Leasehold improvements	15 - 20 years or the remaining lease term
Machinery and equipment	3 - 15 years
Fixtures and fittings	6 years
Motor vehicles	5 years

##### *Leasing commitments*

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

##### *Stocks*

Stocks held for ultimate realisation are valued consistently at the lower of cost and estimated net realisable value; cost includes appropriate production overhead expenses. All the other stocks are valued at the lower of cost and estimated net realisable value.

## COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

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### NOTES TO THE ACCOUNTS

at 31 December 2005

#### 1. ACCOUNTING POLICIES (continued)

##### *Deferred taxation*

Deferred tax is recognised in respect of all material differences that have originated, but not reversed, by the balance sheet date. Deferred tax is measured on a non-discounted basis at tax rates that are expected to apply in the periods in which the timing differences reverse. Deferred tax assets are recognised where their recovery is considered more likely than not in that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

##### *Foreign currencies*

Monetary assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions.

The assets and liabilities of investments in overseas divisions, subsidiary undertakings and related foreign currency borrowing are translated at the year end rates of exchange and the revenue and costs at average rates of exchange. The resulting exchange differences are dealt with in retained profits to the extent that exchange gains or losses arising on the borrowing can be offset against the exchange differences arising on the investment. Any excess exchange loss or gain on the borrowing is taken to the profit and loss account.

Where specific hedging agreements have been entered into, the covered assets and liabilities are translated at the rates in the hedging agreements.

All other monetary assets and liabilities are translated at the year-end rates of exchange. All exchange differences thus arising are reported as part of the results for the year.

Non-monetary items are translated at the year-end rate and exchange differences arising are dealt with as a movement on reserves.

##### *Research and development expenditure*

Research and development expenditure is written off in the year in which it is incurred.

##### *Pension costs*

The company now accounts for pension schemes in accordance with FRS 17 (Retirement Benefits). For the defined benefit scheme any increase in the present value of the liabilities expected to arise from employee service in the period is charged against operating profit and included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are measured using market values and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred taxation, is presented separately after other net assets on the face of the balance sheet.

##### *Cash Flow*

Publicly available consolidated accounts are produced by the Group's ultimate parent undertaking, The Coca-Cola Company, and under FRS 1 (revised), Coca-Cola Holdings (United Kingdom) Limited is not required to prepare a cash flow statement.

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS at 31 December 2005

### 2. TURNOVER

Turnover comprises the invoice price of goods and services supplied by the group exclusive of value added tax and intra-group transactions.

### 3. SEGMENTAL ANALYSIS

The amount of group turnover, in respect of continuing activities, and the extent of the profit on ordinary activities before taxation attributable to each of the major classes of activity and geographical area of the group are as follows:

Area of activity	Turnover		Profit on ordinary activities before taxation	
	2005 £000	2004 £000	2005 £000	Restated 2004 £000
Services	65,962	70,228	4,045	6,289
Beverages	65,488	65,513	7,845	6,693
	<u>131,450</u>	<u>135,741</u>	<u>11,890</u>	<u>12,982</u>

Geographical area			Restated	
	2005 £000	2004 £000	2005 £000	2004 £000
United Kingdom	63,207	70,613	3,163	4,853
Other European countries	48,754	46,813	5,997	6,482
Africa	3,411	3,146	743	370
North America	8,315	8,944	363	516
Latin America	2,716	2,180	566	261
Far East	5,047	4,045	1,058	500
	<u>131,450</u>	<u>135,741</u>	<u>11,890</u>	<u>12,982</u>

The net assets, by area of activity, are as follows:

Area of activity	2005 £000	2004 £000
Services	(11,095)	(6,042)
Beverages	57,538	56,564
	<u>46,443</u>	<u>50,522</u>

The group's net assets all relate to activities carried out in the United Kingdom.

### 4. GROUP OPERATING PROFIT

Group operating profit is stated after charging:

	2005 £000	2004 £000
Depreciation of owned tangible fixed assets	1,852	1,199
Payments under operating leases		
- Land and buildings	4,797	5,349
- Plant and equipment	-	6
- Motor vehicles	88	168
Auditors' remuneration		
- audit services	101	112
- non-audit services	258	168

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005 £000	2004 £000
Bank interest receivable	692	942

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £000	Restated 2004 £000
Bank Interest payable	519	408
Net interest charge on pension	567	596
Bank charges	12	12
	1,098	1,016

### 7. DIRECTORS' EMOLUMENTS

	2005 £000	2004 £000
Remuneration	761	814
Non-cash benefits received and performance compensation	362	413
	1,123	1,227

The emoluments of the highest paid director are as follows :

	2005 £000	2004 £000
Highest paid director	273	371

### 8. STAFF COSTS

	2005 £000	Restated 2004 £000
Wages and salaries	23,113	24,375
Social security costs	2,530	2,346
Other pension costs	2,984	2,808
	28,627	29,529

The monthly average number of persons employed by the company during the year, including directors was as follows :

	2005	2004
Production	15	14
Administration	287	272
	302	286

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 9. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of taxation charge in the year:

	2005 £'000	2004 £'000
Based on profit for the year :		
UK corporation tax at 30%	3,380	4,004
(Over)/Under provision in prior period	(4)	109
	<u>3,376</u>	<u>4,113</u>
Deferred taxation		
Origination and reversal of timing differences	452	403
	<u>3,828</u>	<u>4,516</u>

(b) Factors affecting the current tax charge for the year

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	11,890	12,982
Tax on profit on ordinary activities before tax at 30%	<u>3,567</u>	<u>3,894</u>
Effects of:		
Permanent disallowables	267	279
Capital allowances for period in arrears/( excess) of depreciation	28	(391)
(Over)/Under provision in prior period	(4)	109
Other timing differences	(45)	-
Pension provision	(437)	222
Current tax charge for the year	<u>3,376</u>	<u>4,113</u>

(c) Factors that may affect future tax charges

There are currently no factors that will significantly affect future tax charges.

### 10. DIVIDENDS

	2005 £000	Restated 2004 £000
Equity dividends on ordinary shares:		
Final dividend paid-	<u>10,000</u>	<u>12,500</u>
Proposed for approval by shareholders at the AGM:		
	2005 £000	2004 £000
Final dividend of £ nil (2004:£50) per ordinary share	<u>-</u>	<u>10,000</u>

In accordance with FRS21, dividends proposed by the directors but not approved at the balance sheet date have not been recognised as a liability.

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 11. TANGIBLE FIXED ASSETS

#### Group

	Freehold Land & Buildings £000	Leasehold Buildings £000	Plant, Equipment & Vehicles £000	Total £000
<u>Cost or valuation:</u>				
At 1 January 2005	3,142	10,476	10,171	23,789
Additions	51	361	368	780
Disposals	-	-	(642)	(642)
At 31 December 2005	3,193	10,837	9,897	23,927
<u>Depreciation:</u>				
At 1 January 2005	1,034	1,684	4,457	7,175
Charge for the year	166	770	916	1,852
Disposals	-	-	(322)	(322)
At 31 December 2005	1,200	2,454	5,053	8,705
<u>Net book value at:</u>				
At 31 December 2005	1,993	8,383	4,844	15,222
At 1 January 2005	2,108	8,792	5,714	16,614

The cost or valuation of land and buildings includes property revalued in 1980 at £775,000. The potential tax liability on capital gains, if these properties had been sold at 31 December 2005 at their net book value and the proceeds of the sale had not been reinvested in similar assets, would not have been greater than £700,000 (2004 - £700,000).

#### Company

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Plant, Equipment & Vehicles £000	Total £000
<u>Cost or valuation:</u>				
At 1 January 2005	2,954	3,647	4,549	11,150
Additions	51	-	83	134
At 31 December 2005	3,005	3,647	4,632	11,284
<u>Depreciation:</u>				
At 1 January 2005	1,080	1,099	2,154	4,333
Charge for the year	166	-	290	456
At 31 December 2005	1,246	1,099	2,444	4,789
Net book value at 31 December 2005	1,759	2,548	2,188	6,495
Net book value at 1 January 2005	1,874	2,548	2,395	6,817

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS at 31 December 2005

### 12. FIXED ASSET INVESTMENTS

Company

Subsidiary  
undertakings  
£000

At 1 January 2005 and at 31 December 2005

19,546

Details of the investments in which the group holds at least 20% of the nominal value of any class of share capital are as follows :

Name of company	Country of registration	Holding	Proportion of voting right and shares held	Nature of business
<i>Subsidiary undertakings</i>				
Coca-Cola International Sales Limited	England & Wales	Ordinary Shares	100%	Toll manufacture and procurement of soft drinks.
Refreshment Spectrum Limited	England & Wales	Ordinary Shares	100%	Dormant
Beverage Services Limited	England & Wales	Ordinary Shares	100%	Provision of marketing, promotion and technical services for the development of soft drinks in the British and various European markets.

### 13. STOCKS

	Group		Company	
	2005	2004	2005	2004
	£000	£000	£000	£000
Finished product	1,132	975	963	608
Ingredients	38,015	32,617	38,015	32,610
Packaging materials	113	102	113	102
Consumables	7	7	7	7
	39,267	33,701	39,098	33,327

In the opinion of the directors the difference between purchase price or production cost of stocks and their replacement cost is not material.

### 14. DEBTORS

	Group		Company	
	2005	Restated 2004	2005	Restated 2004
	£000	£000	£000	£000
Due within one year:				
Trade debtors	2,988	4,154	-	-
Amounts owed by other group undertakings	12,740	20,339	3,350	2,794
Prepayments and accrued income	759	497	-	-
Other debtors	2,478	4,273	1,419	2,107
Corporation tax	24	-	-	-
	18,989	29,263	4,769	4,901

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 15. CREDITORS: amounts falling due within one year

	Group		Company	
	2005	Restated 2004	2005	Restated 2004
	£000	£000	£000	£000
Trade creditors	4,853	5,489	365	443
Other creditors	8,422	7,619	-	-
Corporation Tax	917	2,033	681	637
Amounts owed to other group undertakings	6,037	3,764	14,371	12,706
	<u>20,229</u>	<u>18,905</u>	<u>15,417</u>	<u>13,786</u>

### 16. PROVISION FOR LIABILITIES AND CHARGES

Group:	Provision for contractual obligations £000	Deferred Tax £000	Total £000
At 1 January 2005	3,770	1,580	5,350
Charge in the year	-	14	14
Utilisation	(700)	-	(700)
At 31 December 2005	<u>3,070</u>	<u>1,594</u>	<u>4,664</u>

The provision for contractual obligations relate to a vacant property lease. The provision is expected to be fully utilised by 2013.

Deferred taxation provided in the accounts is shown below. Deferred taxation has been fully provided for all timing differences which are expected to reverse in the future - there are no unprovided amounts.

Group	2005 £'000	2004 £'000
Accelerated capital allowances	1,594	1,628
Other timing differences	-	(48)
	<u>1,594</u>	<u>1,580</u>
Company	2005 £'000	2004 £'000
Accelerated capital allowances	<u>888</u>	<u>854</u>

### 17. SHARE CAPITAL

	2005 £000	2004 £000
Authorised, allotted, called up and fully paid: 200,000 ordinary shares of £1 each	<u>200</u>	<u>200</u>



# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

Group

	Share Capital £000	Profit & Loss Account £000	Total Shareholders Funds £000
At 1 January 2004 as previously stated	200	73,607	73,807
Prior year adjustment-pension		(18,346)	(18,346)
At 1 January 2004 as restated	200	55,261	55,461
Profit for the year	-	8,466	8,466
Final dividend paid	-	(12,500)	(12,500)
Actuarial loss on pension scheme	-	(905)	(905)
At 31 December 2004	200	50,322	50,522
Profit for the year	-	8,062	8,062
Final dividend paid	-	(10,000)	(10,000)
Actuarial loss on pension scheme	-	(2,141)	(2,141)
At 31 December 2005	200	46,243	46,443

Company

	Share Capital £000	Profit & Loss Account £000	Total Shareholders Funds £000
At 1 January 2004	200	53,180	53,380
Profit for the year	-	11,289	11,289
Final dividend paid	-	(12,500)	(12,500)
At 31 December 2004 as restated	200	51,969	52,169
Profit for the year	-	14,297	14,297
Final dividend paid	-	(10,000)	(10,000)
At 31 December 2005	200	56,266	56,466

### 19. PROFIT AND LOSS ACCOUNT

In accordance with the exemption allowed by the Companies Act 1985, the company has not presented its own profit and loss account. Of the group's profit for the financial year, a profit before distribution of £14,257,000 (2004 - £11,289,000) has been generated within the accounts of the company.

### 20. FINANCIAL COMMITMENTS

The company has no capital commitments authorised but not contracted for.

At 31 December 2005 the Group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2005 £000	2004 £000	2005 £000	2004 £000
Leases expiring:				
Within one year	130	716	303	36
Within two to five years	195	26	16	107
Thereafter	3,178	3,144	-	-
	3,503	3,886	319	143

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 21. PENSION COSTS

The group operates within a group pension scheme (the Coca-Cola Company Pension and Assurance Scheme) which is a defined benefit scheme. It is funded by the payment of contributions to a pension fund management company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. In accordance with the trust deed, the scheme is subject to a full revaluation every three years.

#### Composition of the scheme

The group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 1 June 2005 and updated to 31 December 2005 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	2005	2004
Rate of increase in salaries	3.80%	3.80%
Rate of increase of pensions in payment	0.00%/2.80% <sup>(1)</sup>	0.00%/2.80%(1)
Discount rate	4.75%	5.30%
Inflation assumption	2.80%	2.80%

<sup>(1)</sup> Pre 1997 accrual / Post 1997 accrual

The assets in the scheme and the expected rate of return were:

	2005	2004
	£'000	£'000
Equities	7.10% 55,941	7.50% 38,708
Bonds	4.10% 4,615	4.50% 6,187
Cash	4.50% 1,400	4.00% 1,714
Total market value of assets	61,956	46,609
Actuarial value of liability	(90,308)	(73,358)
Deficit in scheme	(28,352)	(26,749)
Related deferred tax asset	8,506	8,025
Net pension liability	(19,846)	(18,724)

The analysis of the amounts charged to the Profit and Loss account and Statement of Total Recognised Gains and Losses for the year ended 31 December 2005 are as follows:

	2005	2004
	£'000	£'000
Service cost	2,984	2,808
Current Total operating charge	2,984	2,808

#### Analysis of net return on pension scheme

	2005	2004
	£'000	£'000
Expected return on pension scheme assets	3,354	2,978
Interest on pension liabilities	(3,921)	(3,574)
Net return	(567)	(596)

#### Analysis of amount recognised in statement of total recognised gains and losses

	2005	2004
	£'000	£'000
Actual return less expected return on assets	8,374	1,457
Experience gains and losses on liabilities	5,000	(481)
Changes in assumptions	(16,432)	(2,269)
Actuarial loss recognised in STRGL	(3,058)	(1,293)

# COCA-COLA HOLDINGS (UNITED KINGDOM) LIMITED

## NOTES TO THE ACCOUNTS

at 31 December 2005

### 21. PENSION COSTS (continued)

#### Movement in deficit during the year

	2005 £'000	2004 £'000
Deficit in scheme at beginning of year	(26,749)	(26,211)
Movement in year:		
Current service cost	(2,984)	(2,808)
Contributions	5,006	4,159
Net return on assets/(interest cost)	(567)	(596)
Actuarial (loss)	(3,058)	(1,293)
Deficit in scheme at end of year	<u>(28,352)</u>	<u>(26,749)</u>

The actuarial valuation at 31 December 2005 showed an increase in the deficit from £26,749,000 at 31 December 2004 to £28,352,000. Employer contributions during 2005 amounted to £5,006,000. The current employer contribution rate agreed between the employer and Trustees is 15% of Pensionable Salaries plus £1,850,000 paid by 31 July each year until 2012.

#### History of experience gains and losses

	2005	2004	2003	2,002
Difference between expected and actual return on scheme assets:				
amount (£'000)				
percentage of scheme assets	8,374	1,457	3,054	(9,008)
Experience gains and losses on scheme liabilities:	14%	3%	8%	-29%
amount (£'000)				
percentage of scheme liabilities	5,000	(481)	(534)	(693)
Total amount recognised in statement of total recognised gains and losses:	5,5%	-1%	-1%	-1%
amount (£'000)				
percentage of scheme liabilities	(3,058)	(1,293)	(3,672)	(10,380)
	-3%	-2%	-6%	-19%

### 22. CONTINGENT LIABILITIES

- (a) The company has entered into unlimited cross guarantees with the other UK group companies.
- (b) The ultimate parent undertaking, The Coca-Cola Company ("TCCC"), grants certain senior executives options to buy its shares. When an option is exercised, TCCC makes a charge to the group company employing the holder of the option. Owing to the mobility of executives within the group, uncertainty as to the date on which they will exercise their options, and the fluctuation of the share price, it is not possible to ascertain with certainty the liability which the company would incur on exercise of all options held by current employees. Accordingly, no provision has been set up in these accounts.

### 23. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is The Coca-Cola Company, incorporated in Delaware, USA and the parent undertaking of the smallest such group is Refreshment Product Services Inc., a company incorporated in the USA. Copies of The Coca-Cola Company's accounts can be obtained from this company's registered office.

### 24. RELATED PARTY TRANSACTIONS

The group is taking advantage of the exemption under FRS 8 (3) not to disclose related party transactions with other members of the Coca Cola company group.