
COCA-COLA INTERNATIONAL SALES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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COCA-COLA INTERNATIONAL SALES LIMITED

COMPANY INFORMATION

DIRECTORS

D Kearney
S Guha (resigned 24 June 2013)
I Panizio
S Roche
J Woods
G Ruiz (appointed 12 April 2013)
S Hutton (appointed 27 February 2014)
L Johnson (resigned 21 August 2013)
R Thompson (resigned 31 December 2013)

REGISTERED NUMBER

1861142

REGISTERED OFFICE

1A Wimpole Street
London
W1G 0EA

INDEPENDENT AUDITORS

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

COCA-COLA INTERNATIONAL SALES LIMITED

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COCA-COLA INTERNATIONAL SALES LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their strategic report for the year ended 31 December 2013

PRINCIPAL ACTIVITIES

The principal activities of the company are the manufacture and procurement of soft drinks in the UK

BUSINESS REVIEW

The principal activities of the company are the manufacture and procurement of soft drinks in the UK

It is anticipated that Coca-Cola International Sales Limited will continue its current business

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has two principal customers with whom it has agreements. Should there be a termination of these agreements or a change in business relationships, the turnover of the company could decrease by a material amount

FINANCIAL KEY PERFORMANCE INDICATORS

The company's key performance indicators are the level of turnover, reflecting the volume of products sold, and the level of operating profit. The turnover for the year was £24,810,260 (2012 - £24,643,422) and operating profit was £815,233 (2012 - £913,879)

The company does not have any fixed assets or investments. Our operating costs are limited to professional services such as audit fees, accounting services, etc


FUTURE DEVELOPMENTS

It is anticipated that Coca-Cola International Sales Limited will continue its current business. The contract with the customers has been renewed in 2014. Overall in the coming year we aim to grow at a rate consistent with the current year.

This report was approved by the board on

10/9/14

and signed on its behalf


D Kearney
Director

COCA-COLA INTERNATIONAL SALES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £661,848 (2012 - £730,638)

No dividends were paid during the year (2012 - £2,000,000)

DIRECTORS

The directors who served during the year were

D Kearney
S Guha (resigned 24 June 2013)
I Panizio
S Roche
J Woods
G Ruiz (appointed 12 April 2013)
L Johnson (resigned 21 August 2013)
R Thompson (resigned 31 December 2013)

CREDITOR PAYMENT POLICY

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

At 31 December 2013, the Company had 40 days (2012 - 39 days) purchases outstanding in trade creditors.

COCA-COLA INTERNATIONAL SALES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

DISCLOSURE OF INFORMATION TO AUDITORS

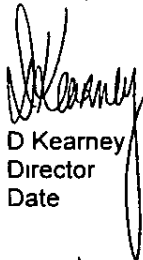
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



D Kearney
Director
Date

10/9/2014

COCA-COLA INTERNATIONAL SALES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COCA-COLA INTERNATIONAL SALES LIMITED

We have audited the financial statements of Coca-Cola International Sales Limited for the year ended 31 December 2013, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 17. 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 17 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 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 AUDITOR

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and 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 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

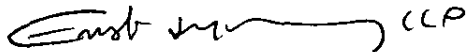
COCA-COLA INTERNATIONAL SALES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COCA-COLA INTERNATIONAL
SALES LIMITED**

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

 LLP

Ian Gibson (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor

Belfast

Date 12 September 2014

COCA-COLA INTERNATIONAL SALES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	24,810,260	24,643,422
Cost of sales		<u>(23,872,421)</u>	<u>(23,636,589)</u>
GROSS PROFIT		937,839	1,006,833
Administrative expenses		<u>(122,606)</u>	<u>(92,954)</u>
OPERATING PROFIT		815,233	913,879
Interest receivable and similar income	5	48,193	31,458
Interest payable and similar charges	6	<u>(42)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		863,384	945,337
Tax on profit on ordinary activities	7	<u>(201,536)</u>	<u>(214,699)</u>
PROFIT FOR THE FINANCIAL YEAR	13	<u>661,848</u>	<u>730,638</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account. Consequently no statement of recognised gains and losses is provided.

There is also no difference between the profit on ordinary activities before taxation and the profit for the financial period stated above, and their historical cost equivalents.

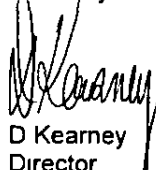
The notes on pages 8 to 14 form part of these financial statements.

COCA-COLA INTERNATIONAL SALES LIMITED
REGISTERED NUMBER: 1861142

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
CURRENT ASSETS					
Debtors	8	11,573,435		11,482,346	
Cash at bank		2,430,604		1,845,635	
		<u>14,004,039</u>		<u>13,327,981</u>	
CREDITORS amounts falling due within one year	9	<u>(2,922,483)</u>		<u>(2,908,273)</u>	
NET CURRENT ASSETS			<u>11,081,556</u>		<u>10,419,708</u>
NET ASSETS			<u>11,081,556</u>		<u>10,419,708</u>
CAPITAL AND RESERVES					
Called up share capital	12		9,148,686		9,148,686
Profit and loss account	13		<u>1,932,870</u>		<u>1,271,022</u>
SHAREHOLDERS' FUNDS	14		<u>11,081,556</u>		<u>10,419,708</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


D Kearney
Director

Date 10/9/2014

The notes on pages 8 to 14 form part of these financial statements

COCA-COLA INTERNATIONAL SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Going concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the directors. On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

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

Interest income is recognised as interest accrues using the effective interest method.

1.5 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax in the future at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a undiscounted basis at the tax rates that are expected to apply in the periods in which timing difference reverse, based on tax laws enacted or substantively enacted at the balance sheet date.

COCA-COLA INTERNATIONAL SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

2. TURNOVER

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales, taxes or duty. The whole of the turnover is attributable to the promotion and sale of soft drinks

All turnover arose within the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging

	2013 £	2012 £
Auditor's remuneration		
- audit services	18,595	19,888
- non-audit services (taxation)	9,530	7,770
Foreign exchange gain	(8,390)	(10,939)

4. STAFF COSTS

The Company has no employees other than the directors, who did not receive any remuneration (2012 - £NIL). All staff costs are borne by the fellow subsidiary, Beverage Services Limited, from which they are paid

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Interest income	48,193	31,458

COCA-COLA INTERNATIONAL SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. INTEREST PAYABLE

	2013 £	2012 £
Interest expense-other	42	-

7. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	199,284	212,080
Deferred tax (see note 10)		
Origination and reversal of timing differences	2,252	2,619
Tax on profit on ordinary activities	201,536	214,699

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23 25% (2012 - 24 5%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	863,384	945,337
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 25% (2012 - 24 5%)	200,737	231,608
Effects of:		
Disallowed expenses and non-taxable income	-	1,335
Capital allowances for year in excess of depreciation	(1,428)	(1,898)
Adjustments to tax charge in respect of prior periods	(25)	(18,965)
Current tax charge for the year (see note above)	199,284	212,080

Factors that may affect future tax charges

A number of changes to the UK Corporation tax system were announced in the March 2012 and March 2013 UK Budget Statements. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015 is expected to be included in future Finance Bills. These further changes had not been substantively enacted at the balance sheet date, they have however been taken into account when calculating the deferred tax balance.

COCA-COLA INTERNATIONAL SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. DEBTORS

	2013 £	2012 £
Due after more than one year		
Amounts owed by group undertakings	9,295,721	7,987,476
Due within one year		
Trade debtors	187,444	197,082
Amounts owed by group undertakings	967,405	2,616,661
Other debtors	1,117,269	673,279
Deferred tax asset (see note 10)	5,596	7,848
	<u>11,573,435</u>	<u>11,482,346</u>

The long-term amounts owed by group undertakings are made of several loans issued by Coca-Cola International Sales Limited

In 2009, Coca-Cola International Sales Limited entered into a loan agreement with its parent company, Coca-Cola Holdings (UK) Limited wherein the Company lent a sum of £3,000,000 to be repaid on 19 December 2014. At 31 December 2013, the total amount owing under the 2009 facility was £3,000,000 (2012 £3,000,000)

In 2012 Coca-Cola International Sales Limited entered into an additional loan agreement with its parent company, Coca-Cola Holdings (United Kingdom) Limited wherein the Company agreed to lend a sum of \$10,000,000 with the option for the amount to be withdrawn in multiple tranches of \$100,000 minimum

In 2013 Coca-Cola International Sales Limited entered into a loan agreement with its parent company, Coca-Cola Holdings (UK) Limited wherein the Company agreed to lend a sum of £14,000,000, with the option for the amount to be drawn down in multiple tranches of £100,000. The amount consisted of \$10,000,000 subject to the loan agreement dated 24 August 2013 and an additional loan amount of £7,000,000. The loan was to be repaid on 30 March 2014.

At 31 December 2013, the total amounting owing under the 2013 facility (including the 2012 facility) was £6,293,331

On 8 April 2014, Coca-Cola International Sales Limited entered into a loan agreement with its parent company, Coca-Cola Holdings (UK) Limited wherein the Company agreed to lend a sum of £14,000,000, with the option for the amount to be drawn down in multiple tranches of £100,000. The loan is a rollover of the previously existing loans. The loan is to be repaid on 30 April 2015.

All of the loans incur/incurred interest at the 3 month LIBOR rate, which was/shall be reset quarterly to reflect the then current 3 month LIBOR. On each reset date, all accrued and unpaid interest was/shall be added to the principal sum, such that thereafter itself incurs/incurred interest.

As a result of the revised agreement entered into on 8 April 2014, all amounts outstanding at 31 December 2013 under the 2009, 2012 and 2013 loan agreements have been disclosed as being receivable after one year.

COCA-COLA INTERNATIONAL SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Trade creditors	2,607,823	2,508,528
Amounts owed to group undertakings	171,255	220,041
Corporation tax	103,165	141,001
Accruals and deferred income	40,240	38,703
	<u>2,922,483</u>	<u>2,908,273</u>

10 DEFERRED TAX ASSET

	2013 £	2012 £
At beginning of year	7,848	10,467
Charge for year	(2,252)	(2,619)
At end of year (Note 8)	<u>5,596</u>	<u>7,848</u>

The deferred tax asset is made up as follows

	2013 £	2012 £
Decelerated capital allowances	<u>5,596</u>	<u>7,848</u>

11. PROVISIONS

Provision for contractual obligations movement

	2013 £	2012 £
At beginning of year	-	323,064
Utilisation	-	(323,064)
At end of year	<u>-</u>	<u>-</u>

The provision for contractual obligations related to the termination of various property leases as a result of the discontinuation of the sale of water to the local bottler at the Colwall site. The provision was fully utilised in 2012.

COCA-COLA INTERNATIONAL SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
9,148,686 Ordinary shares of £1 each	<u>9,148,686</u>	<u>9,148,686</u>

13. RESERVES

	Profit and loss account £
At 1 January 2013	1,271,022
Profit for the year	661,848
At 31 December 2013	<u>1,932,870</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	10,419,708	11,689,070
Profit for the year	661,848	730,638
Dividends paid (Note 15)	-	(2,000,000)
Closing shareholders' funds	<u>11,081,556</u>	<u>10,419,708</u>

15. DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	<u>-</u>	<u>2,000,000</u>

16. RELATED PARTY TRANSACTIONS

As the Company is a wholly-owned subsidiary of Coca-Cola Holdings (United Kingdom) Limited, a company registered in England and Wales which prepares group financial statements, the company, pursuant to FRS 8 'Related Party Disclosures', has not included details of transactions with other companies which are wholly owned subsidiaries of the Coca-Cola group

COCA-COLA INTERNATIONAL SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Coca-Cola Holdings (United Kingdom) Limited. The parent undertaking of the largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is The Coca-Cola Company, incorporated in Delaware, USA. The parent undertaking of the smallest such group is Coca-Cola Holdings (United Kingdom) Limited, registered in England and Wales. Copies of both companies' financial statements can be obtained from this company's registered office.