Registration number: 2063777

Britvic EMEA Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2021

Britvic EMEA Limited

Contents

Britvic EMEA Limited

Company Information

Directors	H D De Jong
	S Smith
	C Garcia
Company secretary	J Moore
Registered office	Breakspear Park Breakspear Way Hemel Hempstead Hertfordshire HP2 4TZ
Auditors	Ernst & Young LLP Newcastle upon Tyne

Britvic EMEA Limited

Strategic Report for the Year Ended 30 September 2021

The directors present their strategic report for the year ended 30 September 2021.

Fair review of the business

The principal activities of the Company are the export and franchise of Britvic Soft Drinks Limited's products.

Turnover for the year was £28,237,000 (2020: £29,823,000). The loss for the year before taxation amounted to £8,839,000 (2020: £13,856,000). After a tax charge of £164,000 (2020: tax credit of £20,000), the loss for the year was £9,003,000 (2020: £13,836,000).

At 30 September 2021, the Company had total assets of £17,223,000 (2020: £17,898,000), total liabilities of £129,129,000 (2020: £121,381,000) and therefore was in a net liability position of £111,906,000 (2020: £103,483,000).

The Company continued to be impacted by COVID-19 during the year ending 30 September 2021, affecting the Company's selling and distribution arms and reducing revenue compared to 2020. The Company has seen growth in its LATAM, Middle East and Asia regions which has partly offset the reduction in the UK revenue. Intra group recharges reduced in 2021 mainly due to the Company exiting the US fruit shoot multi pack market which has reduced the costs in the US and therefore reduced the marketing support payments between the Company and the US business.

Key performance indicators

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

• Volume growth - the increase in number of litres sold by the Company relative to the prior year

• Average realised price (ARP) - average revenue per litre sold

• Revenue growth - increase in sales achieved by the Company relative to the prior year

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

Strategy

The Company's strategy is to fully exploit global category opportunities in the kids, family and adult categories. It will do this through:

- accelerating the execution of Mission 2025 & unlocking opportunities for growth;
- growing its people and core brands;
- higher margins to invest in growth and brand equity;
- building a stronger premium adult business; and
- expanding channel and geographic footprint.

The Company's key financial and other performance indicators during the year were as follows:

	Unit	**2021**	**2020**
Volume (million litres)	Litres	26.9	33.4
ARP per litre	Pence	104.8	89.2
Revenue	£m	28.2	29.8
Brand Contribution	£m	7.0	7.2
Brand Contribution Margin	%	24.8	24.2

Principal risks and uncertainties

The directors of the ultimate parent company, Britvic plc, manage the group's risks at a group level rather than at an individual business unit level.

The Britvic plc group operates a robust risk management process that continues to evolve and improve to meet the needs of the business.

As with any business, we face risks and uncertainties especially as we look to grow our business here in the UK. Effective risk management helps support the successful delivery of our strategic objectives. We have an established risk management framework to identify, assess, mitigate and monitor the risks we face as a business and help deliver a balance between risk and opportunity. The risk management framework incorporates both a top down approach to identify the company's principal risks and a bottom up approach to identify operational risks. The Executive team is responsible for identifying, managing and monitoring the principal risks. The Britvic plc Board is accountable for the overall risk management process and determining the effectiveness of the Executive team's risk management. Similarly, all business units and functions are responsible for identifying and assessing their risks, both current and emerging, and measuring them against the defined criteria, considering the likelihood of occurrence and the potential impact to the Group. This review includes an assessment of the movement in the risks, the strength of the controls relied upon and the status of the mitigation actions. The Board, Executive team, business units and functions monitor and review their risk maps and information during the year with formal reviews occurring at least twice a year. This review includes an assessment of the movement in the risks, the strength of the controls relied upon and the status of the mitigation actions.

The principal risks and uncertainties of the Britvic plc group, which include those of the Company, are discussed on pages 61 to 66 of the group's annual report for the year ended 30 September 2021.

The principal risks that could potentially have a significant impact on the business in the future are set out below.

Risks relating to the Company:
• Our portfolio over time becomes less relevant to consumers and customers as we fail to adapt to changing needs and the consumer landscape, and as such we lose market share/revenue;
• The continued focus on health and obesity results in a decline in the soft drinks category and/or our share of it;
• We may not be able to maintain strong relationships with our key customers or respond to changes in both the route to market (e.g. channel shift) and the retailer landscape (e.g. consolidation);
• Supplier failure, market shortage or an adverse event in our supply chain impacts sourcing of our products and/or that the cost of our products is significantly affected by commodity price movements;
• Climate change, water, biodiversity loss, natural resource depletion and environmental pollution all present risks to our ability to source, manufacture and market our drinks;
• Risk that a faulty or contaminated product, either through malicious contamination, human error or equipment failure, is supplied to the market. Risk associated with the health and safety of our employees, contractors and visitors;
• Non-compliance with local laws or regulations or breach of our internal policies and standards;
• Disruption to business due to loss or failure of our IT infrastructure or exposure to loss of information or technology due to cyber attacks;
• Exposure to a variety of external financial risks relating to treasury, tax and pensions;

• Lack of correct skills and capability and/or workforce resilience impacts the business' ability to deliver ambitious plans for our long-term strategy and post COVID-19 recovery - we rely on key individuals, the risk is greater if they also face sustained high levels of business pressure or encounter personal issues;
• Climate change presents a risk to our ability to source, manufacture and market our drinks. The increased focus from all stakeholders (from governments, customers and consumers) on sustainability means there is increased risk of regulation on our packaging, to source sustainably and appropriately report on the impact of a changing climate;
• Risk associated with the health and safety of our employees, contractors and visitors when working on Britvic sites and when working or travelling on behalf of Britvic or on customer premises; and
• Changes to exchange, interest or tax rates can have an impact on profits and cash flows. Business changes also present a risk as to how we are financed or taxed.

Risks relating to the market
• Future regulation changes that affect the sale of soft drinks could impact the Company's profitability; and
• A change in the macro-economic environment could adversely impact the business.

Approved by the Board on 29 September 2022 and signed on its behalf by:

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C Garcia
Director

Britvic EMEA Limited

Directors' Report for the Year Ended 30 September 2021

The directors present their report and the financial statements for the year ended 30 September 2021.

Directors of the Company

The directors, who held office during the year, were as follows:

H D De Jong

S Smith

C Garcia

Results and dividends

The loss for the year before taxation amounts to £8,839,000 (2020: £13,856,000). After a tax charge of £164,000 (2020: tax credit of £20,000), the loss for the year was £9,003,000 (2020: £13,836,000). The directors do not recommend payment of a final dividend (2020: £nil).

Financial risk management objectives and policies

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 receipts in currencies other than the functional currency of the Company. Such receipts are received principally in Euros. The Britvic plc group is managing this risk through central treasury.

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.

Credit risk

The Company trades only with recognised creditworthy third parties. 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 intercompany loans.

Interest rate risk

To manage the Company's exposure to interest rate fluctuations, the Company meets all its borrowing requirements by borrowing from Group companies at interest-free or fixed rates of interest.

Future developments
The Company will continue to build on its sale of Britvic Soft Drinks' products through export and franchising arrangements.

Going concern
To assess the appropriateness of adopting the going concern basis in preparing these financial statements, the Directors have considered the principal risks and uncertainties and financial positions of both the Company and Britvic plc (together with its subsidiaries, the 'Britvic Group'), reflecting how the Company is managed. In light of the on-going uncertainty posed by COVID-19, the Company may need to rely on financial support from its ultimate parent company, Britvic plc.

Britvic plc has expressed its willingness to provide financial support to the Company from the signing date of these accounts until at least September 2023 to assist it in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities. The Directors have assessed the ability of Britvic plc to continue as a going concern and provide support to the Company, if needed, until September 2023. The Directors of the Company form part of an integrated management team of Britvic plc, and therefore have appropriate knowledge relevant to this assessment of Britvic plc.

The management of Britvic plc has modelled a range of scenarios, including a view of severe but plausible levels of additional COVID-19 restrictions across the Britvic Group. The assumptions modelled are based on the estimated potential impact of further COVID-19 restrictions, along with an assessment of the impact of key risks that could reasonably arise and management's potential responses.

Previous sensitivity analysis that quantified the expected impact on the business of a full lockdown proved to be reasonable during the period of the most widespread restrictions in 2020. In assessing the impact of any future restrictions, management now have a greater level of clarity on the trends expected and the mitigating actions that can be taken.

Considering all learnings to date, a range of possible scenarios have been analysed to model different levels of impact on revenue, profit and cash, and the offsetting effect of the controllable mitigating actions over the period to September 2023.

The estimated impacts of COVID-19 restrictions are primarily based on the length of time various levels of restrictions are in place, and the severity of the consequent impact of those restrictions on the Britvic Group's At-Home and Out-of-Home channels. The assumptions used reflect the trends seen in 2020 and 2021. The scenarios are most sensitive to the assumptions made for Britvic Group's GB market, where there is more significant exposure to Out-of-Home channels.

The most severe scenario includes an assumption that a level of restrictions will remain in place until October 2022 with Out-of-Home outlets only gradually returning towards pre-COVID-19 levels at the end of the financial year ending 30 September 2023.

Under each scenario, mitigating actions are all within management control and can be initiated as they relate to discretionary spend, and do not impact the ability to meet demand. These actions include the rephasing of non-essential capital expenditure and advertising and promotion spend.

Based on these reviews, the Directors consider that, if needed, Britvic plc will be adequately able to support the Company and therefore that it is appropriate for the going concern basis to be adopted in preparing the Company's financial statements.

Directors' liabilities

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.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 29 September 2022 and signed on its behalf by:

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C Garcia
Director

Britvic EMEA Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Approved by the Board on 29 September 2022 and signed on its behalf by:

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C Garcia
Director

Britvic EMEA Limited

Independent Auditor's Report to the Members of Britvic EMEA Limited

Opinion
We have audited the financial statements of Britvic EMEA Limited for the year ended 30 September 2021 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period through to 30 September 2023.

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

Britvic EMEA Limited

Independent Auditor's Report to the Members of Britvic EMEA Limited (continued)

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

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Britvic EMEA Limited

Independent Auditor's Report to the Members of Britvic EMEA Limited (continued)

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are relating to FRS101, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the Company must comply with operational and employment laws and regulations, including health and safety regulations, environmental regulations, data protection regulations, and anti-bribery and corruption regulations.
- We understood how Britvic EMEA Limited is complying with those frameworks by making enquires of management and those charged with governance and gaining an understanding of the entity level controls of the Company in respect of these areas and the controls in place to reduce opportunities for fraudulent transactions and non-compliance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by obtaining and reading internal policies, making enquiries of management and those charged with governance. We considered the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud, and gained an understanding as to how those procedures and controls are implemented and monitored. Where the risk was considered to be higher, in respect of management override, including in respect of inappropriate revenue recognition through manual journal entries and override of interna controls over customer discounts, we performed audit procedures to address the identified fraud risks.
- These procedures included testing journal entries and performing a detailed correlation analysis over the entire revenue process from revenue recognition through to invoice settlement, and over the entire customer discounts process from cost recognition in the income statement through to settlement. We performed testing on a sample of post year-end credit notes and customer discounts settled and obtained corroborating evidence to demonstrate that credit notes and discounts related to the audit period had been appropriately recorded. Our procedures were designed to provide reasonable assurance that the company financial statements were free from material misstatement.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance and testing of a sample of transactions throughout the audit to supporting documentation to assess compliance. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with all applicable reporting requirements.

Britvic EMEA Limited

Independent Auditor's Report to the Members of Britvic EMEA Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst + Young LLP

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Caroline Mulley (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
29 September 2022

Britvic EMEA Limited

Profit and Loss Account for the Year Ended 30 September 2021

	Note	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Turnover	4	28,237	29,823
Cost of sales		(14,214)	(17,000)
Gross profit		14,023	12,823
Selling and distribution costs		(3,978)	(4,627)
Administrative expenses		(16,070)	(18,739)
Operating loss	5	(6,025)	(10,543)
Interest payable and similar charges	6	(2,814)	(3,313)
Loss before tax		(8,839)	(13,856)
Tax on loss on ordinary activities	10	(164)	20
Loss for the year		(9,003)	(13,836)

The above results were derived from continuing operations.

Britvic EMEA Limited

Statement of Comprehensive Income for the Year Ended 30 September 2021

	Note	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Loss for the year		(9,003)	(13,836)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation losses before tax		247	(238)
Tax on foreign currency translation losses		2	(17)
		249	(255)
Total comprehensive loss for the year		(8,754)	(14,091)

The notes on pages 17 to 41 form an integral part of these financial statements.

Britvic EMEA Limited

(Registration number: 2063777)
Balance Sheet as at 30 September 2021

	Note	30 September 2021 £ 000	30 September 2020 £ 000
Fixed assets			
Intangible assets	11	163	310
Tangible assets	12	131	146
Right of use assets		240	411
		534	867
Current assets			
Stocks	14	3,246	2,991
Debtors	15	13,113	13,863
Cash at bank and in hand		330	177
		16,689	17,031
Creditors: Amounts falling due within one year	16	(129,039)	(121,150)
Net current liabilities		(112,350)	(104,119)
Total assets less current liabilities		(111,816)	(103,252)
Creditors: Amounts falling due after more than one year	17	(90)	(231)
Net liabilities		(111,906)	(103,483)
Capital and reserves			
Called up share capital	18	-	-
Share premium reserve		60,000	60,000
Translation reserve		(6)	(255)
Profit and loss account		(171,900)	(163,228)
Shareholders' deficit		(111,906)	(103,483)

Approved by the Board on 29 September 2022 and signed on its behalf by:

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C Garcia
Director

The notes on pages 17 to 41 form an integral part of these financial statements.

Britvic EMEA Limited

Statement of Changes in Equity for the Year Ended 30 September 2021

	Share capital £ 000	Share premium £ 000	Foreign currency translation £ 000	Retained earnings £ 000	Total £ 000
At 30 September 2019	-	60,000	-	(149,458)	(89,458)
Loss for the year	-	-	-	(13,836)	(13,836)
Other comprehensive income	-	-	(255)	-	(255)
Share based payment transactions	-	-	-	66	66
At 30 September 2020	-	60,000	(255)	(163,228)	(103,483)
At 30 September 2020	-	60,000	(255)	(163,228)	(103,483)
Loss for the year	-	-	-	(9,003)	(9,003)
Other comprehensive loss	-	-	249	-	249
Share based payment transactions	-	-	-	331	331
At 30 September 2021	-	60,000	(6)	(171,900)	(111,906)

1 General information

The Company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:
Breakspear Park
Breakspear Way
Hemel Hempstead
Hertfordshire
HP2 4TZ

These financial statements were authorised for issue by the Board on 29 September 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The financial statements of the Company have been prepared in accordance with the Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis under the historical cost convention. The principal accounting policies are set out below and have been applied consistently throughout the year.

The functional currency of the Company is GBP (£). The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pound (£'000) except where otherwise indicated.

2 Accounting policies (continued)

Summary of disclosure exemptions
The following exemptions from the requirements of International Financial Reporting Standards ("IFRS") have been applied in the preparation of these financial statements:
• The following paragraphs of IAS 1, 'Presentation of financial statements':
• 10(d) (statement of cash flows);
• 10(f) (statement of financial position as at the beginning of the preceding period);
• 16 (statement of compliance with all IFRS),
• 38A (requirement for minimum of two primary statements, including cash flow statements);
• 38B-D (additional comparative information);
• 40A-D (requirements for a third statement of financial position);
• 111 (cash flow statement information), and;
• 134-136 (capital management disclosures).
• Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79 (a) (iv) of IAS 1 'Presentation of financial statements'.

• IAS 7, 'Statement of cash flows'

• Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

• IFRS 7, 'Financial instruments: Disclosures'

• Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

• The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The Company is eligible to apply the above exemptions as it is included in the consolidated financial statements of Britvic plc who prepare financial statements under IFRS and include the above disclosures. The shareholders of the Company did not object to the application of these exemptions when notified during the financial year.

The consolidated financial statements of Britvic plc are available from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ.

2 Accounting policies (continued)

Going concern

To assess the appropriateness of adopting the going concern basis in preparing these financial statements, the Directors have considered the principal risks and uncertainties and financial positions of both the Company and Britvic plc (together with its subsidiaries, the 'Britvic Group'), reflecting how the Company is managed. In light of the on-going uncertainty posed by COVID-19, the Company may need to rely on financial support from its ultimate parent company, Britvic plc.

Britvic plc has expressed its willingness to provide financial support to the Company from the signing date of these accounts until at least September 2023 to assist it in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities. The Directors have assessed the ability of Britvic plc to continue as a going concern and provide support to the Company, if needed, until September 2023. The Directors of the Company form part of an integrated management team of Britvic plc, and therefore have appropriate knowledge relevant to this assessment of Britvic plc.

The management of Britvic plc has modelled a range of scenarios, including a view of severe but plausible levels of additional COVID-19 restrictions across the Britvic Group. The assumptions modelled are based on the estimated potential impact of further COVID-19 restrictions, along with an assessment of the impact of key risks that could reasonably arise and management's potential responses.

Previous sensitivity analysis that quantified the expected impact on the business of a full lockdown proved to be reasonable during the period of the most widespread restrictions in 2020. In assessing the impact of any future restrictions, management now have a greater level of clarity on the trends expected and the mitigating actions that can be taken.

Considering all learnings to date, a range of possible scenarios have been analysed to model different levels of impact on revenue, profit and cash, and the offsetting effect of the controllable mitigating actions over the period to September 2023.

The estimated impacts of COVID-19 restrictions are primarily based on the length of time various levels of restrictions are in place, and the severity of the consequent impact of those restrictions on the Britvic Group's At-Home and Out-of-Home channels. The assumptions used reflect the trends seen in 2020 and 2021. The scenarios are most sensitive to the assumptions made for Britvic Group's GB market, where there is more significant exposure to Out-of-Home channels.

The most severe scenario includes an assumption that a level of restrictions will remain in place until October 2022 with Out-of-Home outlets only gradually returning towards pre-COVID-19 levels at the end of the financial year ending 30 September 2023.

Under each scenario, mitigating actions are all within management control and can be initiated as they relate to discretionary spend, and do not impact the ability to meet demand. These actions include the rephasing of non-essential capital expenditure and advertising and promotion spend.

Based on these reviews, the Directors consider that, if needed, Britvic plc will be adequately able to support the Company and therefore that it is appropriate for the going concern basis to be adopted in preparing the Company's financial statements.

2 Accounting policies (continued)

Revenue recognition

Recognition

The Company recognises revenue from the sale of soft drinks to the wholesale market. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer. Following delivery, which is determined to be the time of shipment, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue is the value of sales after the deduction of sales related discounts and rebates, value added tax and other sales related taxes. Rebates to customers are deducted from revenue where the amounts paid are sales related or in relation to a good or service which results in an increase in sales in the customer's outlet and therefore is not distinct from the sale of soft drinks to the customer and comprise:

Long term discounts and rebates

These discounts are typically for months rather than weeks and are usually part of the trading terms agreed with the customer. Long term discounts fall into three main categories:

- Fixed - a defined amount over a period of time
- Pence per litre / case - a pence per litre / case rebate, based upon volumes sold
- % of Net Revenue - a percentage of Net Revenue, which may have associated hurdle rates

Short term promotional discounts

Promotional discounts consist of many individual rebates across numerous customers and represents the cost to the Company of short term deal mechanics. The common deals typically include BOGOFs, 3 For 2, and Half Price deals.

Account development fund

Account development fund represents customer promotional activity which promotes Britvic's products in the customer's outlets. The Company agrees to pay the customer various amounts as part of the trading investment. Where these amounts are payable in relation to a good or service which result in an increase in sales in the customer's store only, e.g. in-store promotional activity, management has concluded that this is not distinct, and it is accounted for as a reduction in revenue. Where these amounts are payable in relation to a good or service which result in an increase in Company sales more broadly, e.g. participation in tradeshows or market research, management has concluded that the payment is for a distinct good or service. Where amounts paid to customers are deemed to be for a distinct service these are included as selling and distribution costs in the income statement.

Commerical rebate liabilities

Commercial rebate liabilities are recognised where, as part of a contract with a customer, the Company has received consideration and expects to return part of that consideration in the form of a rebate against current or future sales invoices. Commercial rebate liabilities were described as contract liabilities in previous financial statements but have been renamed to better reflect the nature of the liability and to clarify that the Company has no outstanding performance obligations in respect of these liabilities.

2 Accounting policies (continued)

Foreign currency transactions and balances
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Tax
The current income tax expense is based on taxable profits for the year, after any adjustments in respect of prior periods. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, on all material temporary differences between the tax base of assets and liabilities and their carrying values in the financial statements.

The principal temporary differences arise from accelerated capital allowances and intangible assets.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax assets are recognised to the extent that it is regarded as probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the asset or liability will be settled based on the tax rates enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against the deferred tax assets so that the carrying amount equals the highest amount that is more likely than not to be recovered based on the current or future taxable profit.

Tangible assets
Tangible assets are stated at cost less accumulated depreciation and any impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis, over the useful economic life of that asset as follows:

Plant and machinery	3 to 20 years
Fixtures and fittings	3 to 10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are included in the profit and loss account in the period of derecognition.

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

2 Accounting policies (continued)

Intangible assets

Brand licences

Brand licences acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, these assets are carried at cost less any accumulated amortisation or impairment losses.

Licences relate to brand licences transferred to Britvic EMEA Limited for the domestic and overseas sale of Robinsons, Orchid and Red Devil Products. The licences were transferred at fair value and are amortised on a straight line basis over their useful economic lives, estimated at 13.7 years (Orchid and Red Devil) and 13.8 years (Robinsons).

The carrying values of licences are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Software costs

Software expenditure is recognised as an intangible asset only after its technical feasibility and commercial viability can be demonstrated. Acquired computer software licences and software developed in-house are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs include resources focussed on delivery of capital projects where the choice has been made to use internal resources rather than external resources. These costs are amortised over their estimated useful lives of five years on a straight line basis.

All amortisation is included within Administrative expenses in the Profit and Loss Account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, on demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value.

Trade debtors

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stock

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing inventories to their present location and condition. Cost is determined using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2 Accounting policies (continued)

Trade creditors
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial assets
Classification
The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

• the asset is held within a business model whose objective is to collect the contractual cash flows, and
• the contractual terms give rise to cash flows that are solely payments of principal and interest.

Recognition and de-recognition
Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Trade and other receivables
Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-90 days and are therefore all classified as current. Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided below.

Impairment of financial assets
The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

2 Accounting policies (continued)

Financial liabilities
The Company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

At amortised cost
Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the balance sheet.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed, and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains and losses arising on changes in fair value are recognised in the profit or loss to the extent that they are not part of a designated hedging relationship.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Derecognition of financial liabilities
A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

2 Accounting policies (continued)

Leases

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment reviews.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below £3,600). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

2 Accounting policies (continued)

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

Defined benefit pension obligation
The Company's employees participate in the Britvic group's pension plan, alongside employees of other Britvic group subsidiaries. The Company accounts for pensions as a plan that shares risks between entities under common control. It is not possible to identify the Company's share of the assets and liabilities and related income or expense in the defined benefit scheme on a consistent and reasonable basis. As such, there is no agreement or policy in place to recharge the costs associated with the plan to Britvic EMEA Ltd.

The assets and liabilities in the group's pension plans, as measured on an IAS 19 basis, are recorded in the standalone financial statements of Britvic Soft Drinks Limited, the sponsoring employer of the Britvic group's pension plans.

Share-based payment
Equity-settled transactions
The Company's parent, Britvic plc, operates an equity-settled, share-based compensation plan. The Company recognises an expense and corresponding credit to equity in relation to employees working for the Company. 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 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).

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.

Cash-settled transactions
A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in profit or loss. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

2 Accounting policies (continued)

Changes in accounting policy
None of the other standards, interpretations and amendments effective for the first time from 1 October 2020 have had a material effect on the financial statements.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements, in conformity with FRS 101, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. In the process of applying the Company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements.

Estimates
Long term discounts and rebates
Amounts provided for discounts at the end of a period require estimation; historical data and accumulated experience is used to estimate the related provision using the most likely amount method and in most instances the discount can be estimated using known facts with a high level of accuracy.

4 Turnover

Turnover is attributable to continuing operations.

Turnover is the value of sales after the deduction of sales related discounts and rebates, value added tax and other sales related taxes.

Turnover is analysed by geographical destinations as follows:

	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
United Kingdom	2,277	3,274
Rest of Europe	23,731	24,925
Rest of the World	2,229	1,624
	28,237	29,823

5 Operating loss

This is stated after charging/(crediting):

	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Depreciation of property, plant and equipment	50	99
Amortisation expense	135	130
Depreciation of leased assets	162	200
Termination of co-packing arrangement	-	554
Intra group recharges	1,703	4,948
Loss on disposal of property, plant and equipment	-	338
Foreign exchange losses/(gains)	30	(251)

Intra group recharges include support payments, royalties and group recharges for the provision of administrative services during the year.

In July 2020, the Company took a decision to terminate its Fruit Shoot co-packing arrangement with a third party supplier. As a result, in the prior year, the Company incurred £554,000 of other write down and exit costs associated with terminating this arrangement.

6 Interest payable and similar expenses

	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Interest payable to group undertakings	2,810	3,309
Interest expense on leases	4	4
	2,814	3,313

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Note	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Wages and salaries		4,687	3,253
Social security costs		402	313
Pension costs, defined contribution scheme	20	277	359
Share-based payment expenses	21	331	68
		5,697	3,993

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	Year ended 30 September 2021 No.	Year ended 30 September 2020 No.
Selling and distribution	36	33
Administration	7	7
	43	40

8 Directors' remuneration

During the year the number of directors who were receiving benefits and share incentives was as follows:

	Year ended 30 September 2021 No.	Year ended 30 September 2020 No.
Received or were entitled to receive shares under long term incentive schemes	3	3
Accruing benefits under money purchase pension scheme	3	3

During the year the directors did not exercise share options.

8 Directors' remuneration (continued)

The directors' remuneration was:

	Year ended 30 September 2020 £ 000	Year ended 30 September 2020 £ 000
Remuneration	1,180	643
Company contributions - defined contribution scheme	92	92
Long term incentive plan - shares*	241	44
	1,513	779

*Share awards are included in the disclosure of directors' remuneration once performance conditions associated with the awards are met and the awards become receivable by the directors.

The remuneration of the highest paid director was:

	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Remuneration	622	347
Company contributions - defined contribution scheme	50	53
Long term incentive plan - shares	161	44
	833	444

During the year the highest paid director received or was entitled to receive shares under a long term incentive scheme. The highest paid director did not exercise any share options in the year.

9 Auditors' remuneration

Auditor's remuneration of £50,000 (2020: £50,000) is borne by Britvic Soft Drinks Limited, another member of the Britvic plc group. The Company has not incurred any non-audit fees in the year (2020: £nil).

10 Income tax

Tax (credited)/charged in the profit and loss account

	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Current taxation		
UK corporation tax	33	-
UK corporation tax adjustment to prior periods	223	-
Total current income tax	256	-

Britvic EMEA Limited

Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

10 Income tax (continued)

	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Deferred taxation		
Arising from origination and reversal of temporary differences	1	(20)
Impact of changes in UK tax rates	(33)	-
Prior year adjustment	(60)	-
Total deferred taxation	(92)	(20)
Total tax charge/(credit) for the year	164	(20)

The tax on loss for the year is higher than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	Year ended 30 September 2021 £ 000	Year ended 30 September 2020 £ 000
Loss before tax	(8,839)	(13,856)
Corporation tax at standard rate	(1,679)	(2,632)
Prior year adjustment	164	-
Effect of different UK tax rates	(34)	(5)
Group relief surrendered for nil payment	1,662	2,604
Permanent differences	18	13
Increase (decrease) arising from overseas tax suffered (expensed)	33	-
Total tax charge/(credit)	164	(20)

Amounts recognised in other comprehensive income

	Before tax £ 000	2021 Tax (expense) benefit £ 000	Net of tax £ 000
Foreign currency translation gains or losses	247	2	249

10 Income tax (continued)

Deferred tax

Deferred tax assets (note 15)

Deferred tax movement during the year:

	At 1 October 2020 £ 000	Recognised in income statement £ 000	Recognised in other comprehensive income £ 000	At 30 September 2021 £ 000
Fixed assets	47	92	2	142

Deferred tax movement during the prior year:

	At 30 September 2019 £ 000	Recognised in income statement £ 000	Recognised in other comprehensive income £ 000	At 30 September 2020 £ 000
Fixed assets	44	20	(17)	47

Impact of rate change

During the year the UK government announced that the corporation tax rate would increase to 25%, effective from 1 April 2023. As a consequence, deferred tax balances have been remeasured at the rate at which they are now expected to unwind in the future, resulting in an increased tax charge for the year.

11 Intangible assets

	Software £ 000	Total £ 000
Cost or valuation		
At 30 September 2020	671	671
Foreign exchange movements	(32)	(32)
At 30 September 2021	639	639
Amortisation		
At 30 September 2020	361	361
Amortisation charge	135	135
Foreign exchange movements	(20)	(20)
At 30 September 2021	476	476
Carrying amount		
At 30 September 2021	163	163
At 30 September 2020	310	310

12 Tangible assets

	Fixtures and fittings £ 000	Plant and machinery £ 000	Total £ 000
Cost or valuation			
At 30 September 2020	222	120	342
Additions	35	-	35
Foreign exchange movements	(8)	-	(8)
At 30 September 2021	249	120	369
Depreciation			
At 30 September 2020	158	38	196
Charge for the year	12	38	50
Foreign exchange movements	(8)	-	(8)
At 30 September 2021	162	76	238
Carrying amount			
At 30 September 2021	87	44	131
At 30 September 2020	64	82	146

13 Right of use assets

	Property £ 000	Vehicles £ 000	Total £ 000
Cost or valuation			
At 30 September 2020	303	193	496
Additions	4	29	33
Disposals	-	(12)	(12)
Foreign exchange movements	(19)	-	(19)
At 30 September 2021	288	210	498
Depreciation			
At 30 September 2020	9	76	85
Charge for the year	97	65	162
Eliminated on disposal	-	12	12
Foreign exchange movements	(1)	-	(1)
At 30 September 2021	105	153	258
Carrying amount			
At 30 September 2021	183	57	240
At 30 September 2020	294	117	411

14 Stock

	30 September 2021 £ 000	30 September 2020 £ 000
Finished goods and goods for resale	3,246	2,991

The cost of stock recognised as an expense in the year amounted to £14,269,000 (2020: £13,541,000). This is included within cost of sales.

15 Trade and other debtors

	30 September 2021 £ 000	30 September 2020 £ 000
Trade debtors	10,370	9,325
Amounts due from group undertakings	2,081	3,971
Prepayments and other debtors	520	520
Deferred tax asset (note 10)	142	47
	13,113	13,863

Details of non-current trade and other debtors

£142,000 of deferred tax assets are due after more than one year (2020: £47,000).

The trade and other receivables classified as financial instruments are disclosed below. The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

16 Creditors: amounts falling due within one year

	30 September 2021 £ 000	30 September 2020 £ 000
Trade and other payables:		
Trade creditors	1,229	2,268
Accrued expenses	1,819	1,143
Amounts due to group undertakings	2,568	9,862
Social security and other taxes	686	750
Other creditors	59	226
Current lease liabilities	130	195
Commercial rebate liabilities	7,146	6,332
Income tax liability	206	-
	13,843	20,776
Loans and borrowings:		
Bank overdrafts	15,694	3,682
Loans due to group undertakings	99,502	96,692
	115,196	100,374
Creditors: amounts falling due within one year	129,039	121,150

The amounts due to group undertakings are unsecured, non-interest bearing and repayable on demand.

Loans due to group undertakings are unsecured, market interest bearing and are repayable on demand.

The Company is party to a cash pooling arrangement with fellow group undertakings of Britvic plc. The Company's overdraft is repayable on demand and is subject to a composite guarantee entered into by the group entities participating in the cash pooling arrangement.

The Company's exposure to market and liquidity risks, including maturity analysis, related to trade and other creditors is disclosed in the financial risk management and impairment note.

17 Creditors: amounts falling after more than one year

	30 September 2021 £ 000	30 September 2020 £ 000
Non-current lease liabilities	90	231

18 Share capital

Allotted, called up and fully paid shares

	30 September 2021 No.	30 September 2021 £	30 September 2020 No.	30 September 2020 £
Ordinary shares of £1 each	19	19	19	19

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

19 Leases

The Company has lease contracts for properties and vehicles. Leases of properties have lease terms of up to 3 years, while motor vehicles generally have lease terms between 2 and 4 years. There are several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Where a lease contract contains an extension or termination option, management use judgement to determine the lease term when measuring lease liabilities.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Leases included in creditors

	Note	30 September 2021 £ 000	30 September 2020 £ 000
Current lease liabilities	16	130	195
Non-current lease liabilities	17	90	231
		220	426

Included in the profit and loss account is £162,000 (2020: £201,000) of depreciation on right of use assets and £4,000 (2020: £4,000) of interest expense on lease liabilities.

20 Pension and other schemes

Pension benefits are provided by a group pension plan which has both a defined benefit and a defined contribution section. The defined benefit plan is funded externally under supervision of a board of trustees.

Defined Benefit Plan

The Company participates in a multi-employer defined benefit pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. It is not possible to identify the Company's share of the underlying assets and liabilities which relate to the Company's employees. Accordingly, the Company treats the scheme as a defined contribution scheme in accordance with the requirements of IAS 19 "Employee Benefits" for defined benefit plans that share risks between entities under common control.

It is not possible to identify the Company's share of the income or expense in the defined benefit scheme on a consistent and reasonable basis. As such, there is no such agreement or policy in place to recharge the costs associated with the plan, to Britvic EMEA Ltd. The costs associated with the defined benefit plan are recognised in the separate individual financial statements of Britvic Soft Drinks Ltd, which is a fellow subsidiary undertaking of Britivic plc and is legally the sponsoring employer for the plan.

In order to provide information about the existence of a surplus or deficit in the scheme, a separate valuation of the scheme as at 30 September 2021 using the projected unit basis has been obtained by Britvic Soft Drinks Ltd.

20 Pension and other schemes (continued)

The net surplus in the group scheme as at 30 September 2021 is £180.5m (2020: net surplus of £162.0m). Contributions are ordinarily paid into the Defined Benefit Plan as determined by the Trustee, agreed by Britvic Soft Drinks Ltd and certified by an independent actuary in the Schedule of Contributions. During the year ended 30 September 2021, £5m of contributions were paid to the Plan from the Britvic group's pension funding partnership ('PFP') structure.

Future funding
In addition to the expected partnership income of at least £5m per annum, the Britvic group was expected to make a payment to the plan of £15m by 31 December 2019, due to the formal actuarial valuation in 2016 revealing these contributions are necessary to help return the Plan to full funding on a self-sufficiency basis by 31 March 2026.

However, the Group is seeking clarity through the court as to the construction of the wording in the Plan rules on the employer's ability to unilaterally set an alternative rate of pension increase. The original judgment in January 2020 was not in the Group's favour, and it was granted leave to appeal that judgment. The appeal was heard during the year ended 30 September 2021.

Pending the outcome of that appeal hearing, the Trustee of the Plan agreed that the Schedule of Contributions be drafted so that payments would be paid into a blocked account.

As at 30 September 2020 the balance within the blocked account (held on the balance sheet by Britvic plc as 'Other current assets') was £10.0m and this increased to £20.0m by 31 March 2021.

During the year, Britvic was successful in its appeal and the ruling on the pension increase issue arrived in its favour. As at 30 September 2021, the Company can instruct the setting of future pension increases, within certain statutory limits. Given future increases may not automatically be in line with an inflationary index, the Plan liabilities are now valued based on any changes proposed for prior pension increases, and the Company's confirmation of what future pension increases are expected to be. At 30 September 2021, the Company has provided for certain future pension increases with reference to no greater than CPI. The change to CPI from RPI at the prior year end has resulted in a reduction in pension liabilities and is the main driver behind the remeasurement gain included within the statement of comprehensive income. This additionally resulted in the £20.0m held in the blocked account being returned to Britvic.

As a result of the successful appeal no further deficit funding payments are expected to be paid except for the £5m annual partnership payment which will continue until 2025. This will be reviewed as part of the next triennial valuation as of 31 March 2022.

For the purposes of these financial statements, these figures are illustrative only, and do not impact the results or the balance sheet of the Company. It should also be noted that these figures include a substantial proportion of pension assets and liabilities relating to other group companies which also participate in the scheme. It has not been possible to identify the share of the surplus/deficit which relates solely to the Company. Further details on the disclosure of the plan are provided on page 63 - 68 of the financial statements of Britvic Soft Drinks Ltd for the year ended 30 September 2021, which can be obtained from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ.

Defined Contribution Plan
The pension costs in respect of the defined contribution plan are recharged to Britvic EMEA Ltd. The charge represents the contribution payable by the Company to the scheme and amounted to £277,000 (2020: £359,000).

21 Share-based payments

The Britvic Share Incentive Plan ('SIP')

The Company makes discretionary awards of notional shares to employees under the SIP. Awards are normally made in January, based on Company performance and employee qualifying earnings during the most recent full financial year. Each award may range between 4% to 6% of qualifying earnings. Once awards are made, notional shares are subject to a three-year vesting period. On the third anniversary of the award, the shares are converted to cash based on the share price and exchange rate at the vesting date. Employees that resign forfeit any notional share awards that have not vested and been paid in cash.

The Company recognised £181,000 of expense during the year ended 30 September 2021 in relation to the SIP (2020: £nil).

The Britvic Executive Share Option Plan ('ESOP')

Scheme details and movements

The ESOP allows for options to buy ordinary shares of Britvic plc to be granted to executives. 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.

Options granted in 2021
The performance condition requires the adjusted EPS to be between 52.8p and 61.5p at the end of the three year performance period for the options to vest. If the adjusted EPS is 52.8p, 20% of the options will vest, with full vesting at an adjusted EPS of 61.5p. Straight-line apportionment will be applied between these two levels to determine the number of options that will vest and no options will vest if the adjusted EPS is below the lower threshold.

In some circumstances, at the discretion of the Company, 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.

No share options were exercised during the year.

There were 243,533 share options outstanding at the end of the year (2020: 210,162).

The share options outstanding as at 30 September 2021 had a weighted average remaining contractual life of 7.5 years (2020: 7.4 years) and the range of exercise prices was 542.0p - 963.0p (2020: 542.0p - 963.0p).

The weighted average fair value of options granted during the year was 113.1p (2020: 112.3p).

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.

21 Share-based payments (continued)

The Britvic Performance Share Plan ('PSP')

Scheme description

The PSP allows for awards of Britvic plc ordinary shares or nil cost options to be made to selected employees with vesting subject to the satisfaction of performance conditions, where different performance conditions apply to different groups of employees. Nil cost options remain exercisable until 7 years after the date of grant, whereas awards of ordinary shares are transferred when vested.

Awards granted in 2021

The performance conditions attached to PSP awards are measured over the three years commencing 1 October 2020 and depend on whether the recipient is a member of the senior leadership team or the senior management team. The performance condition applied to awards granted to members of the senior leadership team is divided 50% and 50% between EPS and the total shareholder return (TSR) performance conditions, respectively. EPS is the only condition applied to awards granted to the senior management team. The EPS condition is the same as described in the ESOP section above. The TSR condition measures Britvic plc's TSR relative to a comparator group (consisting of 16 companies) over a three year performance period. The awards will not vest unless the company's position in the comparator group is at least median. At median 20% will vest, rising on a straight-line basis to 100% vesting at upper quartile.

The number of shares outstanding at the end of the year were 124,124 (2020: 119,691). There were no nil-cost options outstanding at the end of the year (2020: nil).

The expense for equity-settled share-based payments under the PSP and ESOP schemes for the year ended 30 September 2021was £331,000 (2020: £68,000).

22 Commitments and contingencies

The Company has given a guarantee in respect of the bank overdrafts of fellow subsidiaries and its ultimate parent. No liability has been recognised or has arisen in respect of this guarantee (2020: nil).

23 Parent and ultimate parent undertaking

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

The smallest and largest 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 EMEA 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 or at www.britvic.com.