Registration Number 3227459

Coca–Cola Europacific Partners Services Europe Limited

(formerly Coca-Cola European Partners Services Europe Limited)

Report and Financial Statements

31 December 2021

Contents of the financial statements

Corporate information

Directors

F. Govaerts
N. Halpern
S. Lusk
E. Walker
J. Wang

Secretary

L. Brown
A. Recker

Registered office

Pemberton House,
Bakers Road
Uxbridge UB8 1EZ
England,

Registered number

3227459 (England and Wales)

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Strategic report

The Directors present their Strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of Coca-Cola Europacific Partners Services Europe Limited (the Company) continues to be the provision of consultancy services to the operating units of Coca-Cola Europacific Partners plc (CCEP).

Review of the business

The loss after tax on ordinary activities for the year is £1.3m (2020: £1.9m).

These financial statements have been prepared in compliance with FRS 101 - Reduced Disclosure Framework and the Company has taken advantage of the disclosure exemptions allowed under this standard.

Key Performance Indicators

The key performance indicators of CCEP and its subsidiaries (together, the Group), which includes the Company, are described in CCEP's 2021 Integrated Report. The Company does not have key performance indicators specific to its role as a company providing consultancy services to the Group.

Principal risks and uncertainties

The board of directors of the ultimate parent company, CCEP, has a policy of continuous identification and review of key business risks and uncertainties. It oversees the development of processes to ensure these risks are managed appropriately and receives regular reporting on these outcomes.

The Company is not exposed to any significant unusual risks or uncertainties in its role as a company providing consultancy services within the Group. A full description of the principal risks and uncertainties applicable to the Group, of which this Company is a subsidiary, is disclosed within the Principal risks section and Risk factors section on pages 42-47 and 195-202 respectively of CCEP's 2021 Integrated Report.

Section 172(1) statement from the Directors

During 2021, the Directors acted in good faith to promote the long-term success of the Company.

The Company is a wholly owned subsidiary within the group of companies headed by CCEP. The Group operates within a single governance framework and the board of directors of CCEP (the CCEP Board) has considered the matters under Section 172(1) of the Companies Act 2006 (s172(1)) at a Group level. To the extent necessary for understanding the position of the Company, the Group analysis of s172(1) matters and an overview of the Group's stakeholders is set out on pages 12-15 of CCEP's 2021 Integrated Report.

Strategic report

The CCEP Board has agreed a stakeholder engagement matrix for the Group, which considers the inputs, engagement and outcomes of the relationships between the Group and its key stakeholders. This enables the CCEP Board to better understand its operating environment and aids the successful delivery of the Group strategy. The Directors recognise that, as a subsidiary company within the Group, the Company does not engage directly with all Group stakeholders. Nonetheless, during the year, the Directors have had due regard to the aims and strategy of the Group when making decisions.

Approved by the Board of Directors on 30 June 2022 and signed on behalf of the Board by:

N Halpern

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Nicholas Robert Halpern - Director

Directors' report

Registered No. 3227459 (England and Wales)

The Directors present their report for the year ended 31 December 2021. The following information may be found in the Strategic report and is incorporated into the Directors' report by reference:

- Employee engagement – see Section 172(1) statement from the Directors report

Change of name

The Company changed its name from Coca-Cola European Partners Services Europe Limited to Coca-Cola Europacific Partners Services Europe Limited by special resolution on 29 September 2021 with effective date 1 October 2021.

Directors

The Directors shown below have held office during the period from 1 January 2021 to the date of this report.

H. Allana – resigned on 31 December 2021
F. Govaerts
N. Halpern
S. Lusk
E. Walker
J. Wang – appointed on 10 December 2021

None of the Directors held any interests in the share capital of the Company during the year under review.

Dividends

No dividends were declared in 2021 (2020: £0). The resulting transfer of retained earnings to reserves for the financial year ended 31 December 2021 amounts to a decrease of £1.3m (2020: decrease of £1.9m).

Future developments

The Directors are satisfied with the results for the year and expect the present level of activity to be sustained for the foreseeable future.

Financial instruments

The Company finances its activities with a combination of loans and cash granted by companies within the Group. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. The Company also enters into derivative transactions, including forward currency contracts to manage the cash flows and currency risks arising from the Company's underlying business activities operation.

Financial instruments give rise to credit, currency, liquidity and cash flow risks.

Information is set out below on how these risks arise, as are the objectives, policies and processes for their management and the methods used to measure each risk.

The Company, as part of the Group, has established a risk and financial management framework whose primary objectives are to protect the companies within the Group from events that hinder the achievement of the Group's performance objective. The objectives aim to limit undue counterparty risks, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its trade receivables. In order to manage credit risk the Company performs an individual risk assessment based upon independent credit references, financial position, past experiences and other factors to incorporate the latest developments and qualitative information. The Company considers that it is not exposed to significant credit risk as major part of its financial assets are due from other members of the Group.

Directors' report

Financial instruments (continued)

Currency risks

The Company is exposed to currency risks in respect of its receivables from related parties. The Company manages currency exposures within prescribed limits, mainly through the use of forward foreign currency exchange contracts.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations, accounts and using the related party borrowings facilities available to the Company, if applicable.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt.

Use of derivatives

The Company uses forward foreign currency contracts to manage the exposure arising on forecast payments in foreign currencies.

Directors' liabilities

At the date of signing these financial statements, The Directors of the Company are indemnified in accordance with the articles of association of the Company to the maximum extent permitted by law, such indemnities being qualifying third party indemnities.

Going Concern

As at 31 December 2021, the Company is in a net asset position of £67.9m and in a net current asset position of £56.4m, both mainly supported by the fact that the Company has net amounts due from other group undertakings of £62.7m at the balance sheet date. The Company has realised a net loss after tax of £1.3m for the period ending 31 December 2021, as a result of interest expenses under a loan agreement, which has been repaid on 1 July 2021. Despite this loss, the Company still has sufficient retained earnings of £11.1m to cover its finance costs until 30 June 2023.

The Company does not hold physical cash but has £34m intragroup receivables as it participates in the cash pool of the Group. In assessing the Company's ability to continue as a going concern and the ability to access this cash, the Directors have made enquiries of Group management on its cash position and forecasts up to 30 June 2023. Based on those enquiries and including considering plausible downside scenarios, they have not identified any events or conditions that might cast significant doubt over the Company's ability to continue as a going concern and therefore consider that the Company will be able to meet its liabilities when they fall due for the going concern period up to 30 June 2023.

Accordingly, they continue to adopt the going concern basis in preparing the accounts and do not believe there are any material uncertainties to disclose in relation to the Company's ability to continue as a going concern.

Directors' report

Directors' statement as to disclosure of information to the auditor

The Directors who were members of the board at the time of approving the Directors' report are listed on page 4. Having made enquiries of fellow directors and of the Company's auditor, each of these Directors confirms that:

- to the best of the Director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- the Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Directors on 30 June 2022 and signed on behalf of the Board by:

N Halpern

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Nicholas Robert Halpern – Director

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable UK 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 for that period.

In preparing those financial statements, the directors are required to:

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCA-COLA EUROPACIFIC PARTNERS SERVICES EUROPE LIMITED

Opinion

We have audited the financial statements of Coca-Cola Europacific Partners Services Europe Limited for the year ended 31 December 2021 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 21, 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 company's affairs as at 31 December 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 June 2023 from when the financial statements are authorised for issue.

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.

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.

Opinions on other matters 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 7, 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.

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant UK direct and indirect tax compliance regulations.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria, and ensuring that dividend payments complied with the relevant accounting and legal requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Jon Killingley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
30 June 2022

Statement of comprehensive income

for the year ended 31 December 2021

	Notes	2021 £000	2020 £000
TURNOVER	3	29,075	29,724
Cost of sales		(29,185)	(30,286)
GROSS PROFIT		**(110)**	**(562)**
OPERATING LOSS		**(110)**	**(562)**
Interest receivable and similar income	7	3	51
Interest payable and similar cost	8	(746)	(1,553)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(853)**	**(2,064)**
Tax on profit on ordinary activities	9	(442)	205
LOSS FOR THE FINANCIAL YEAR		**(1,295)**	**(1,859)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,295)**	**(1,859)**

Statement of changes in equity

for the year ended 31 December 2021

	Called up share capital	*Retained earnings*	*Total Equity*
	£000	*£000*	*£000*
At 1 January 2020	**1,000**	**14,284**	**15,284**
Loss for the financial year	-	(1,859)	(1,859)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	**(1,859)**	**(1,859)**
At 31 December 2020	**1,000**	**12,425**	**13,425**
Loss for the financial year	-	(1,295)	(1,295)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	**(1,295)**	**(1,295)**
New issue of shares (Note 16)	55,788	-	55,788
At 31 December 2021	**56,788**	**11,130**	**67,918**

Statement of Financial Position

at 31 December 2021

	Notes	2021 Total £000	2020 Total £000
FIXED ASSETS			
Intangible assets	10	9,675	11,066
Tangible assets	11	1,051	1,683
Deferred tax	9	770	1,212
Total fixed assets		**11,496**	**13,961**
CURRENT ASSETS			
Amounts falling due within one year	12	65,772	62,501
Cash at bank		307	139
Total current assets		**66,079**	**62,640**
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors: amounts falling due within one year	13	(9,657)	(8,176)
		(9,657)	**(8,176)**
NET CURRENT ASSETS		**56,422**	**54,464**
TOTAL ASSETS LESS CURRENT LIABILITIES		**67,918**	**68,425**
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Creditors: amounts falling due after more than one year	14	-	(55,000)
NET ASSETS		**67,918**	**13,425**
CAPITAL AND RESERVES			
Called up share capital		56,788	1,000
Retained earnings		11,130	12,425
TOTAL EQUITY		**67,918**	**13,425**

Approved by the Board of Directors on 30 June 2022 and signed on behalf of the Board by:

N Halpern

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Nicholas Robert Halpern - Director

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Coca-Cola Europacific Partners Services Europe Limited (the Company) for the year ended 31 December 2021 were approved by the Board of Directors on 30 June, 2022 and the Statement of financial position was signed on behalf of the Board by Nicholas Robert Halpern. The Company is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in pounds and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Accounting policies

2.1 Basis of preparation

The Company has prepared its financial statements in compliance with FRS 101. The accounting policies set below are applied in preparing the financial statements for the year ended 31 December 2021.

Going concern

As at 31 December 2021, the Company is in a net asset position of £67.9m and in a net current asset position of £56.4m, both mainly supported by the fact that the Company has net amounts due from other group undertakings of £62.7m at the balance sheet date. The Company has realised a net loss after tax of £1.3m for the period ending 31 December 2021, as a result of interest expenses under a loan agreement, which has been repaid on 1 July 2021. Despite this loss, the Company still has sufficient retained earnings of £11.1m to cover its finance costs until 30 June 2023.

The Company does not hold physical cash, but has £34m intragroup receivables as it participates in the cash pool of the Group. In assessing the Company's ability to continue as a going concern and the ability to access this cash, the Directors have made enquiries of Group management on its cash position and forecasts up to 30 June 2023. Based on those enquiries and including considering plausible downside scenarios, they have not identified any events or conditions that might cast significant doubt over the Company's ability to continue as a going concern and therefore consider that the Company will be able to meet its liabilities when they fall due for the going concern period up to 30 June 2023.

Accordingly, they continue to adopt the going concern basis in preparing the accounts and do not believe there are any material uncertainties to disclose in relation to the Company's ability to continue as a going concern.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) the requirements of IFRS 7 Financial Instruments: Disclosures;
b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
   (i) paragraph 79(a)(iv) of IAS 1;
   (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
e) the requirements of IAS 7 Statement of Cash Flows;
f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
i) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets

2. Accounting policies (continued)

2.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements 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 actual outcomes could differ from those estimates.

a) Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revenue recognition as principal

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The specific criteria applied is the determination of the control of services provided to other related parties. The Company has concluded that it is acting as a principal of its revenue arrangements, in relation to the management fees process. The revenue from management fees is recognized at the gross amount of consideration to which it expects to be entitled in exchange to the services transferred. In all other relationships with related parties the Company has concluded that it is acting as an agent. Costs related to such relationships are presented as net of re-invoicing of related parties amounts.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of assets

Coca-Cola Europacific Partners Services Europe Limited assesses the recoverability of the carrying amount of its property, plant and equipment and intangible assets when events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If it is determined that the carrying amount of an asset or asset group is not recoverable based upon the expected discounted future cash flows of the respective asset or asset group, an impairment loss is recorded equal to the excess of the carrying amount over the estimated recoverable amount.

2.3 Significant accounting policies

a) Foreign currency translation

The Company's financial statements are presented in pounds (£000), which is the Company's functional and presentational currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

Trade transactions within the Group are recorded at the spot rate at the date of transaction and are not remeasured as at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange rates used are:

	2021	2020
	€:£	€:£
Average rate	0.85983	0.88771
Closing rate	0.83930	0.89903

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

b) Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows:

Buildings	–	5%
Information technology equipment	–	20% to 33%

The carrying values of property, plant and equipment are reviewed for impairment if 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 values are reviewed annually and where adjustments are required these are made prospectively.

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. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income in the period of de-recognition.

c) Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end.

Amortisation is provided on a straight-line basis over the expected useful life as follows:

Computer software	- 20%

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the statement of comprehensive income, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

e) Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

f) Leases

Company as a lessee

In January 2016, the IASB issued IFRS 16, "Leases". The new standard supersedes IAS 17 and is effective for annual periods beginning on or after 1 January 2019.

The objective of IFRS 16 is to ensure a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 and related interpretations. Accordingly, a lessor continues to classify its leases as operating leases or finance leases and to account for those two types of leases differently.

The lease liability is initially measured at the present value of lease payments, discounted using an incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease whenever the Company is reasonably certain to exercise that option. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and reducing it by lease payments made.

Right of use assets is initially measured at cost, comprising the initial measurement of the lease liability, plus any direct costs and an estimate of asset retirement obligations, less lease incentives. Subsequently, right of use assets is measured at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight line basis over the length of the lease.

g) Financial instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash, trade and other receivables and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit of loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments.

Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income(OCI), debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit and loss are carried in the balance sheet at fair value with changes in fair value recognised in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, which arise as a result of the normal operating activities of the Company. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment.

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

g) Financial instruments (continued)

i) Financial assets (continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable and similar income in the statement of comprehensive income. Losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss and loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

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.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised in interest receivable and similar income and interest payable and similar costs respectively.

De-recognition of financial liabilities

A liability is generally 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 and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the Statement of comprehensive income.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

iv) Fair values

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

g) Financial instruments (continued)

v) Derivative financial instruments and hedging

The Company uses derivative financial instruments such as forward currency forward contracts to hedge its foreign exchange exposures arising on forecast payments in foreign currencies. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the statement of comprehensive income.

h) Trade and other debtors

Trade debtors, which generally have 40-60 days terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

i) Cash at bank and in hand

Cash and short term deposits in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

j) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

k) Pensions and other post-employment benefits

The costs of providing pensions and other termination benefits are re-charged from a fellow subsidiary undertaking on a consistent basis over the service lives of employees. Such costs are calculated by reference to actuarial valuations and variations from such regular costs are spread over the remaining service lives of the current employees.

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

l) Revenue recognition

Rendering of services

The Company recognizes the services as a single performance obligation and recognizes revenue from them over time as the client simultaneously receives and consumes the benefits provided by the Company. The Company uses the input method based on resources consumed/ hours worked/ costs incurred relative to the total expected inputs to the satisfaction of that performance obligation, in order to assess the progress of the satisfaction of the performance obligation.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from rendering of services are provided in Note 2.2.

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

3. Turnover

Turnover recognised in the income statement is analysed as follows:

	2021	2020
	£000	£000
Revenue from management fees	29,075	29,724
	29,075	**29,724**

4. Operating profit

This is stated after charging/(crediting):

	2021	2020
	£000	£000
Depreciation of property, plant and equipment (note 11)	670	973
Amortisation of intangible assets (note 10)	4,753	6,242
Net foreign currency exchange differences	223	407
Net (gain)/loss on financial assets and financial liabilities at fair value through profit and loss	(22)	141
	5,624	**7,763**

5. Auditor's remuneration

The auditor's remuneration for the period ended 31 December 2021 is borne by a fellow subsidiary.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of its ultimate parent, CCEP.

6. Directors' remuneration

	2021	2020
	£000	£000
Directors' remuneration	2,052	1,490
Company contributions paid to a pension scheme	65	109
	2,117	**1,599**
Number of Directors accruing benefits under:		
Defined benefit schemes	2	2

6. Directors' remuneration (continued)

	2021 £000	2020 £000
In respect of the highest paid Director:		
Aggregate remuneration	958	662
Accrued pension at the end of the year	-	-
Accrued lump sum at the end of the year	-	-

7. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from other group undertakings	3	51
Total interest receivable and similar income	**3**	**51**

8. Interest payable and similar costs

	2021 £000	2020 £000
Interest payable to other group undertakings	(743)	(1,550)
Other	(3)	(3)
Total interest payable and similar costs	**(746)**	**(1,553)**

9. Taxation

(a) Tax charged in the income statement

	2021 £000	2020 £000
Current income tax:		
Current income tax charge	-	-
Amounts (under) provided in previous years	-	(97)
Total current income tax	-	**(97)**
Deferred tax:		
Origination and reversal of temporary differences	(824)	195
Impact of change in tax laws and rates	382	107
Total deferred tax	(442)	302
Tax (expense)/income in the income statement	**(442)**	**205**

9. Taxation (continued)

(b) Reconciliation of the total tax charge

The tax expense in the income statement for the year is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	2021	*2020*
	£000	*£000*
Profit before taxation	(853)	(2,064)
Tax calculated at UK standard rate of corporation tax of 19% (2020: 19%)	162	392
Expenses not deductible for tax purposes	-	97
Utilisation of group relief	115	(288)
Adjustment for tax in respect of previous years	-	(97)
Change in tax laws and rate	(719)	101
Total tax (expense)/income reported in the income statement	**(442)**	**205**

(c) Change in Corporation Tax rate

The UK corporation tax rate is 19% effective from 1 April 2017. The rate of corporation tax remains at 19% for the 2021-22 financial year and will be further increase to 25%, effective from 1 April 2023. Any deferred tax expected to reverse in subsequent years has been re-measured using the rates substantively enacted at 31 December 2021.

(d) Deferred tax

The deferred tax included in the company balance sheet is as follows:

	2021	*2020*
	£000	*£000*
Deferred tax asset		
Accelerated capital allowances	763	1,204
Losses carried forward per hedge transactions	7	8
	770	**1,212**
Disclosed on the balance sheet		
Deferred tax asset	770	1,212
	770	**1,212**

	2021	*2020*
Deferred tax in the income statement	*£000*	*£000*
Accelerated capital allowances	(821)	196
Losses carried forward per hedge transactions	(3)	(1)
Deferred tax (expense)/income	**(824)**	**195**
Of which due to:		
Change in tax laws and rates	382	107
Total deferred tax (expense)/income	**(442)**	**302**

10. Intangible assets

	Software	*In course of construction*	*Total*
	£000	*£000*	*£000*
Cost:			
At 1 January 2021	**43,315**	**1,104**	**44,419**
Additions	1,802	1,591	3,393
Transfers	1,090	(1,090)	-
Disposals	(2,167)	-	(2,167)
At 31 December 2021	**44,040**	**1,605**	**45,645**
Depreciation and impairment:			
At 1 January 2021	**(33,353)**	-	**(33,353)**
Amortisation during the year	(4,753)	-	(4,753)
Disposals	2,136	-	2,136
At 31 December 2021	**(35,970)**	-	**(35,970)**
Carrying amount:			
At 31 December 2021	**8,070**	**1,605**	**9,675**
At 31 December 2020	**9,962**	**1,104**	**11,066**

11. Tangible fixed assets

	Buildings	*Plant and equipment*	*Total*
	£000	*£000*	*£000*
Cost:			
At 1 January 2021	**277**	**5,658**	**5,935**
Additions	-	38	38
Disposals	-	(987)	(987)
At 31 December 2021	**277**	**4,709**	**4,986**
Depreciation and impairment:			
At 1 January 2021	**(272)**	**(3,980)**	**(4,252)**
Depreciation during the year	(2)	(668)	(670)
Disposals	-	987	987
At 31 December 2021	**(274)**	**(3,661)**	**(3,935)**
Carrying amount:			
At 31 December 2021	**3**	**1,048**	**1,051**
At 31 December 2020	**5**	**1,678**	**1,683**

12. Trade and other receivables

	2021	2020
	£000	£000
Amounts owed by other group undertakings	62,731	60,515
Amounts owed by ultimate parent	1,489	83
Other debtors	1,432	1,491
Corporate income tax receivable	120	412
	65,772	**62,501**

13. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	(9,271)	(7,987)
Accruals	(386)	(166)
Forward currency derivative contracts	-	(23)
	(9,657)	**(8,176)**

Trade creditors are non-interest bearing and are normally settled on 40-60 days terms. Other creditors are non-interest bearing and have an average term of six months.

14. Creditors: amounts falling due after more than one year

	2021	2020
	£000	£000
Amounts owed to other group undertakings (note 15)	-	(55,000)
	-	**(55,000)**

On 21 December 2018, Coca-Cola Europacific Partners Great Britain Limited provided £55 million as a loan to the Company for a period of 5 years and at an interest rate of 2.724%. The loan was fully repaid on 1 July 2021, when a capital contribution was made by Coca-Cola Europacific Partners Holdings Great Britain Limited.

15. Financial liabilities

	2021	2020
	£000	£000
Current		
Forward currency derivative contracts (note 13)	-	(23)
	-	**(23)**
Non-current		
Amounts owed to other group undertakings (note 14)	-	(55,000)
	-	**(55,000)**

16. Issued and called up share capital

	2021 thousands	2020 thousands	2021 £000	2020 £000
Allotted, called up and fully paid				
Ordinary shares of £1.00 each	56,788	1,000	56,788	1,000

In 2021 the Company authorised 55,788 thousand new shares with nominal value of £1.00 each, and issued them to Coca-Cola Europacific Partners Holdings Great Britain Limited.

17. Post balance sheet event

Subsequent to the balance sheet date, we have seen significant macro-economic uncertainty as a result of the conflict in Ukraine. The scale and duration remains uncertain and could impact our earnings and cash flow.

18. Contingent liabilities

As at 31 December 2021 the Company does not have any contingent liabilities.

19. Pensions and other post-employment benefits

Coca-Cola Europacific Partners Great Britain Limited (CCEP GB) operated a defined benefit pension scheme for UK subsidiary undertakings of the Group, including the Company, until 31 March 2021, when the scheme was closed for future accrual.

Details in respect of the defined benefit pension scheme can be found in the financial statements of CCEP GB. Copies of the financial statements of CCEP GB are available from the Company Secretary, Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ.

No pension costs are included within the recharges from the Company's fellow Group undertakings (2020: £nil) relating to certain employees who, though employed by CCEP GB, or other divisions of CCEP, work primarily for the Company.

20. Related party transactions

During the year the Company has not entered into transactions with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries of the Group. Material sales transactions with The Coca-Cola Company and its subsidiary and associate undertakings for the year 2020 are detailed below (2021 – no such transactions):

Related party	*Nature of transactions*	*Sales to related party £000* 2020	*Purchases from related party £000* 2020	*Amounts owed by related party £000* 2020	*Amounts owed to related party £000* 2020
Beverage services LTD	Other services	-	(30)	-	-

20. Related party transactions (continued)

Sales and purchases between related parties are made on an arm's length basis. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 30 days of invoice. The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2021, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2020: nil).

21. Ultimate Group undertaking

The Company's immediate parent company is Coca-Cola Europacific Partners Holdings Great Britain Limited. The Company's ultimate parent undertaking and controlling party is Coca-Cola Europacific Partners plc, a company incorporated in England and Wales. Copies of the group financial statements of Coca-Cola Europacific Partners plc are available from the Company Secretary, Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ.