Britvic plc
Annual Report 2007

BRITVIC plc

Contents

Financial Highlights*

Total branded revenue £716.3m, up 5.7%

EBITDA[1] £126.3m, up 4.4%

Operating profit £80.0m, up 8.5%

Operating profit margin 11.2%, up 30 basis points

Free cash flow[2] £75.1m, £48.9m in 2006

Profit before tax £61.3m, up 9.7%

Basic earnings per share 20.4p, up 10.9%

Full year dividend per share 11.0p

* Footnotes can be found on the inside back cover.

Britvic brands are synonymous with quality, and parents know they can buy our drinks with confidence. With brands that appeal to all ages, our drinks keep the whole family hydrated and happy every day.

It has been a particularly busy year for the Robinsons brand. We have introduced two new ambient fruit juices: Fruit Shoot 100% for children and Robinsons Smooth Juice for the whole family. These new juices, each available in three flavours, require no refrigeration or preservatives, thanks to our investment in new production facilities.

In response to the growing trend towards more natural products, we have redesigned the Robinsons range of squashes with no artificial colours or flavours, plus distinctive new label designs.

Britvic offers a wide range of drinks for all occasions. Whether at home, in the pub, or out-and-about, we provide great tasting drinks in a broad range of flavours and formats to meet everyone's needs.

This year the Britvic range of mixers and juices, a part of many people's night out, has been redesigned and relaunched in stylish new packaging, with some great new flavours. Our well-received not-from-concentrate fruit juices have also gone through a make-over and are now even more distinctive as 'AJ' and 'OJ'.

J2O, Britvic's leading on-premise brand, has continued to prosper. Last year's 'limited edition' Orange & Pomegranate proved so popular that it has now been confirmed as a permanent member of the range.

With iconic brands and innovative and stylish pack designs, our products provide refreshment and enjoyment for the young and the young at heart alike.

This year has been a year of transition for a number of our brands. Tango went into rehab and returned with a new look and a new formulation, with reduced sugar and no artificial colours or flavours. And Drench, our recently developed water brand, was repositioned to ensure more mass market appeal, with an emphasis on the benefits of hydration.

Our relationship with PepsiCo continues to thrive, with a continued emphasis on no-added sugar varieties of both Pepsi and 7UP. New pack designs for Pepsi have continued to refresh the brand image.

Chairman's Statement

Gerald Corbett
Chairman

The achievement of a robust financial performance against the background of difficult conditions was the result of successful actions by our management team.

Britvic's profit before tax, in its second year as a public company, rose 9.7% to £61.3m, on the back of revenue growth of 5.7% to £716.3m. Earnings per share rose 10.9% to 20.4p per share, and cash flow was strong with free cash flow generation of £75.1m (excluding the impact of the acquisition of the soft drinks and distribution businesses of C&C Group plc ('Britvic Ireland')). This was a strong set of results given that the summer of 2007 was one of the worst on record with the inevitable impact on the soft drinks market.

The achievement of a robust financial performance against the background of difficult conditions was the result of successful actions by our management team. In sales terms, we out-performed the British soft drinks market, building on the strength of our brands, and our innovation programme delivered in line with expectations. The continued improvements in our business processes resulted in an increase in average realised price. Costs, margins and cash were all tightly controlled and we undertook the outsourcing of our secondary distribution network, stripping out significant cost from the business and allowing us to concentrate on core activities. As the impact of the poor summer weather became clear, management rapidly reconfigured the business for lower levels of demand to produce a solid second half performance.

The performance of Pepsi and 7UP, which we bottle and market in Great Britain ('GB'), has been particularly pleasing. Our programmes have delivered a healthy volume and revenue performance. PepsiCo is our major commercial partner and our relationship, which dates back over 20 years, has now been extended to Ireland. We are committed to their success and they to ours.

On 29 August 2007 we completed the acquisition of Britvic Ireland. The business has leading positions in a number of soft drinks categories, great owned brands, the PepsiCo relationship and a strong management team. There are substantial benefits from the bringing together of our two companies which should quickly flow through to financial performance.

The strength of our market positions, particularly in the growing stills section of the market, our brands, our new product development, our efficiency programmes and the benefits of our Irish acquisition, give us confidence for another good year. This confidence and our cash flow underpin the Board's decision to propose a final dividend of 7.7p, making the total for the year 11.0p, a 10% increase on the previous year.

On behalf of the Board I would like to thank our executive team and all Britvic employees for their hard work and commitment during the year. This strong result is to their credit, and gives us all confidence in a positive future.

Operating and Financial Review
Chief Executive's Review

Paul Moody
Chief Executive

11.0p
Full year dividend per share.

£80.0m
Operating profit.

In the 52 weeks ended 30 September 2007 Britvic's brands have performed well, actively growing market share in key categories, despite the poor summer weather which presented extremely difficult trading conditions for the soft drinks market as a whole. The out-performance of the market has delivered strong revenue growth of 5.7% to £716.3m including a five-week contribution of £13.8m from Britvic Ireland.

We have continued to deliver on our strategy of improving average realised price ('ARP') as we drive effective and efficient promotional activity, improving operating margins, and proactively managing the cost base. As a result operating profit is up 8.5%, profit after tax ('PAT') up 11.1% and earnings per share ('EPS') up 10.9%, all before exceptional items, but including the five-week contribution from Britvic Ireland. This has been achieved against the backdrop of the poor summer weather and challenging second half 2006 comparatives, which benefited from an above average summer and a high level of promotional activity based around the football World Cup.

Free cash flow, before the acquisition of Britvic Ireland, was £75.1m, £26.2m ahead of the prior year, driven by a continued focus on working capital and capital expenditure management. Return on Invested Capital ('ROIC') has increased by 370 basis points to 20.7% reflecting the continued focus on costs, cash flow and the proactive management of the Group's asset base. The Board is proposing a final dividend per share of 7.7p bringing the full year dividend per share to 11.0p, an increase of 10% on the prior year. This reflects the Board's confidence in the future prospects of the business and the underlying cash generative nature of its activities.

The soft drinks market

The soft drinks market volumes were down 2.6% over the period due entirely to the poor summer weather and challenging second half 2006 comparatives. However, the fundamentals of the soft drinks market continue to show growth.

During the first half of 2006 there was a general move by consumers towards healthier and better-for-you food and beverage which was reflected in a swing away from full-sugar carbonates to stills and non-added-sugar carbonates. In 2007, as the year developed, there was some reversal to a more balanced position across both categories. Inevitably, the poor summer weather in the second half of the year has illustrated the market susceptibility to extreme conditions. Importantly, the distribution of volume over the full year reflects the historical trends with the exception of the summer period. Experience shows that market growth tends to recover more slowly after a weak summer as consumption trends remain lower. The market experienced this during 2007, where the weak market during the summer has impacted the autumn market performance.

Against this general market background, Britvic has out-performed the market in all of its key categories during the period:

- The cola market was down 0.8%, while Pepsi outperformed this with a 6.7% volume increase, resulting in a 1.6 percentage point increase in market share.
- The squash market was down 2.5%, particularly impacted by the summer. Robinsons squash outperformed the market with 0.7% volume growth, increasing market share by 1.3 percentage points, led by our emphasis on our large pack promotional programme.

During the period stills market volumes were down 3.4%, against Britvic stills volumes up 3.8%, and carbonates market volumes were down 1.6%, against Britvic carbonates volumes up 2.0%.

Total GB Take-Home

Total sales £6.0bn
- Britvic 11%
- Coca-Cola Enterprises 26%
- GlaxoSmithKline 8%
- Danone 6%
- Tropicana 5%
- All other 44%

Total GB Licensed On-Trade

Total sales £2.4bn
- Britvic 44%
- Coca-Cola Enterprises 35%
- Red Bull 4%
- All other 17%

Source: AC Nielsen Scantrack data to 29 September 2007 and Licensed On-Trade data to September 2007 total coverage MAT.

Britvic's strategy

Management action has focused on three main areas:

Supporting and growing our core brands

We continue to invest in our strong portfolio of brands through both innovation and media, to ensure that they are preferred by consumers.

The Pepsi brand has continued to gain share of the cola market, with an increase of 1.6 percentage points on last year. The success enjoyed by the brand in the period reflects strong promotional execution across all key customers and a major brand Pepsi redesign that capitalised on the trend for personal customisation, with multiple designs for each variant being available – the designs change on a regular basis to ensure that the most contemporary themes are reflected on the packs. The growth in market share was also achieved against a background of continued heavy competitor activity and with no adverse impact on ARP, despite our growing presence in the discounters sector. Our close working relationship with the brand owner PepsiCo has been instrumental in achieving this performance. During the year, Pepsi Max, has had considerable success from a taste campaign which has driven trial and frequency in all sales channels. Supporting this has been the upgrade and re-launch of the Pepsi Max website.

Robinsons squash has consolidated its number one position in its category despite the challenging environment this year for squash. This has been achieved partly as a consequence of the new large-pack production facility, which has unlocked our ability to drive large-pack performance through increased promotional competitiveness, and has allowed us to grow our two-litre volume share. Also during the year we have launched the re-designed 'no artificial colours and flavours' family squash range with the 'Raise them on Robinsons' campaign, aimed at ensuring that the brand retains its authoritative category leading position. This year the brand will sponsor the BBC Sports Personality of the Year event. This is the first headline sponsorship of the event and will include the 'Robinsons Unsung Hero Award'. The sponsorship will be supported by an on-pack promotion across everyday squash in the first quarter of the year.

Fruit Shoot, the number one kids' juice drink has once again grown its market share and is now in more households than any other kids' juice drink. The 'no artificial colours or flavours' radio campaign has driven penetration to its highest levels since October 2005.

In the adult category, J2O continues to lead and drive the growth in its category, with 7% year on year growth helped by its strongest ever Christmas. This success has been partly driven by flavour and format innovation initiatives, including the continued rollout of the PET pack; the successful re-launch of Orange & Pomegranate as the sixth flavour addition to the core range; and the introduction of large packs for at home entertaining. Our brand communications including the 'If H2O were J2O' campaign across TV, cinema and digital platforms have helped to reinforce the brand's position with its core consumers. Next year, we plan to continue to communicate with consumers in key periods such as the run up to Christmas; to expand the brand into more sociable occasions with new pack formats from early Summer 2008; and to introduce a new variant 'Apple and Blueberry' in the Spring.

1.4bn

Litres total soft drinks sold during the period.

In water, Fruit Shoot H2O has consolidated its position as the number one kids' water brand, with an average 12 weekly rate of sales some three times higher than any other kids' water brand. It has very strong distribution at 77%, excellent repeat rates at 41%, and its cannibalisation of other Fruit Shoot variants is low with half of the brand's consumers being new to the Fruit Shoot brand. Drench has been re-focused on the take-home market, with a successful re-launch in a new packaging format in the convenience and impulse channels in the spring. This was supported by the 'Your brain is 75% water' advertising campaign which successfully grew brand awareness. Pennine Spring has been effectively re-focused on the licensed and food service sectors with volume growth of 8.8% against last year and is now the third largest and one of the fastest growing brands in managed licensed outlets.

Our International business has achieved improved results, with further distribution gains for Robinsons squash in the recent launch markets of Sweden and Denmark and impressive growth from Fruit Shoot in the Netherlands. In the Netherlands we have developed a brand new TV campaign which made Fruit Shoot the second most recognised kids' drink advertised this summer. The great early success from Robinsons in Denmark and Sweden has led to the launch of Robinsons High Juice in Finland, designed to further build the scale of our business in the Nordic region. Distribution of 65% was achieved within the first eight weeks of launch and with a full launch campaign, including TV advertising and in-store sampling, the brand achieved a 4% market share after just 12 weeks.

Innovating/developing new products

A number of new brands, brand extensions and new packaging concepts were launched in the year, with the aim of establishing Britvic in the growth segments of the market. All were launched as planned and all are performing in line with our expectation. The launches are focused around the four key themes of naturalness, health and well-being, occasionality and indulgence.

The two major new innovation launches this year were Robinsons Smooth Juice and Fruit Shoot 100% Juice, both playing to the natural agenda with no artificial colours and flavours or preservatives. There is no doubt that the weak summer had a detrimental effect on the scale and speed of consumer pick-up on these two launches, but considering this impact, both have performed in line with expectations.

Robinsons Smooth Juice has built its distribution rapidly through a £2.6m marketing investment in TV and in-store execution, followed by a £2.5m investment in consumer sampling, radio and press in the first half of FY08. Fruit Shoot 100% Juice has achieved the highest value share for a branded kids' juice after just 12 weeks in the market with a rapid distribution build, thanks to a £1.5m marketing investment in TV and outdoor media. We remain confident in the future success of these brands as they are entirely relevant to the target consumer; they reflect the increased emphasis on natural foods and are supported by the tenth largest grocery brand in the country, Robinsons.

Britvic mixers and juices continue to strengthen their overall position, being the leaders in the juice category and level with our main competitor in the mixers category. The key initiatives during this period have been the launch in non-returnable bottles; various range extensions including the launch of Cranberry and Pomegranate juices; and the re-launch of the not-from-concentrate 100% juice range in November 2007, which is now branded OJ and AJ with a more modern brand image.

Managing efficiency – improving margins and free cash flow

Our Business Transformation Programme, which we described at the time of flotation as being focused on driving improved efficiency and building capability, is delivering against both objectives with £11m of annualised savings having been made prior to the start of this year. Such has been the success of the Business Transformation Programme that we have delivered an incremental £5m savings in FY07, being £1m ahead of the £4m originally planned for FY07, and are on course to deliver a further £2m in FY08.

We continue to drive our Product Value Optimisation ('PVO') programme and have delivered £2m of savings in the year as a result of the introduction of in-house large pack PET squash bottles at our Norwich factory and other vertical integration projects.

In addition to this, as previously announced, we expect to see incremental annualised savings of £5–6m by FY09 as a consequence of the outsourcing of the secondary distribution network and vending and chiller re-manufacturing operations, at a one-off exceptional cost of circa £3m incurred during the period. This will also reduce capital expenditure requirements by £2–3m from FY08. As a consequence of this transaction, we have disposed of our depot in Tamworth, the only remaining freehold site within the secondary retail distribution network, at a net cash consideration of £9m.

Expansion into Europe – acquisition of the soft drinks and related businesses of C&C Group plc ('Britvic Ireland')

During the period we acquired the soft drinks and distribution businesses of C&C Group plc for €249.2m (£169.5m) in cash. The acquisition of Britvic Ireland has provided us with the opportunity to accelerate our growth as well as a leading position in both the Republic of Ireland and Northern Ireland. There is potential for annual pre-tax synergies of €14m; brand and product expansion and innovation. It has also provided us with an experienced senior management team and opportunities to further develop the owned brands and the Pepsi and 7UP brands in these markets. It is only three months since the completion of the deal and we have found nothing to dampen our enthusiasm.

The transaction included the following operational structure: two factories in Dublin and Cork; the Ballygowan water source in Limerick; the distribution and wholesale business which gives us the opportunity to a key route in a dynamically different licensed market; the Logistics Centre in Dublin with additional warehouses in Belfast and Cork; and a number of small regional depots in the north west and south east of Ireland. The business is a good fit for Britvic – it is a brand-based business, and also has the Pepsi franchise in Ireland. The brands include the water brand Ballygowan – the number one water brand in Ireland, 7UP, Club (including Club Energise and Club Mixers) as well as the Britvic brand for mixers and juices in the Republic.

The transition process is progressing well. As we said when we announced the deal, our plans for integration centred on the retention of the experienced senior management team in Ireland. This has been achieved with the business set up to run as a commercially autonomous unit but with support from GB. Transitional service agreements were put in place for IT, Finance and C&C in Northern Ireland. We have now completed separation of the Finance operation, with IT separation on target to be completed in late November. The Irish business that has historically been included within Britvic International, predominantly Robinsons and Fruit Shoot, is in the process of being integrated into the Britvic Ireland infrastructure and we are on target for full integration by 31 January 2008. Finally, the group function previously carried out by C&C Group has been successfully filled.

We remain confident in the previously announced annual pre-tax synergies of €14m and the following progress has been made:

- On procurement we have identified cost savings, and have started to align certain contracts – for example, our PET and can procurement where Britvic GB terms are superior; and sugar where Britvic Ireland's terms are superior.
- Production harmonisation project is underway.
- Overhead and Logistics synergies have also been identified on the integration of Britvic International ('Ireland').

Summary

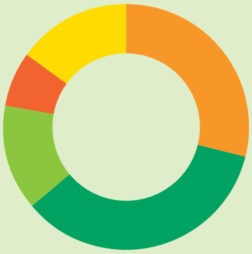
We have grown market share across all of our key categories with a strong performance from our brands despite difficult trading conditions in the second half of the year. The installation of our first aseptic line facilitated the major innovation launches of the year, namely Robinsons Smooth Juice and Fruit Shoot 100% Juice, and all innovation was delivered on time and as planned.

Our focus on managing costs and driving efficiency has been relentless, and in addition to the positive contributions from our Business Transformation and PVO programmes, the outsourcing of our secondary retail distribution network has been implemented in line with our plan and expectations. Consequently, after adjusting for the five-week contribution from Britvic Ireland, we have delivered a 40 basis point increase in operating profit margin, some way ahead of our 10–15 basis point ambition. While it is only three months since the completion of the Britvic Ireland acquisition we are most encouraged by the performance of the team and the business and energised by the opportunities that lie ahead.

Introducing Britvic Ireland

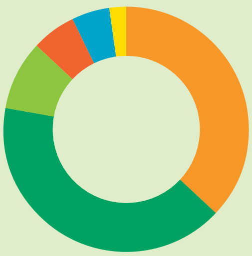
The acquisition of a soft drinks business in Ireland represented an important step in the strategic development of Britvic and has opened up opportunities for supply chain synergies, brand and product expansion, and innovation.

Total Ireland Take-Home



- Britvic Ireland 29%
- Coca-Cola Bottlers 35%
- GlaxoSmithKline 14%
- Danone 7%
- All other 15%

Total Ireland Licensed On-Trade



- Britvic Licensed Wholesale 37%
- Coca-Cola Bottlers 41%
- Red Bull 9%
- GlaxoSmithKline 6%
- Gleesons 5%
- All other 2%

Source: AC Nielsen Scantrack data to November 2007 and Licensed On-Trade data to September 2007 total coverage MAT.

Market dynamics

The deal is set to be earnings enhancing in the first full year before integration costs with the cost of capital covered in the second full year.

Britvic Ireland is an excellent fit with Britvic's existing business. The brand profiles of each are very similar with a good spread of juices, water, squashes and carbonates, while both companies hold the franchises for Pepsi and 7UP in their respective territories. The acquisition also reunites the Britvic brand in GB and Ireland. Britvic Ireland operates its own wholesale and distribution network, a vital route to market in a country with a largely independent pub sector.

Company facts

- Second largest branded soft drinks business in Ireland.
- Turnover €269.9m for the year ended 27 February 2007.
- Number one brand in four soft drink categories.
- Operates its own wholesale and distribution network.
- Based in Dublin with facilities across Ireland.
- The on-premise channel is the biggest profit driver.

Business integration

- Acquisition completed 29 August 2007.
- Key senior management team retained and business run largely autonomously with support from GB.
- Existing Britvic International operations in Ireland on course to be merged by end of January 2008.

Integration – key figures

- Anticipated annual pre-tax synergies of around €14m:
  – €3m through revenue efficiencies.
  – €11m through cost efficiencies.
- One-off integration costs to achieve these synergies in the region of €20–25m including €10m 'catch up' maintenance capital expenditure.

Brand highlights 06/07

- Britvic's successful J2O brand introduced in Ireland in October 2007 focused at first on licensed on-premise and food service with planned media support.
- Ballygowan's award winning 'Bodies Never Lie' TV campaign drove continued growth in the brand.
- H2OH!, a naturally flavoured water from 7UP, was launched in April with good early signs, capitalising on the success of 7UP Free in Ireland.
- GDA labelling was rolled out in mid 2007 with completion planned for mid-2008.
- Stimulant drink Energise Edge launched in September 2007 with encouraging early sales.

Current Trading and Outlook

The conditions in the soft drink market continued to be challenging at the beginning of our new financial year, reflecting the normal residual impact of a poor summer. However, the fundamentals of the market remain strong and the market has shown modest growth in recent weeks.

Against this background, Britvic has continued to grow its top line in the period since its year-end, and we remain confident that we are well positioned for the year ahead, building on the recent acquisition of Britvic Ireland, further cost saving opportunities and a continued focus on the innovation pipeline.

Financial and Business Review

The following discussion is based on Britvic's results for the 52 weeks ended 30 September 2007 ('the period') compared with the same period last year.

Key performance indicators

The principal key performance indicators that management uses to assess the performance of the Group in addition to income statement measures of performance are as follows:

- Volume growth – increase in number of litres sold by the Group relative to prior period.
- Average Realised Price ('ARP') – average revenue per litre sold.
- Revenue growth – increase in sales achieved by the Group relative to prior period.
- Brand contribution margin – revenue less material costs and all other 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 Britvic's financial performance, because it provides a measure of contribution at brand level.
- Operating profit margin – operating profit before exceptional items and before the deduction of interest and taxation divided by revenue.
- Free cash flow – net cash flow excluding movements in borrowings, dividend payments and non-cash exceptional items.
- Return on invested capital ('ROIC') – ROIC is a performance indicator used by Management and defined as operating profit after tax before exceptional items as a percentage of invested capital. Invested capital is defined as non-current assets plus current assets less current liabilities, excluding all balances relating to interest bearing liabilities and all other assets or liabilities associated with the financing and capital structure of the Group and excluding any deferred tax balances.

Overview

In the period Britvic out-performed the soft drinks market in all of its key categories with strong revenue growth up 5.7% to £716.3m, including the five-week contribution from Britvic Ireland. Adjusting for the £13.8m contribution from Britvic Ireland, revenue growth was 3.7% to £702.5m with total volumes up 2.7%.

Operating profit before exceptional items for the period was up 8.5% to £80.0m with operating profit margin also showing improvement at 11.2% up 30 basis points. Excluding the £0.8m contribution from Britvic Ireland, operating profit was up 7.5% at £79.2m with operating profit margin up strongly by 40 basis points to 11.3%. PAT for the period was £44.0m, up 11.1% on the prior period, with EPS up 10.9%. The following narrative on stills, carbonates and our International business does not include the five-week contribution from Britvic Ireland.

£716.3m

Total branded revenue.

Stills	52 weeks ended 30 September 2007 £m	52 weeks ended 1 October 2006 £m	% change
Volume (millions litres)	463.4	446.5	3.8
ARP per litre	72.1p	72.1p	0.0
Revenue	334.3	321.7	3.9
Brand contribution	154.7	152.0	1.8
Brand contribution margin	46.3%	47.2%	(0.9)%pts

In stills we have seen a continued solid out-performance against the market across all key categories during the period with revenue growth of 3.9% to £334.3m. Volumes were up 3.8% against a market which was down 3.4%, having been severely impacted by the exceptionally poor weather in the second half.

This strong performance was driven by:

- J2O, core Fruit Shoot and Robinsons squash consolidating their positions as market leading brands, with Robinsons large pack performing particularly well.
- H2O, our kids' water brand continuing to grow strongly.
- The relaunch of Drench as our take-home water brand showing promising signs.
- Pennine Spring displaying good growth, now being the third largest on-premise water brand.

ARP was flat on the year with the second half impacted by the growth in water volumes and Robinsons large pack. The ARP for water is more in line with the company average which is lower than the stills ARP. Although Robinsons large pack ARP is lower than the one-litre packs the brand contribution margin is now very similar following our investment in this area earlier in the year.

Brand contribution margin is down 0.9 percentage points at 46.3%. Stills have been affected by increasing input costs such as juice, although this has been mitigated to some extent by our PVO programme. The margin decline also reflects the focus of an increasing proportion of our Advertising & Promotional ('A&P') spend on our stills brands.

Carbonates	52 weeks ended 30 September 2007 £m	52 weeks ended 1 October 2006 £m	% change
Volume (millions litres)	865.3	848.3	2.0
ARP per litre	39.6p	39.2p	1.0
Revenue	342.6	332.5	3.0
Brand contribution	136.4	130.1	4.8
Brand contribution margin	39.8%	39.1%	0.7%pts

Carbonates have delivered a solid performance over the period with revenue growth of 3.0% to £342.6m. This performance has been driven by further market share gains by Pepsi and a strong performance from 7UP. Revenue also benefited from the distribution gains in the increasingly important discounters sector made in the period which shows a similar ARP and margin profile to the rest of the business.

A continued focus on promotional effectiveness, especially over the poor summer where we backed away from chasing volumes that were not there, combined with improved price mix, led to ARP being up 1.0% over the period.

Direct product costs are slightly up over the year although this is more about first half FY06 costs being low, due to pack mix, than an actual price increase in the products themselves. Costs were in fact fairly constant at 22.8p per litre throughout this year.

Brand contribution margin increased by 0.7 percentage points due to less A&P spend, as spend has been redirected to the stills brands which has more than offset any increases in direct product costs and hence margin continues to trend upwards.

£75.1m

53.6% free cash flow improvement on last year.

International	52 weeks ended 30 September 2007 £m	52 weeks ended 1 October 2006 £m	% change
Volume (millions litres)	37.7	35.8	5.3
ARP per litre	68.0p	65.6p	3.7
Revenue	25.7	23.5	9.4
Brand contribution	8.3	7.0	18.6
Brand contribution margin	32.3%	29.8%	2.5%pts

Our International business continues to deliver a strong performance with revenue growth of 9.4% to £25.7m. This has been driven by the consolidation of our strong market position in the Netherlands, Denmark and Sweden, as well as our entry into the Finnish market with Robinsons dilutes.

The increase in brand contribution margin of 2.5 percentage points can be explained by the growing contribution from major country launches in FY06 which attracted high launch costs that year.

Direct product cost increases of 4.9% are a direct result of juice cost increases which were not mitigated here with PVO savings (as there are few large PET sales compared to GB) and also the cost of exporting growing volumes to the new Scandinavian markets.

Costs and overheads	52 weeks ended 30 September 2007 £m	52 weeks ended 1 October 2006 £m	% change
Non brand A&P	(7.0)	(6.1)	(14.8)
Fixed supply chain	(66.2)	(68.0)	2.6
Selling costs	(85.7)	(86.0)	0.3
Overheads and other	(61.3)	(55.3)	(10.8)
Total	(220.2)	(215.4)	(2.2)
Total A&P spend	(46.7)	(44.6)	(4.7)
A&P as a % of net revenue	6.6%	6.6%	0.0

Overall, we have maintained our investment in total A&P in line with FY06 to continue our long-term brand building programme. However, spend continues to be below our stated aim of circa 7% as we modified our A&P programme in the second half of the year in response to the poor summer market conditions.

Fixed supply chain costs are down by circa £2m due to the benefit of our business transformation cost savings programme.

The slight decrease in selling costs despite increased revenue can be explained by strong management action to reduce costs in response to the poor summer weather. Some of these costs will clearly need to be reinstated in FY08.

The increase in overheads and other of circa £6m is due to a £8m short-term bonus provision reflecting the strong revenue and profit performance over the period and a £2m decrease in costs, due to a sharp focus on costs, again in response to the poor summer trading conditions.

Exceptional items

During the period, Britvic incurred exceptional operating costs and profits which net to £5.7m in total. The main elements of this comprised:

- Restructuring costs of £8.1m:
  - Circa £2m resulting from the £5m Business Transformation Programme overhead cost savings achieved during FY07 and relating principally to redundancy costs and advisor fees.
  - Circa £3m relates to the outsourcing of the secondary distribution network announced during the year. This was initially identified as an exceptional cost for FY08 but the acceleration of the project has brought it forward into FY07.
  - Circa £3m relates to the costs associated with the sale of our Tamworth Depot.
- A £1.2m cost relates to the acquisition of Britvic Ireland and represents those items involved in getting the sale and purchase agreement signed that cannot be capitalised onto the balance sheet.
- A £3.1m cost relates to transitional award shares vesting under the Performance Share Plan ('PSP').
- A £2.1m returnable bottle impairment.
- £3.4m relates to the profit on disposal from the sale of our Tamworth Depot.
- £5.6m relates to a pension curtailment gain relating to employees who transferred to KN Drinks Logistics due to the outsourcing of our secondary distribution network.

Interest

The net finance charge before exceptional items for the period for the Group was £18.7m compared with £17.8m in the same period in the prior year. Adjusting for the impact of Britvic Ireland of approximately £0.8m, interest is broadly in line with last year at £17.9m.

Taxation

The tax charge of £17.3m before exceptional items represents an effective tax charge of 28.2%. The effective tax rate as reported in the accounts for the previous year was 29.2%. Including the effect of exceptional items, the effective tax rate was 23.6%, which is lower than last year's rate of 33.7%, due to the non-taxable profits made on the sale of our Tamworth depot and a reduction in the UK corporation tax rate for FY08 affecting the deferred tax.

Earnings per share

Basic EPS for the period, excluding exceptional items, was 20.4p, up 10.9% on EPS for the same period last year of 18.4p. Basic EPS (after exceptional items) for the period was 19.7p compared with 11.2p for the same period last year.

Dividends

The Board is recommending a final dividend for 2007 of 7.7p per share. Together with the interim dividend of 3.3p per share paid on 29 June 2007, this gives a total dividend for the year of 11.0p per share, an increase of 10.0% on the dividend paid last year. Subject to approval at the Annual General Meeting ('AGM'), the total cost of the dividend for the year will be £22.2m and the final dividend will be paid on 15 February 2008 to shareholders on record as at 7 December 2007.

Cash flow and net debt

Free cash flow was £75.1m, before adjusting for Britvic Ireland, £26.2m ahead of the prior year, driven by a continued focus on working capital and capital expenditure management. Including Britvic Ireland, there was a cash outflow of £92.6m compared to a cash inflow of £48.9m in the prior year, driven by the purchase itself.

Additional contributions were made to the defined benefit pension scheme of £10m in the year (2006: £30m). At 1 October 2007, the Group's net debt was £403.6m compared to £282.6m at 1 October 2006. The increase in borrowings of £121.0m was principally due to the acquisition of Britvic Ireland.

Capital employed

Non-current assets increased in the year from £316.0m to £487.3m due in the main to the acquisition of Britvic Ireland.

Depreciation decreased in the year by £1.5m to £36.8m. The reduction on the prior year reflects the level of disposals made in the year, the sale of the Tamworth depot being the primary contributor.

Current assets also increased from £151.1m to £202.5m, again reflecting the acquisition of Britvic Ireland. Comparing prior year like-for-like numbers, inventories have remained at the same level and receivables have reduced slightly.

At the same time current liabilities increased from £171.4m to £223.2m driven principally by an increase in trade and other payables. The acquisition of Britvic Ireland has contributed to this increase.

ROIC, excluding Britvic Ireland, has improved to 20.7% from 17.0% in FY06 reflecting the continued focus on costs, cash flow and the proactive management of the Group's asset base.

Share price and market capitalisation

At 30 September 2007 the closing share price for Britvic plc was 323p. The Group is a member of the FTSE 250 index with a market capitalisation of approximately £843m at the period end.

Treasury management

The financial risks faced by the Group are identified and managed by a central Treasury department. The activities of the Treasury department are carried out in accordance with Board approved policies and are subject to regular audit and Treasury Committee scrutiny. The department does not operate as a profit centre.

Key financial risks faced by the Group include exposures to movement in:

- Interest rates.
- Foreign exchange.
- Commodity prices.

The Treasury department is also responsible for the management of the Group's debt liquidity, currency requirements and cash. A key activity in the period was to replace around £229m of bank-based borrowings with the proceeds of a private placement. The issue of the placement, largely in the US, had the following features:

- A maturity ranging from seven to twelve years;
- Sterling and US dollar proceeds (the latter swapped to sterling);
- All proceeds on an effective fixed-interest rate basis after taking into account the effects of the interest rate swap arrangements.

At 30 September 2007, the Group's net debt of £403.6m consisted of £195.3m drawn under the Group's committed bank facility, £13.1m of drawings under uncommitted bank facilities and £223.7m of private placement notes. This was netted off with £27.3m of surplus cash and £1.2m of issue costs of loans.

Pensions

The Group operates a pension scheme, which has both a defined benefit fund and a defined contribution fund. The defined benefit section of the scheme was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the scheme. As a result of the full actuarial valuation carried out as at 31 March 2004, further contributions of £30m were made in March and December 2005 and an additional £10m in December 2006. Additional contributions of £10m per annum will be made in December 2007 to 2010 (total of £40m) in order to further reduce the funding deficit in the scheme.

The Group IAS 19 deficit at the full year was £5.6m. Excluding Britvic Ireland, there is an IAS 19 surplus at the full year of £9.1m (£65.8m deficit at 1 October 2006). The change from a deficit to a surplus is mainly due to changes in actuarial assumptions applied as at 30 September 2007. It should be noted that this is an accounting valuation and is subject to high volatility.

Business Resources

Britvic is one of the two leading branded soft drinks businesses in GB and Ireland. It is one of the top two soft drinks businesses in the GB take-home channel, is the leading soft drinks supplier to the GB licensed on-trade and is a significant player with a growing presence in the leisure and catering channel.

The main resources the Group uses to achieve its results are:

- An extensive and balanced portfolio of stills and carbonates brands, including Robinsons, Pepsi, 7UP, Tango, J2O, Britvic, Fruit Shoot, R Whites and Pennine Spring. The breadth and depth of Britvic's portfolio enables it to target consumer demand across a wide range of consumption occasions, in all the major soft drinks categories and across all relevant routes to market. The strength of Britvic's brand portfolio is underpinned by its consumer insight and product development capability which has consistently enabled it to produce innovative products, packaging formats and promotional activity designed to meet evolving consumer tastes and preferences. During the period we acquired the soft drinks and distribution businesses of C&C Group plc for €249.2m (£169.5m) in cash ('Britvic Ireland'). Britvic Ireland owns a number of leading brands in the Republic of Ireland and Northern Ireland, including Club, Ballygowan water, Britvic, Cidona, MiWadi, and Energise Sport, as well as the rights to the Pepsi and 7UP brands.
- A successful long-standing relationship with PepsiCo that resulted in the Exclusive Bottling Agreement ('EBA') being renewed in GB in 2004 for a further 15 years, with an extension to 2023 on admission to the London Stock Exchange. The acquisition of Britvic Ireland has further strengthened this relationship with the EBA for Ireland lasting until 2019. This relationship gives Britvic the exclusive right to distribute the Pepsi and 7UP brands in GB and Ireland, access to all new carbonated drinks developed by PepsiCo for distribution in GB and Ireland and, to support the development of its carbonates offering, access to PepsiCo's consumer and customer insight, competitor intelligence, marketing best practice, brand and product development expertise and technological know-how.
- A strong customer base. In take-home, Britvic's customers include the 'Big 4' supermarkets (Tesco, J Sainsbury, Asda and Morrisons) together with a number of other important grocery retailers. The Group has significant supply arrangements with a number of key players in the GB pub sector and leisure and catering channels. Through Britvic International, the Group has built on the success of the Robinsons and Fruit Shoot brands by introducing these products into markets outside GB.
- Britvic also has a well-invested and flexible production capability and a recently outsourced distribution network that, according to AC Nielsen, enabled its soft drinks to be made available to consumers at over 96% of the points of sale (on a sterling-weighted value basis) in the GB take-home and over 94% of the points of sale of the licensed on-trade channels in 2007.

Risks and Uncertainties

Robinsons Squash consolidated its number one position with new large pack production driving volume share.

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

Risks relating to the Group

- A decline in certain key brands.
- A termination or variation of its bottling and distribution arrangements with PepsiCo or an adverse development in the PepsiCo relationship.
- A further consolidation in its customer base.
- Any interruption in, or change in the terms of, the Group's supply of packaging and raw materials.
- Any failure in the processes or the IT systems implemented as part of the Business Transformation Programme.
- Any inability to protect the intellectual property rights associated with its current and future brands.
- Contamination of its raw materials or finished products.
- Litigation, complaints or adverse publicity in relation to its products.
- Loss of key employees.
- Any increase in the Group's funding needs or obligations in respect of its pension scheme.
- Any failure or unavailability of the Group's operational infrastructure.
- Changes in accounting principles or standards.

Risks relating to the market

- A change in consumer preferences, perception and/or spending.
- Poor economic conditions and weather.
- Potential impact of the smoking ban or other regulatory developments.
- Actions taken by competition authorities or private actions in respect of supply or customer arrangements.
- Actions by the Group's competitors.

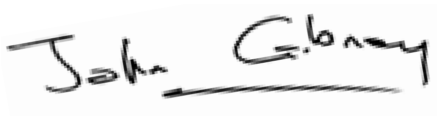
Risks relating to the ordinary shares

There are risks arising out of an investment in ordinary shares because of:

- US holders potentially not being able to exercise pre-emptive rights.
- Potential share price volatility.
- Sterling dividend payments giving rise to currency exposure for investors whose principal currency is not sterling.
- PepsiCo's right to terminate the EBAs on a change of control which may affect the ability of a third party to make a general offer for the ordinary shares.

Corporate Responsibility

John Gibney
Finance Director



We were the first soft drinks company to join WRAP, a government sponsored partnership that encourages efficient materials use and recycling.

At Britvic we seek to evolve our Corporate Responsibility ('CR') agenda in a way that is strategic and transparent.

Our commitment

Our commitment, approved by the plc Board and Executive Committee, addresses the key issues of environment, workplace, supply chain, marketplace and community.

Common goals

Employees from across the business contribute to our CR goals, which is guided by a Corporate Responsibility Committee. Membership of the CR Committee is drawn from different areas of the business and includes places for employee volunteers, rotated year-by-year. This underlines that corporate responsibility is not just an activity for experts, but an area that must engage the energies of all our people.

A transparent programme

Our CR roadmap sets out our targets for the year and who is responsible for delivering them. To increase transparency we have made the document freely available on britvic.com The road map identified 15 topics on which we committed to make substantive progress in the year. In the event 12 were fully achieved and we are making good progress on the remaining items.

The following sections identify some of the significant milestones in our CR progress this year.

Environment

Britvic's environment policy is now available on Britvic.com In addition, we have set clear targets for reduction in key performance areas (see table).

Key environmental activities in the year included the installation of new high efficiency boilers at our Norwich and Huddersfield factories, major projects to re-use hot water at our factory in Chelmsford, improvements to our air compressor control systems, and the introduction of waste segregation and recycling in non-production sites.

Packaging is an important environmental issue and we have produced an annual saving of over 1,300 tonnes of plastic packaging in the year and eliminated PVC from our range. In addition, we were the first soft drinks company to join WRAP, a government sponsored partnership that encourages efficient materials use and recycling.

Workplace/employees

This was the year of embedding our new core purpose with employees, and empowering them to get more involved with CR activities.

We undertook a review of our current employment policies to ensure that they match best practice and reflect the spirit of Britvic's values. Thirteen individual policies were reviewed, renewed and updated. As part of this review, we launched a new volunteering policy, focused on the development of our

2007 targets and achievements	2007 target	2007 result
Energy kWh per tonne produced	–2%	–9.4%
Effluent M^3 per tonne produced	–2%	–7.2%
Water M^3 per tonne produced	–2%	–6.0%
Landfill solid waste Kg per tonne produced	–7%	–15.7%
Accidents frequency rate per 100,000 hours worked	–5%	–27.9%

people and building on the great work our employees were already undertaking in our communities.

Our policies ensure that health and safety issues are considered a priority against commercial decisions and we have succeeded in reducing accidents again this year. Our injury rate now stands at only 38% of the industry benchmark rate. Further new health and safety initiatives are planned that will build on achievements in this area for the benefit of all employees.

For the first time we asked our employees what they thought of our CR efforts as part of our annual employee opinion survey. This will enable us to benchmark employee engagement with CR on a year-on-year basis.

Our policies ensure that health and safety issues are considered equally against commercial decisions. Our new health and safety committee will build on achievements in this area for the benefits of all employees.

Supply chain
During the year we became members of Supplier Ethical Data Exchange ('SEDEX'). We audited our seven GB factories and made key data available through the SEDEX system, connecting us to our suppliers, and enabling continuous improvements in ethical performance.

We set ourselves two big supply chain targets for 2007:

- Conduct a strategic risk analysis across key direct suppliers to Britvic.
- Review the audit process for all new suppliers.

We achieved them both.

We launched our ethical trading policy to all direct suppliers and for 100 of our top suppliers we conducted a risk analysis.

Marketplace/consumers
Guideline Daily Amount ('GDA') labelling was rolled out across our range over the course of the year. This industry-led scheme lists the amount of sugar, fat, saturates and salt, and details the number of calories present in each serving. Labels also give the percentage of the guideline daily amount for each nutrient.

Service to the consumer has been extended through the provision of on-pack contact details for our consumer helpline currently rolling out across all our products.

Throughout the year we have been working on a number of brand-related CR initiatives that will be launched in our 2007–2008 financial year. The first of these, a partnership between the Really Wild Drinks Co and The Rainforest Alliance, launched in October 2007 and a £25,000 donation from the brand will give young indigenous people in the Cameroon rainforest better access to education.

Community
In 2007 we improved the management and measurement of our community investment, promoted our employee giving schemes, such as payroll giving and our matched funding scheme, as well as launched a new product donation scheme.

The London Benchmarking Group ('LBG') is generally accepted as being the standard methodology for measuring and managing company community programmes. We have not only adopted LBG methodology but also trained LBG champions at each of our sites.

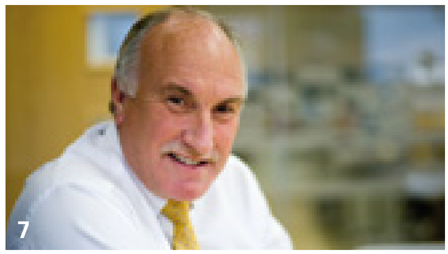
Our work with schools has been reinforced through our school tool kit which many of our employees use when volunteering to present to school children, or when we host schools at our factories. The kit is aimed at five to nine year olds and has been made generally available through our website.

The future
We have now developed a clarity of approach in our CR programme driven by issue and opportunity analysis, target setting and delivery. The purposeful cross-functional working and the enthusiasm of those directly involved in delivering our targets is being directed next year towards achieving more stretching targets.

Plans for the year include publishing an on-line CR report, detailing full analysis of our year's achievements as well as areas for improvement, an issues-led consumer education programme, developing a zero waste to landfill strategy, investigating the sustainability of agricultural practices in growing our key fruit crops and delivering an employee well-being action plan.

The thorough, committed CR work done by our employees this year gives us a springboard for future action.

Board of Directors



1 Gerald Corbett (56)
Independent Non-Executive Chairman

Gerald Corbett has been Non-Executive Chairman of the Company since 24 November 2005 and also chairs the Nomination Committee. He is Chairman of SSL International plc and Moneysupermarket.com Group Plc, and is a Non-Executive Director of Greencore Group plc based in Dublin. He is also Chairman of the Board of Trustees of the Royal National Institute for the Deaf. Gerald was Chairman of the Woolworths Group plc from 2001 to June 2007, Chief Executive of Railtrack plc from 1997 to 2000, Group Finance Director of Grand Metropolitan plc from 1994 to 1997 and was Group Finance Director of Redland plc between 1987 and 1994. He was a Non-Executive Director of the property group MEPC plc from 1995 to 1998 and Burmah Castrol plc from 1998 to 2000.

4 Chris Bulmer (49)
Independent Non-Executive Director

Chris Bulmer was appointed a Non-Executive Director on 24 November 2005 and chairs the Remuneration Committee. She is also a member of the Audit and Nomination Committees. Prior to joining Britvic, Chris Bulmer was from 2001 to 2003 the Group Human Resources Director for Brambles Industries plc and Brambles Industries Limited, and prior to that was Group Human Resources Director for Whitbread Group plc. Chris Bulmer has also worked for Diageo, Mars, Unilever and Blue Circle. She is also an Independent Trustee Director of Berkeley Square Pension Trustee Company Limited.

2 Paul Moody (50)
Chief Executive

Paul Moody became Chief Executive upon the Company's flotation in December 2005 and is responsible for the day-to-day running of the business. Prior to that he had held a number of senior roles including Managing Director and Chief Operating Officer. Paul Moody joined Britvic in 1996 as Director of Sales for grocery multiples (supermarkets) having previously worked for Golden Wonder and Pedigree Pet Foods. Paul Moody is also currently the President of the British Soft Drinks Association.

5 Joanne Averiss (44)
Non-Executive Director

Joanne Averiss was appointed a Non-Executive Director on 18 November 2005 and is the PepsiCo Nominee Director. Joanne Averiss has been a member of the PepsiCo legal department since 1990, holding a series of positions in the UK and the US and most recently acting as the Head of Legal (UK and Europe) for PepsiCo International's food and snack beverages division. She is also a Trustee and Chair of the Mesen Educational Trust.

3 John Gibney (47)
Finance Director

John Gibney was appointed Finance Director in 1999 and is responsible for finance, IT, legal, estates, risk management and business transformation. Prior to joining Britvic, John Gibney was Senior Corporate Finance & Planning Manager for Bass PLC, and prior to that role, Finance Director and subsequently Deputy Managing Director of Gala Clubs.

6 Michael Shallow (53)
Independent Non-Executive Director

Michael Shallow was appointed a Non-Executive Director on 24 November 2005 and chairs the Audit Committee. He is also a member of the Nomination and Remuneration Committees. He is, in addition, a Non-Executive Director of Domino's Pizza UK & IRL plc and Spice plc. Previously he was Finance Director of Greene King plc from 1991 to 2005 and prior to that was an associate partner with Andersen Consulting and held a senior accounting role at Kingfisher plc.

7 Bob Ivell (55)
Senior Independent (Non-Executive) Director

Bob Ivell was appointed a Non-Executive Director on 24 November 2005 and is the Company's Senior Independent Director. He is a member of the Audit, Nomination and Remuneration Committees. Prior to joining Britvic, Bob Ivell was on the board of Scottish & Newcastle plc as Chairman of the Retail Division. He is currently the Executive Chairman of Regent Inns Plc, Chairman of Next Generation Clubs Limited and a Director of Next (Holdings) Limited. During the 1980s Bob Ivell was the Managing Director of Beefeater.

Directors' Report

For the financial year ended 30 September 2007

The Directors are pleased to present their report and the consolidated financial statements of the Company and its subsidiaries for the financial year ended 30 September 2007.

Principal activities

The Group trades principally as a manufacturer and distributor of soft drinks.

Review of activities

A detailed review of the Group's activities and of future plans is contained within the Chairman's Statement on page 8 and the Chief Executive's Review and Operating and Financial Review on pages 9 to 19.

Results and dividends

The Group's profit for the financial year before taxation attributable to the equity shareholders amounted to £55.6m (2006: £36.5m) and the profit after taxation amounted to £42.5m (2006: £24.2m).

An interim dividend for the current year of 3.3p per ordinary share was paid on 29 June 2007.

The Directors are proposing a final dividend for the current year of 7.7p per share. This will be paid on 15 February 2008 to shareholders on the register at close of business on 7 December 2007, subject to shareholder approval.

Directors

The following were Directors of the Company during the financial year ended 30 September 2007: Gerald Corbett, Paul Moody, Joanne Averiss, Chris Bulmer, John Gibney, Bob Ivell and Michael Shallow.

In accordance with Article 79 of the Company's Articles of Association none of the current serving Directors are required to offer themselves for re-election until the AGM in 2010. Their biographical details are set out on pages 22 and 23 of this report.

Directors' interests

The Directors' interests in ordinary shares of the Company are shown within the Directors' Remuneration Report on pages 33 to 39. No Director has any other interest in any shares or loan stock of any Group company.

Other than Joanne Averiss, who is a director of a number of PepsiCo's subsidiaries, no Director was or is materially interested in any contract other than his service contract, subsisting during or existing at the end of the financial year which was significant in relation to the Group's business. Further details of Joanne Averiss' appointment are set out on page 29 in the Corporate Governance section of the Annual Report.

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries.

Directors' remuneration

The Remuneration Committee, on behalf of the Board, has adopted a policy that aims to attract and retain the Directors needed to run the Group successfully. The Directors' Remuneration Report is shown on pages 33 to 39.

Annual General Meeting

Details of the Company's forthcoming AGM are set out in a separate circular which has been sent to all shareholders with this report.

Employee involvement

The Group uses a number of ways to engage employees on matters that impact them and the performance of the Group. These include annual roadshows at key sites conducted by members of the Executive Committee, regular team meetings, the publication of a bi-monthly internal newsletter, 'The Mag', together with the 'b.link' intranet site containing easy access to the latest company information as well as company policies and vacancies. This year the Company launched formal quarterly business performance updates for employees, which are cascaded by line managers. An Employee Involvement Forum was established in 2004 through which nominated representatives ensure that employees' views are taken into account regarding issues that are likely to affect them. In addition, where the Company has entered into a recognition agreement with a Trade Union, it fulfils its obligations to consult and negotiate accordingly. The Group approaches these relationships from a partnership perspective. A robust employee opinion survey process is also in place to ensure that employees are given a voice in the organisation and that the Group can take action based on employee feedback.

All eligible employees are able to participate in the Britvic Share Incentive Plan which gives them the opportunity to purchase ordinary shares in the Company using money deducted from their pre-tax salary and to receive matching shares from the Company up to a maximum of £75 per four week pay period.

Britvic Ireland has a number of well established employee involvement mechanisms including team brief cascades to all employees, newsletters and Trade Unions.

Equal opportunities

The Group is committed to providing equality of opportunity to all employees without discrimination and applies fair and equitable employment policies which ensure entry into and progression within the Group. Appointments are determined solely by application of job criteria and competency.

Disabled persons

Disabled persons, whether registered or not, have equal opportunities when applying for vacancies, with due regard to their aptitudes and abilities. In addition to complying with legislative requirements, procedures ensure that disabled employees are fairly treated in respect of training and career development. For those employees becoming disabled during the course of their employment, the Group is supportive, whether through retraining or redeployment, so as to provide an opportunity for them to remain with the Group, wherever reasonably practicable.

Supplier payment policy

The Group agrees terms and conditions for its business transactions with suppliers. Payment is made in accordance with these terms provided the supplier meets its obligations. The average number of days of payments outstanding for the Group at the financial year end was 30 (2006: 41).

Political contributions

During the year the Group and its subsidiaries made no political contributions.

Charitable donations

During the year the Group has contributed £17,187 (2006: £36,491) to communities in the UK.

Major shareholders

As at 28 November 2007, the Company had been notified of the following major shareholdings.

	Number of ordinary shares	Per cent
Snowdon Acquisitions Limited	30,207,082	13.98
AXA S.A.	25,530,380	11.82
Barclays PLC	15,099,229	6.99
PepsiCo, Inc	10,739,120	4.97
J.P. Morgan Chase & Co.	10,576,107	4.89
Newton Investment Management Limited	10,178,856	4.71
Legal & General Group plc	8,845,302	4.09
Deutsche Bank AG	6,546,894	3.03
Aviva plc & its subsidiaries	6,507,470	3.01

Where not provided previously in this Directors' Report, the following provides the additional information required for shareholders as a result of the implementation of the Takeovers Directive into English law.

As at 30 September 2007, the Company's issued share capital comprised a single class of shares referred to as ordinary shares. Details of the ordinary share capital can be found in Note 22 to the financial statements.

On a show of hands at a general meeting of the Company every holder of ordinary shares present in person and entitled to vote shall have one vote and on a poll, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The notice of the AGM specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the general meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the AGM and published on the Company's website after the meeting.

There are no restrictions on the transfer of ordinary shares in the Company other than:

- Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws).
- Pursuant to the Listing Rules of the Financial Services Authority whereby certain employees of the Company require the approval of the Company to deal in the Company's ordinary shares.

Resolution 9, which will be proposed as a Special Resolution at the 2008 AGM, will give the Company authority to use its available cash resources to acquire up to 21,600,000 of its own shares in the market for either cancellation or to hold them as treasury shares. The Directors will only use this power after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels, and the overall position of the Company. The Directors will only purchase such shares after taking into account the effects on earnings per share and the benefits for shareholders.

IFG Trust (Jersey) Limited, as Trustee of the Britvic Employee Benefit Trust, holds 1.03% of the issued share capital of the Company as at 28 November 2007 in trust for the benefit of the Executive Directors, senior executives and managers of the Group. The voting rights in relation to these shares are exercised by the Trustee. The Trustee may vote or abstain from voting the shares or accept or reject any offer relating to shares, in any way it sees fit, without incurring any liability and without being required to give reasons for its decision. It may take all or any of the following matters into account:

- The long-term interests of beneficiaries;
- Interests of beneficiaries other than financial interests;
- Interests of beneficiaries in their capacity as employees or former employees or their dependants;
- Interests of persons (whether or not identified) who may become beneficiaries in the future; and
- Considerations of a local, moral, ethical, environmental or social nature.

The Trustee may not accept any offer relating to the shares without the prior written consent of the Company.

Under the rules of the Britvic Share Incentive Plan (the 'Plan') eligible employees are entitled to acquire shares in the Company. Plan shares are held in trust for participants by Equiniti Share Plan Trustees Limited (the 'Trustees'). Voting rights are exercised by the Trustees on receipt of participants' instructions. If a participant does not submit an instruction to the Trustees no vote is registered. In addition, the Trustees do not vote on any unawarded shares held under the Plan as surplus assets. As at 28 November 2007, Equiniti Share Plan Trustees Limited held 1.97% of the issued share capital of the Company.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid. The Company's banking arrangements are terminable upon a change of control of the Company. Certain other indebtedness becomes repayable if a change of control leads to a downgrade in the credit rating of the Company. The Company's agreements with PepsiCo are terminable upon a change of control, details of which are included on page 19.

The Company's Articles of Association may only be amended by a Special Resolution at a general meeting of shareholders. At the 2008 AGM a Special Resolution will be put to shareholders proposing amendments to the Company's existing Articles of Association in relation to the provisions of the new Companies Act 2006.

It is the Group's objective to manage its financial risk so as to minimise the adverse fluctuations in the financial markets on the Group's reporting profitability and cash flows. The specific policies for managing each of the Group's main financial risk areas are detailed in Note 27 to the financial statements.

Statement of Directors' responsibilities in relation to the financial statements

The Directors have chosen to prepare the Financial Statements for the Group in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, and for the Company in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP').

In the case of UK GAAP financial statements, English company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company 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;

- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

In the case of IFRS financial statements, IAS1 requires that the financial statements present fairly for each financial period the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. Directors are also required to:

- Properly select and apply accounting policies consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

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

Directors' statement as to disclosure of information to auditors

So far as each Director is aware, there is no relevant audit information (as defined by the Companies Act 1985) of which the auditors are unaware. Each Director has taken all steps that ought to be taken by a Director to make themselves aware of and to establish that the auditors are aware of, any relevant information.

A copy of the financial statements is placed on the Company's website. The maintenance and integrity of this website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

After making appropriate enquiries, the Directors have a reasonable expectation that the Company and the Group overall have adequate resources to continue operating for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

Ernst & Young LLP have indicated their willingness to accept reappointment as auditors of the Company and a resolution proposing their reappointment is contained in the Notice of AGM and will be put to the shareholders at the AGM.

By Order of the Board

John Price
Company Secretary
28 November 2007

Corporate Governance

Introduction

The Company is committed to high standards of corporate governance and supports the principles laid down in the revised Combined Code on Corporate Governance as issued by the Financial Reporting Council on 27 June 2006 (the 'Code'). This statement describes how the principles of the Code are applied and reports on the Company's compliance with the Code's provisions.

The Directors consider that the Company has been in compliance with the provisions of the Code throughout the year ended 30 September 2007 and to the date of this report.

Board of Directors

The Board currently has seven members, comprising the Non-Executive Chairman, Chief Executive, Finance Director, three further independent Non-Executive Directors and the PepsiCo nominated Non-Executive Director. All of the Directors bring strong judgement to the Board's deliberations. The Board is of sufficient size and diversity that the balance of skills and experience is considered to be appropriate for the requirements of the business. With the exception of the PepsiCo nominated Non-Executive Director, Joanne Averiss, the Non-Executive Directors are all independent of management and free from any business or other relationship, including those relationships and circumstances referred to in provision A.3.1 of the Code that could materially interfere with the exercise of independent and objective judgement. In addition to her fiduciary obligations to act in the best interests of the Company, Joanne Averiss is required under her letter of appointment to discharge her duties in the interests of the Company notwithstanding her connection with PepsiCo. The Company considers that, on appointment, the Chairman was independent for the purposes of provision A.3.1 of the Code. The Non-Executive Directors have all been appointed for a three-year term. The senior independent Non-Executive Director, Bob Ivell, is available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or Finance Director has failed to resolve or for which such contact is inappropriate.

At all times since listing there has been a majority of Non-Executive independent Directors on the Board, in compliance with Code provision A.3.2.

The biographical details of the Board members are set out on pages 22 and 23. The Directors have all occupied, or occupy, senior positions in UK and/or non-UK listed companies and have substantial experience in business. The Non-Executive Directors do not participate in any of the Group's pension schemes or in any of the Group's bonus, share option or other incentive schemes. All Directors must stand for election at the first AGM after they are appointed. The Articles provide that all Directors will stand for re-election at least every three years.

The Board is collectively responsible for the proper management of the Company. The Board normally meets ten times each financial year and has a formal schedule of matters reserved to it for decision making, including the approval of annual and interim results, annual budgets, material acquisitions and disposals, material agreements and major capital commitments. The Company Secretary maintains a record of attendance at Board meetings and Committee meetings, further details of which are set out on page 31. During the year the Chairman met with the Non-Executive Directors without the Executive Directors present.

Board members are given appropriate documentation in advance of each Board or Committee meeting. This normally includes a detailed report on current trading and full papers on matters where the Board will be required to make a decision or give its approval. Specific business-related presentations are given when appropriate.

There is an established procedure for the preparation and review, at least annually, by the Board of medium-term plans and the annual budget. The business reports monthly on its performance against its agreed budget. The Board receives a monthly update on performance and reviews any significant variances on a monthly basis. All major investment decisions are subject to post-completion reviews.

In line with agreed procedures, the Chairman has conducted interviews with each Director and assessed their individual performance. The Chairman has carried out an evaluation of the performance of the Board as a whole and of each Committee and, led by the senior independent Non-Executive Director, the Non-Executive Directors have assessed the performance of the Chairman taking into account the views of the Executive Directors. The conclusions of those assessments have been presented to the Board by the Chairman and the senior independent Non-Executive Director. The evaluation process is designed to cover Board processes, the structure and capability of the Board, strategic alignment, board dynamics and the skills brought to the Board by each Director.

The Board has approved a procedure for Directors to take independent professional advice at the Company's expense, if necessary. In addition, the Directors have direct access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed. Both the appointment and removal of the Company Secretary are matters for the Board as a whole. The Company Secretary is responsible for preparing and implementing an induction programme for Board appointees, including guidance as to their duties, responsibilities and liabilities as a Director of the Company and business familiarisation. Business familiarisation involves Directors visiting sites in the UK and giving the Directors the opportunity to meet senior managers around the business. They also have the opportunity to discuss organisational, operational and administrative matters. Every Director has access to appropriate training as required subsequent to appointment. The Company provides Directors' and Officers' insurance cover, in line with normal market practice, for the benefit of Directors in respect of claims arising in the performance of their duties.

The different roles of the Chairman and Chief Executive are acknowledged. A responsibility statement for each of those roles has been agreed with the Chairman and Chief Executive respectively and adopted by the Board. The Non-Executive Chairman is primarily responsible for the workings of the Board and ensuring that its strategic and supervisory role is achieved and for ensuring effective communication with shareholders. The Board has delegated appropriate responsibilities to the Executive Committee who are responsible for the day-to-day running of the business, carrying out agreed strategy and implementing specific Board decisions relating to the operation of the Group.

Board Committees

There are a number of standing Committees of the Board to which various matters are delegated. The Committees all have formal Terms of Reference that have been approved by the Board which are available on the Group's website (www.britvic.com). Details are set out below:

The Nomination Committee

The Nomination Committee comprises Chris Bulmer, Bob Ivell and Michael Shallow and is chaired by Gerald Corbett. The Committee meets as necessary and is responsible for considering and recommending to the Board persons who are appropriate for appointment as Executive and Non-Executive Directors. There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. This process involves the Nomination Committee interviewing suitable candidates who are proposed by either existing Board members or by an external search company. Careful consideration is given to ensure appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience on the Board is maintained. When dealing with the appointment of a successor to the Chairman, the senior independent Non-Executive Director will chair the Committee instead of the Chairman. When the Committee has found a suitable candidate, the Chairman of the Committee will make a proposal to the whole Board and the appointment is the responsibility of the whole Board following recommendation from the Committee.

The Remuneration Committee

The Remuneration Committee comprises Bob Ivell and Michael Shallow and is chaired by Chris Bulmer. It is responsible for: (i) making recommendations to the Board on the Group's policy on the remuneration of the Company's Chief Executive, Chairman, the Executive Directors, the Company Secretary and other senior executives; (ii) the determination, within agreed terms of reference, of the remuneration of the Chairman and of specific remuneration packages for each of the Executive Directors and other senior executives, including pension rights, any compensation payments and benefits; and (iii) the determination of employee share plans. It meets at least three times a year. Full details of its activities and of Directors' remuneration are set out in the Directors' Remuneration Report on pages 33 to 39. Those pages detail compliance with the legal requirements with regard to remuneration matters. The Chairman of the Committee reports the outcome of meetings to the Board.

The Audit Committee

The Audit Committee comprises Chris Bulmer and Bob Ivell and is chaired by Michael Shallow. The Board is satisfied that Michael Shallow, who is a Chartered Accountant and was until December 2005 Finance Director of Greene King plc, has recent and relevant financial experience as required by the Code.

The role of the Audit Committee is to monitor the integrity of the Group's interim and annual financial statements prior to their submission to the Board. It is also responsible for reviewing the Group's internal financial control and risk management systems, advising the Board on the appointment of external auditors, overseeing the relationship with the external auditors, approving auditor remuneration, reviewing the Group's whistle blowing procedures, reviewing accounting policies and compliance and monitoring and reviewing the effectiveness of the Group's full internal audit function.

The Committee had three meetings in the year during which it discharged its responsibilities as set out in its terms of reference and schedule of business for the year. On each occasion the Finance Director and the Head of Internal Audit and Risk attended through invitation. The external auditors attended all three of the meetings.

Significant areas of review during the year included the implementation of a new risk management and internal control framework. Outputs of this process were also reviewed at each of the Committee's meetings. The Committee also received comprehensive reports from the Head of Internal Audit and Risk on the results and progress of the internal audit plan.

The Audit Committee regularly monitors the relationship with the auditors and assesses their performance, cost-effectiveness, objectivity and independence. It agrees the scope of the audit work and discusses the results of the full year audit and interim review each year. The Committee met three times with the external auditors without management present.

It is a specific responsibility of the Audit Committee to ensure that an appropriate relationship is maintained between the Group and its auditors. The Group has a policy of controlling the provision of non-audit services by the external auditors in order to maintain their independence and ensure that their objectivity and independence are safeguarded. This control is exercised by ensuring non-audit projects, where fees are expected to exceed £50,000, are subject to the prior approval of the Chairman of the Audit Committee and the Finance Director. If non-audit project fees are expected to exceed £150,000 the prior approval of the Audit Committee is required. The Committee has scrutinised the internal procedures of Ernst & Young LLP and satisfied itself that the independence and objectivity of the auditors are not affected by the non-audit work undertaken.

The Audit Committee made use of this policy during the year in connection with the acquisition of the C&C Soft Drinks business in Ireland. The decision to use Ernst & Young for the due diligence work instead of another accountancy firm was taken on the basis that they would provide a more effective service given their considerable knowledge of Britvic, the complexity of the transaction and the desired timeframe for completion. However, it should be noted that several other pieces of significant work were assigned to other accountancy firms during the year where it was deemed that previous knowledge of the Group was not a pre-requisite.

Attendance at meetings

The attendance of Directors at Board and Committee meetings during the year ended 30 September 2007 was as follows:

	Board	Nomination Committee	Remuneration Committee	Audit Committee
Gerald Corbett	11	2	–	–
Paul Moody	11	–	–	–
Joanne Averiss	11	–	–	–
Chris Bulmer	10	2	4	3
John Gibney	11	–	–	–
Bob Ivell	11	2	3	3
Michael Shallow	11	2	4	3
Total number of meetings	**11**	**2**	**4**	**3**

Shareholder relations

The Company is committed to maintaining good communications with shareholders. Senior executives, including the Chairman, Chief Executive and Finance Director, have dialogue with individual institutional shareholders in order to develop an understanding of their views which is fed back to the Board. General presentations are given to analysts and investors covering the annual and interim results. The Operating and Financial Review set out on pages 9 to 19 details the financial performance of the Company as well as setting out the risks it faces and plans for the future. The Company Secretary generally deals with questions from individual shareholders. All shareholders will have the opportunity to ask questions at the Company's AGM on 30 January 2008. At the AGM, the Chairman will give a statement on current trading conditions. The Chairmen of the Audit, Remuneration and Nomination Committees will be available to answer questions at the AGM. The Chairman will advise shareholders on proxy voting details. In addition, the Group's website containing published information and press releases can be found at www.britvic.com

Internal control

The Board has overall responsibility for the Group's system of internal control and risk management and for reviewing its effectiveness. In discharging that responsibility, the Board confirms that it has established the procedures necessary to apply the Code, including clear operating procedures, lines of responsibility and delegated authority. These procedures have been in place since the Company listed and are regularly reviewed by the Board.

Business performance is managed closely and the Board and the Executive Committee have established processes, as part of the normal good management of the business, to monitor:

- Strategic plan achievement, through a regular review of progress towards strategic objectives;
- Financial performance, within a comprehensive financial planning and accounting framework, including budgeting and forecasting, financial reporting, analysing variances against plan and taking appropriate management action;
- Capital investment and asset management performance, with detailed appraisal, authorisation and post investment reviews; and
- Principal risks and risk management processes, which accords with the Turnbull guidance and is supported by reports from the Head of Internal Audit and Risk that the significant risks faced by the Group are being identified, evaluated and appropriately managed, having regard to the balance of risk, cost and opportunity. The Executive Committee review the Group risk register on at least a quarterly basis, with the Board reviewing on at least a semi-annual basis.

In addition, the Audit Committee received:

- Reports from the Head of Internal Audit and Risk on the work carried out under the annual internal audit plan; and
- Reports from the external Auditors.

Through the monitoring processes set out above, the Board has conducted a review of the effectiveness of the system of internal control during the financial year ended 30 September 2007. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and it must be recognised that it can only provide reasonable and not absolute assurance against material misstatement or loss. In that context, the review, in the opinion of the Board, did not indicate that the system was ineffective or unsatisfactory and the Board is not aware of any change to this status up to the approval of this report.

Directors' Remuneration Report

For the year ended 30 September 2007

The following is a report by the Remuneration Committee (the 'Committee') which has been approved by the Board of Britvic plc for submission to shareholders. This report has been prepared in accordance with the Companies Act 1985. It provides the Company's statement of how it has applied the principles of good governance relating to Directors' remuneration and is intended to communicate Britvic's policies and practices on executive remuneration to the Company's major shareholders and relevant institutions.

In accordance with the Companies Act 1985, a resolution will be submitted to the AGM to approve the Directors' Remuneration Report.

Membership of Remuneration Committee

During the year, the Committee consisted wholly of independent Non-Executive Directors: Chris Bulmer (Chairman of the Committee), Bob Ivell and Michael Shallow. At the invitation of the Chairman of the Committee, the Chairman of the Board, the Chief Executive Officer and Human Resources Director attend the meetings of the Committee except when their own remuneration is under consideration. Details of the attendance by Committee Members at Committee Meetings are shown in the Corporate Governance Report on page 31.

Composition and terms of reference

The Committee's composition and terms of reference are in line with the Combined Code and are available on the Company's website or on request. The Committee meets not less than three times a year and has responsibility for: (i) making recommendations to the Board on the Group's policy on the remuneration of the Company's Chief Executive, Chairman, the Executive Directors, the Company Secretary and other members of the Executive Committee; (ii) the determination, within agreed terms of reference, of the remuneration of the Chairman and of specific remuneration packages for each of the Executive Directors and other members of the Executive Committee, including pension rights, any compensation payments and benefits; and (iii) the determination of awards under the Company's employee share plans to the Executive Directors, the Company Secretary and other members of the Executive Committee. The Committee also ensures compliance with the Combined Code in this respect.

Advisors

The Committee has appointed an external consultant, Towers Perrin, to advise on executive compensation issues and in developing its performance-related remuneration policy. From time to time the Company is also advised by Towers Perrin on remuneration-related issues. The following individuals also provide material advice or services to the Committee during the year:

- Paul Moody (Chief Executive).
- Doug Frost (HR Director).
- Michael Mountford (Head of Compensation and Benefits).

Remuneration policy

The remuneration policy with respect to Executive Directors has been designed to provide market competitive remuneration relative to UK-listed companies of similar size and scope.

The Company believes that in order to meet its remuneration objectives, the remuneration of Executive Directors should comprise a balance between fixed and variable (performance-related) pay elements with the predominant proportion of potential reward being linked to performance. As a result, for superior performance, approximately two thirds of total remuneration is performance-related. For target performance, approximately 53% of total remuneration is performance-related.

The Committee constantly reviews remuneration policy to ensure that it is sufficiently flexible to take account of future changes in Britvic's business operations and environment and recognises key developments in remuneration practice and alignment to shareholder interests. Consequently, the policy set out in this report has applied during 2006/7 and will apply in 2007/8.

Remuneration objectives

The principal objective of the policy is to provide market competitive levels of remuneration, including incentive arrangements, which will reward successful execution of the Company's short-term and long-term strategy. The Committee believes that this requires:

- The provision of mid-market base salaries and incentive levels for the sector, with appropriate leverage to reward sustained exceptional performance and support the future growth aspirations of the Company.

- A reward structure that places an equal emphasis on short-term and long-term performance to support operating performance and to reward sustained longer-term performance.
- Incentive arrangements that are underpinned by a balance of operational and market-related performance metrics to provide both a focus on business performance and alignment with returns to the Company's shareholders.

Components of remuneration

	Purpose	Performance measure
Base salary	• Positions the role and the individual fairly within a competitive market range derived from a peer group of similar-sized UK-listed companies.	• Individual contribution and sustained value in the business.
Short-Term Incentive Plan ('STIP')	• Provides focus on the delivery of the financial targets set out in the Annual Budget.	• PBT (50%); net revenue (25%) and cash flow (25%).
Executive Share Option Plan ('ESOP')	• Provides focus on longer-term share price growth. • Reflects sustained delivery of earnings growth. • Alignment to shareholder interests.	• EPS growth during the three year vesting period.
Performance Share Plan ('PSP')	• Provides focus on sustained growth.	• Relative total shareholder return ('TSR') over a three year performance period against a peer group of 20 similar sector companies.

Remuneration in practice

Base salary

Salaries are reviewed annually to take account of market movement, individual contribution and increases elsewhere in the Company. Directors' salaries are benchmarked against a selected peer group of UK companies with similar levels of revenue. The salaries of other members of the Executive Committee are benchmarked against a selected group of major companies in the Fast Moving Consumer Goods ('FMCG') and Retail sectors, where the Committee sees the primary market for talent at this level.

Short-Term Incentive Plan

Targets are approved by the Committee at the beginning of the year and are aligned to internal targets and strategic business objectives for 2006/7. Up to 60% of salary for the Chief Executive and 50% of salary for the Finance Director is payable for the achievement of target PBT, Net Revenue growth and cash flow performance on a 50%/25%/25% basis. Up to a maximum of 120% and 100% of salary is payable for the achievement of exceptional performance targets for the Chief Executive and Finance Director respectively. For 2006/7, a bonus of 102% of salary for the Chief Executive and 85% of salary for the Finance Director was earned for maximum performance against PBT and cash flow but just below target performance in Net Revenue growth. Details of PBT and Net Revenue are shown on page 41 and cash flow on page 43.

For 2007/8 the Committee decided that the same structure as applied in 2006/7 should continue. Target bonuses will be paid for achievement of performance measures based on PBT, Net Revenue growth and cash flow set at appropriately stretching levels. The target and maximum incentive opportunities will also remain the same.

Executive Share Option Plan

Annual grants of options are made at the discretion of the Board over shares in Britvic plc at the market price at date of grant to senior executives (24 in 2006/7). The level of option grant and the performance conditions are determined and reviewed by the Committee annually. For 2006/7 and thereafter the current policy is to grant the options over shares worth 200% and 150% of annual salary to the Chief Executive and Finance Director, respectively. Options are normally exercisable between three and ten years from the date of grant.

A performance condition is applied such that 40% of the grant vests for the achievement of EPS growth over the three-year performance period equivalent to RPI +3% per annum. No awards will vest below this threshold level of performance. For achievement of EPS growth equivalent to RPI +7% per annum over the same period, 100% of the grant will vest, with straight-line vesting between threshold and maximum. Options lapse to the extent that the performance condition is not achieved.

The acquisition of the C&C soft drinks and associated businesses in Ireland will be included in the calculation of EPS for 2007/8 and beyond.

Performance Share Plan

Annual grants of performance shares are made at the discretion of the Board to senior executives and managers (77 in 2006/7). The awards normally vest at the end of the three-year performance period, to the extent that the performance condition will have been achieved, and lapse to the extent it is not achieved. For 2006/7 and thereafter the current policy is to grant the equivalent of 50% of annual salary to Executive Directors, calculated on the basis of the market price at the date of grant. For awards to vest in full under this plan, Britvic's TSR must rank in the top quartile of the peer group of the following 20 similar sector companies over the same period:

AG BARR	Nichols
Associated British Foods	Northern Foods
C&C Group	Premier Foods
Cadbury Schweppes	Reckitt Benckiser
Dairy Crest	SABMiller
Diageo	Scottish & Newcastle
Fuller Smith	Smith & Nephew
Greene King	SSL International
IAWS Group	Tate & Lyle
Marston's (formerly Wolverhampton & Dudley)	Uniq

No awards will vest for performance below median, with 40% of the award vesting at median rising to 100% at upper quartile on a straight-line basis. For 2007/8, it is proposed that the same peer group of companies will be used.

During 2006/7 two companies on the original list of comparator companies (RHM and Arla Foods) were taken over and subsequently excluded from the list. The Committee considered whether to replace these two companies in order to protect against volatility and decided that the remaining 20 companies are sufficient for this purpose. The Committee will keep the comparator companies under review.

Shareholding guidelines

In accordance with best practice and further to align the interests of Executive Directors and shareholders, a shareholding guideline is in place. The guideline requires Executive Directors to acquire a shareholding equal to their annual salary within five years from IPO (calculated at the IPO share price). Until this holding is acquired, the Executive Directors may not sell any shares other than to finance the cost of exercising options and any tax liabilities arising from the vesting of long-term incentives plans, unless approved by the Committee, for example, in cases of financial hardship.

Retirement benefits

The Executive Directors currently participate in the defined benefit section of the Britvic Pension Plan (the 'Plan'). This broadly provides a pension of two thirds of final salary along with life assurance, ill health and dependants' pensions. The retirement age for Executive Directors is 60. Bonus payouts and other incentive awards are not pensionable.

The Executive Directors also currently participate in the Britvic Executive Top Up Scheme, the Company's unfunded supplementary retirement benefits scheme. Prior to the legislative changes on 6 April 2006 (A-Day), the Top Up Scheme provided pension benefits above the previous HM Revenue & Customs ('HMRC') earnings cap to which the Plan was subject. Post A-Day, this earnings cap has been removed for future service within the Plan. For pre A-Day service the earnings cap is maintained within the Plan and will be indexed by inflation (in line with Treasury notification). The Top Up Scheme is maintained to provide pension benefits above the earnings cap for pre A-Day service and to provide benefits above the new lifetime allowance for post A-Day service.

The defined benefit section of the Plan is closed to new entrants. All new entrants are offered membership of the defined contribution section of the Plan with similar life assurance, ill health and dependents' pensions.

In accordance with the Committee's terms of reference, it will, in 2007/8, undertake a strategic review of pension policy in respect of the Executive Directors.

Other benefits

Executive Directors receive an annual car benefit or allowance and membership of the Company's private medical healthcare plan.

Service contracts

The current policy is for Executive Directors' service contract notice periods to be normally no longer than 12 months.

The service contracts of the current Executive Directors and the letters of appointment of the Non-Executive Directors include the following terms:

	Effective date of contract	Unexpired term (approx. months)	Notice period from Director (months)	Notice period from Company (months)
Executive Directors:				
Paul Moody	14 December 2005	12*	6	12
John Gibney	14 December 2005	12*	6	12
Non-Executive Directors:				
Gerald Corbett	14 December 2005	12	12	12
Joanne Averiss	14 December 2005	12	3	3
Chris Bulmer	14 December 2005	12	3	3
Bob Ivell	14 December 2005	12	3	3
Michael Shallow	14 December 2005	12	3	3

* Executive Directors are appointed on 12-month rolling contracts.

There are no special provisions for Executive or Non-Executive Directors with regard to compensation in the event of loss of office. In the event of the employment of an Executive Director being terminated, the Committee would pay due regard to best practice and take account of the individual's duty to mitigate their loss.

Biographical details of all Directors can be found on pages 22 and 23.

Other appointments

The Executive Directors have not been engaged by any other companies and are not permitted to do so during the term of their appointment without the prior written consent of the Board.

Non-Executive Directors

Chairman's Letter of Appointment and Benefits

Under his Letter of Appointment, Gerald Corbett was appointed Chairman of the Company for a three-year term. In July 2007, following a change to the arrangements by which Mr Corbett was provided with partial reimbursement of costs incurred by him in respect of a motor vehicle and chauffeur (as set out in his Letter of Appointment), his annual fee as Chairman was reduced from £180,000 to £165,000, the annual allowance of £25,000 made to him in respect of a motor vehicle and chauffeur costs ceased and the Company employed a chauffeur assigned to Mr Corbett.

Non-Executive Directors

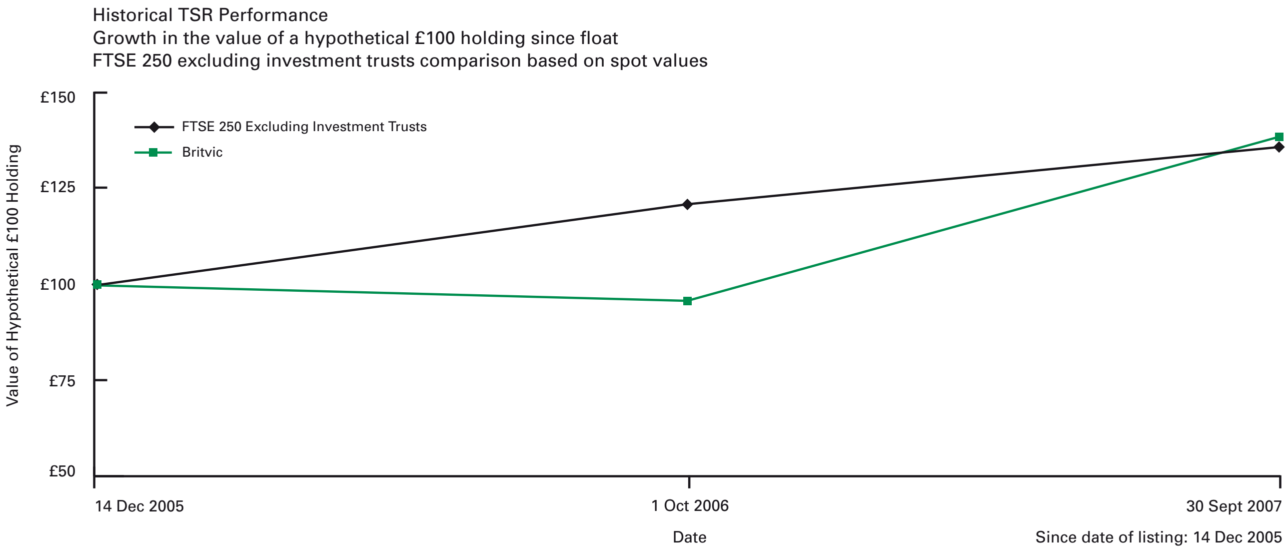
The Non-Executive Directors do not have service contracts but instead have Letters of Appointment for a three-year term.

Remuneration of Non-Executive Directors consists solely of fees. During the year their basic fee was £33,000 per annum and an additional fee of £2,000 per annum was paid to the Senior Independent Director and to the Chairmen of the Board Committees.

Non-Executive Directors' fees are determined by the Board annually and they do not participate in any of the Group's pension schemes or in any of the Group's bonus, share option or other incentive schemes.

Performance graph – Total Shareholder Return

The following graph shows the Total Shareholder Return ('TSR') of the Company in comparison to an appropriate index for the period since flotation.



The Committee considers the FTSE 250 Excluding Investment Trusts Index is a relevant index for Total Shareholder Return and comparison disclosure as it represents a broad equity market index in which the Company is a constituent member.

Directors' interests in shares

	Britvic plc ordinary shares of 20p each	
	30 September 2007	1 October 2006
Executive Directors:		
Paul Moody	114,527	22,325
John Gibney	108,150	32,325
Non-Executive Directors:		
Gerald Corbett	65,217	65,217
Joanne Averiss	8,696	8,696
Chris Bulmer	6,522	6,522
Bob Ivell	10,870	10,870
Michael Shallow	21,739	21,739

The above shareholdings are all beneficial interests and include shares held on behalf of the Executive Directors by the Trustee of the Company's all-employee Share Incentive Plan which is detailed on page 79.

In the period 30 September 2007 to 28 November 2007 there has been no change in the Directors' interests, other than through the monthly purchases in October and November of partnership and matching shares under the Share Incentive Plan, resulting in an increase in the interests held by Paul Moody and John Gibney of 108 shares each.

Audited information

The following information has been audited by the Company's auditors, as required by Schedule 7A to the Companies Act 1985.

Directors' Remuneration

	Basic salary and fees £'000	Taxable benefits[1] £'000	Performance related bonuses £'000	Total 2007 £'000	Total 2006 £'000
Executive Directors:					
Paul Moody	424	20	432	876	366
John Gibney	273	23	231	527	254
Non-Executive Directors:					
Gerald Corbett[2]	197	11	–	208	163
Joanne Averiss	33	–	–	33	26
Chris Bulmer	35	–	–	35	28
Bob Ivell	35	–	–	35	28
Michael Shallow	35	–	–	35	28

Note:

1. Benefits for Paul Moody and John Gibney incorporate all taxable benefits and expense allowances arising from employment which relate mainly to the provision of an annual car benefit or allowance and membership of the Company's private medical healthcare plan. Benefits for Mr Corbett relate to the provision of a chauffeur assigned to him.
2. Under an agreement between the Company and the Chairman, Mr Corbett will be awarded 65,217 ordinary shares by the Company (matching those he purchased on the Company's admission to the Official List and to trading on the London Stock Exchange on 14 December 2005 with an investment of £150,000), conditional upon completion of three years' service as Chairman on 13 December 2008 and the continued retention of his original investment.

Directors' interests in share options

The Executive Directors participate in the Britvic Executive Share Option Plan (on the terms and subject to the EPS growth performance condition as described on page 34).

		Number of options							
	Date of grant	At start of year/ date of appointment	Granted during year	Exercised during year	Lapsed during year	At end of year/ date of cessation	Option exercise price (pence)	Date from which exercisable	Expiry date
Paul Moody	15/12/05	338,776	–	–	–	338,776	245.0	15/12/08	15/12/15
	06/12/06	–	338,776	–	–	338,776	245.0	06/12/09	06/12/16
Total		**338,776**	**338,776**	**–**	**–**	**677,552**			
John Gibney	15/12/05	162,245	–	–	–	162,245	245.0	15/12/08	15/12/15
	06/12/06	–	162,245	–	–	162,245	245.0	06/12/09	06/12/16
Total		**162,245**	**162,245**	**–**	**–**	**324,490**			

The market price of the Company's shares on 30 September 2007 was 323.0p and the range of closing prices during the year was 228.2p to 399.0p.

Directors' interests in the Performance Share Plan

The Executive Directors participate in the Britvic Performance Share Plan (as described on page 34).

Performance shares

	Date of award	At start of year/ date of appointment	Awarded during year	Vested during year	Lapsed during year	At end of year/ date of cessation	Market price at date of award (pence)	Vesting date
		Number of shares						
Paul Moody	15/12/05*	90,217	–	–	–	90,217	242.0	15/12/08
	15/12/05**	434,784	–	144,928	–	289,856	242.0	15/12/06/ 07&08
	06/12/06*		84,694	–	–	84,694	245.0	06/12/09
Total		**525,001**	**84,694**	**144,928**	**–**	**464,767**		
John Gibney	15/12/05*	57,609	–	–	–	57,609	242.0	15/12/08
	15/12/05**	326,088	–	108,696	–	217,392	242.0	15/12/06/ 07&08
	06/12/06*		54,082			54,082	245.0	06/12/09
Total		**383,697**	**54,082**	**108,696**	**–**	**329,083**		

* Annual PSP awards were made to the Executive Directors subject to the TSR performance condition described on page 35.

** In addition to the annual PSP awards, a one-off transitional award was made subject to the achievement of targets based on average return on invested capital ('ROIC'). The purpose of this award was to compensate the Company's valued executives for the loss of long-term incentive bonuses which were discontinued upon flotation and to help retention. The award vests in three equal tranches after the first, second and third anniversary of the award subject to achievement of average ROIC performance targets over the three financial years 2005/6, 2006/7 and 2007/8. 50% of each tranche vests at threshold performance of 15% average ROIC rising to maximum vesting at 17% average ROIC on a straight-line basis. In respect of the second tranche of the transitional award,100% of the award vested after the year end as a result of ROIC performance in 2006/7. These shares are subject to the Shareholding Guidelines described above.

Consistent with the decision taken by the Committee at the time of the award, it was decided not to take account of the effect of the acquisition of the C&C soft drinks and associated businesses in Ireland in calculating the ROIC target for the purposes of the PSP transitional award.

Pensions

The table below shows, as at the year end, the accrued pension should the Director leave employment; the increase in the accrued pension during the year; the increase excluding inflation and member contributions; the transfer value of accrued pension; and any increase/(decrease) in this value assessed on the transfer value basis as under the Britvic Pension Plan. This disclosure is in compliance with both the London Stock Exchange Listing Rules and the Companies Act 1985.

Name	Age at 30 September 2007	Accumulated accrued pension at 30 September 2007 £	Increase in accrued pension during the financial year £	Increase, before inflation, in accrued pension during the financial year £	Transfer value of increase, before inflation and less Directors' contributions £	Transfer value of accrued benefits at 30 September 2007 £	Transfer value of accrued benefits at 1 October 2006 £	Increase in transfer value, less Directors' contributions £
Paul Moody	50	142,900	30,800	26,400	312,100	1,803,700	1,391,800	390,800
John Gibney	47	135,500	21,100	16,600	169,100	1,490,500	1,245,100	231,900

On behalf of the Board

Chris Bulmer
Chairman of the Remuneration Committee
28 November 2007

Independent Auditor's Report to the Members of Britvic plc

We have audited the Group financial statements of Britvic plc for the 52 weeks ended 30 September 2007 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense and the related Notes 1 to 32. These Group Financial Statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent Company financial statements of Britvic plc for the 52 weeks ended 30 September 2007 and on the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the Group Financial Statements in accordance with applicable United Kingdom law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing ('UK and Ireland').

We report to you our opinion as to whether the Group Financial Statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Operating and Financial Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2003 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group Financial Statements. The other information comprises only the Chairman's Statement, the Operating and Financial Review, the Corporate Responsibility Review, the Directors' Report, the Corporate Governance Statement and the unaudited part of the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group Financial Statements.

Opinion

In our opinion:

- The Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 September 2007 and of its profit for the 52 weeks then ended.
- The Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.
- The information given in the Directors' Report is consistent with the Group Financial Statements.

Ernst & Young LLP
Registered auditor
Nottingham
28 November 2007

Notes: The maintenance and integrity of the Britvic plc website is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Consolidated Income Statement

For the 52 weeks ended 30 September 2007

		52 Weeks Ended 30 September 2007			52 Weeks Ended 1 October 2006		
	Note	Before Exceptional Items £m	Exceptional Items £m	Total £m	Before Exceptional Items £m	Exceptional Items £m	Total £m
Revenue		716.3	–	716.3	677.9	–	677.9
Cost of sales		(286.0)	–	(286.0)	(263.5)	–	(263.5)
Gross profit		**430.3**	**–**	**430.3**	**414.4**	**–**	**414.4**
Selling and distribution costs		(241.4)	–	(241.4)	(231.0)	–	(231.0)
Administration expenses	5	(108.9)	(5.7)	(114.6)	(109.7)	(19.1)	(128.8)
Operating profit/(loss)	6	**80.0**	**(5.7)**	**74.3**	**73.7**	**(19.1)**	**54.6**
Finance income	9	0.9	–	0.9	0.2	–	0.2
Finance costs	5,9	(19.6)	–	(19.6)	(18.0)	(0.3)	(18.3)
Profit/(loss) before tax		**61.3**	**(5.7)**	**55.6**	**55.9**	**(19.4)**	**36.5**
Taxation	10	(17.3)	4.2	(13.1)	(16.3)	4.0	(12.3)
Profit/(loss) for the period attributable to the equity shareholders		**44.0**	**(1.5)**	**42.5**	**39.6**	**(15.4)**	**24.2**
Earnings per share	11						
Basic earnings per share		20.4p	(0.7p)	19.7p	18.4p	(7.2p)	11.2p
Diluted earnings per share		20.2p	(0.7p)	19.5p	18.3p	(7.1p)	11.2p

Consolidated Balance Sheet

At 30 September 2007

	Note	2007 £m	2006 £m
Assets			
Non-current assets			
Property, plant and equipment	13	225.2	218.2
Intangible assets	14	247.4	95.4
Operating lease premiums	17	2.4	2.4
Pension surplus	25	9.1	–
Deferred tax assets	10d	3.2	–
		487.3	316.0
Current assets			
Inventories	18	45.3	31.7
Trade and other receivables	19	129.8	99.6
Other financial assets	27	0.1	0.6
Cash and cash equivalents	20	27.3	19.2
		202.5	151.1
Assets held for sale	21	4.8	–
Total assets		**694.6**	**467.1**
Equity and liabilities			
Issued capital	22	(43.2)	(43.2)
Share premium	23	(2.5)	(2.5)
Own shares	23	10.3	0.5
Share scheme reserve	23	(5.3)	(4.5)
Hedging reserve	23	(1.9)	0.4
Translation reserve	23	(2.9)	–
Retained earnings	23	41.2	107.0
Total equity		**(4.3)**	**57.7**
Non-current liabilities			
Interest bearing loans and borrowings	24	(417.8)	(284.3)
Deferred tax liabilities	10d	(30.0)	(3.3)
Pension liability	25	(14.7)	(65.8)
Other financial liabilities	27	(3.4)	–
Other non-current liabilities	28	(1.2)	–
		(467.1)	(353.4)
Current liabilities			
Trade and other payables	26	(203.2)	(147.7)
Interest bearing loans and borrowings	24	(13.1)	(17.5)
Other financial liabilities	27	(0.3)	(1.0)
Income tax payable		(6.6)	(5.2)
		(223.2)	(171.4)
Total liabilities		**(690.3)**	**(524.8)**
Total equity and liabilities		**(694.6)**	**(467.1)**

The Financial Statements were approved by the Board of Directors and authorised for issue on 28 November 2007.
They were signed on its behalf by:

Paul Moody
Chief Executive

John Gibney
Finance Director

Consolidated Statement of Cash Flows

For the 52 weeks ended 30 September 2007

	Note	2007 £m	2006 £m
Cash flows from operating activities			
Profit from continuing operations before tax		55.6	36.5
Net finance charge		18.7	18.1
Depreciation		36.8	38.3
Amortisation		5.7	4.7
Share based compensation less cash paid		4.7	7.8
Net pension charge less contributions		(14.9)	(29.6)
Decrease in inventory		0.6	6.2
Decrease in debtors		1.3	2.2
Increase in creditors		9.1	3.8
Loss on disposal of tangible assets		0.4	4.0
Loss on disposal of intangible assets		–	0.4
Income tax paid		(11.8)	(3.8)
Net cash flows from operating activities		**106.2**	**88.6**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		9.9	0.2
Interest received		0.9	0.2
Purchases of property, plant and equipment		(20.7)	(29.4)
Purchases of intangible assets		(5.5)	(3.8)
Acquisition of subsidiary net of cash acquired		(160.6)	–
Net cash flows used in investing activities		**(176.0)**	**(32.8)**
Cash flows from financing activities			
Finance costs		(0.7)	(0.2)
Interest paid		(21.2)	(16.4)
Interest bearing loans received		551.6	667.0
Interest bearing loans repaid		(419.4)	(598.4)
Repayment of non-interest bearing borrowings		–	(2.8)
Purchase of own shares		(10.2)	(0.5)
Increase in share capital		–	0.3
Dividends paid to equity shareholders		(22.2)	(53.3)
Dividends paid to previous shareholders		–	(51.7)
Net cash flows used in financing activities		**77.9**	**(56.0)**
Net increase/(decrease) in cash and cash equivalents		8.1	(0.2)
Cash and cash equivalents at beginning of period		19.2	19.4
Cash and cash equivalents at the end of the period	20	**27.3**	**19.2**

Consolidated Statement of Recognised Income and Expense

For the 52 weeks ended 30 September 2007

	Note	2007 £m	2006 £m
Actuarial gains/(losses) on defined benefit pension scheme	25	61.3	(10.8)
Current tax on additional pension contributions		3.0	9.0
Deferred tax on pension liabilities		(21.4)	(5.7)
Net movement in cash flow hedges		2.3	0.6
Deferred tax on share options granted to employees		1.1	0.1
Current tax on share options exercised		1.6	1.1
Exchange differences on translation of foreign operations		2.9	–
Net income/(expense) recognised directly in equity attributable to equity shareholders		**50.8**	**(5.7)**
Profit for the period		42.5	24.2
Total recognised income for the period		**93.3**	**18.5**

Notes to the Consolidated Financial Statements

1. General information

Britvic plc ('the Company') is a company incorporated in the United Kingdom under the Companies Act 1985. It is a public limited company domiciled in England and Wales and its ordinary shares are traded on the London Stock Exchange. Britvic plc and its subsidiaries (together 'the Group') operate in the soft drinks manufacturing and distribution industry, principally in the United Kingdom and Republic of Ireland.

The operating companies of the Group are disclosed within Note 32.

2. Statement of compliance

The financial information has been prepared on the basis of applicable International Financial Reporting Standards ('IFRS') as adopted by the European Union, including relevant International Accounting Standards ('IAS'), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee ('IFRIC') interpretations issued by the International Accounting Standards Board ('IASB').

3. Accounting policies

Basis of preparation

For all periods up to and including the year ended 2 October 2005, Britannia Soft Drinks Limited prepared its financial statements in accordance with UK generally accepted accounting practice ('UK GAAP'). As a consequence of the acquisition of Britannia Soft Drinks Limited by Britvic plc and of that company's listing on the London Stock Exchange, from 3 October 2005 the Group is required to prepare consolidated financial statements in accordance with IFRS as applied in accordance with the provisions of the Companies Act 1985. The prior year financial statements were therefore the first financial statements prepared by Britvic plc in accordance with IFRS. As such the Group took the following exemptions available under IFRS 1 'First-time Adoption of International Financial Reporting Standards':

a) Not to restate the comparative information disclosed in the 2005 Financial Statements (being the Financial Statements for the 52 weeks ended 2 October 2005) in accordance with IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement'.

b) Not to restate business combinations occurring before 4 October 2004.

c) To recognise all actuarial gains and losses on pensions and other post-retirement benefits directly in shareholders' equity at 4 October 2004.

d) Not to apply IFRS 2 'Share-based Payment' to grants of equity instruments on or before 7 November 2002 that had vested prior to 1 January 2005.

The Consolidated Financial Statements have been prepared on a historical cost basis except where measurement of balances at fair value is required as explained below. The Consolidated Financial Statements are presented in sterling and all values are rounded to the nearest million except where otherwise indicated.

The principal accounting policies adopted by the Group are set out below.

Basis of consolidation

The consolidated financial information incorporates the financial information of Britvic plc and the entities controlled by the Company ('its subsidiaries').

The Group Financial Statements consolidate the accounts of Britvic plc and all its subsidiary undertakings drawn up to 30 September 2007. The acquisition method of accounting has been used, under which the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired ('discount on acquisition') is credited to the income statement in the period of acquisition.

Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. Accounting policies continued

Revenue recognition

Revenue is the value of sales, excluding transactions with or between subsidiaries, and after deduction of sales-related discounts, value added tax and other sales-related taxes. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount can be measured reliably.

Sales related discounts are calculated based on the expected amounts necessary to meet claims by the Group's customers in respect of these discounts and rebates.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. 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	3–20 years
Vehicles (included in plant and machinery)	5–7 years
Equipment in retail outlets (included in fixtures, fittings, tools and equipment)	5–10 years
Other fixtures and fittings (included in fixtures, fittings, tools and equipment)	3–10 years

Land is not depreciated.

Freehold properties are depreciated over 50 years.

Leasehold properties are depreciated over 50 years, or over the unexpired lease term when this is less than 50 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are included in the income statement.

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.

Goodwill

Business combinations on or after 4 October 2004 are accounted for under IFRS 3 using the purchase method. Goodwill on acquisition is initially measured at cost being the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Negative goodwill is recognised immediately in the income statement and positive goodwill is recognised on the balance sheet.

Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment at least annually. As at the acquisition date, any goodwill acquired is allocated to the Group of cash-generating units expected to benefit from the combination's synergies by management. Impairment is determined by assessing the recoverable amount of the Group of cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised immediately in the income statement.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Trademarks, franchise rights and customer lists

Intangible assets acquired separately from a business are capitalised at cost. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of intangible assets are assessed to be either finite or indefinite. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life.

The carrying values of intangible assets with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3. Accounting policies continued

Intangible assets continued

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. These costs are amortised over their estimated useful lives of three to seven years.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset'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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Goodwill impairment losses cannot subsequently be reversed.

Inventories and work in progress

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.

Financial assets

The Group determines the classification of its financial assets at initial recognition and re-evaluates this designation at each financial period-end. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus directly attributable transaction costs.

The Group has financial assets that are classified as loans and receivables. The Group measures these as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available for sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. All derivative financial instruments are initially recognised and subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

3. Accounting policies continued

Derivative financial instruments and hedging continued

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement. The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship, as follows:

Fair value hedges
For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged; the derivative is remeasured at fair value and gains and losses from both are taken to the income statement. For hedged items carried at amortised cost, the adjustment is amortised through the income statement such that it is fully amortised by maturity. When an unrecognised firm commitment is designated as a hedged item, this gives rise to an asset or liability in the balance sheet, representing the cumulative change in the fair value of the firm commitment attributable to the hedged risk.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

Cash flow hedges
For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If a forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the income statement or to the initial carrying amount of a non-financial asset or liability as above. If the related transaction is not expected to occur, the amount is taken to the income statement.

Net investment hedges
Derivative financial instruments are classified as net investment hedges when they hedge the Group’s net investment in foreign operations. The Group’s foreign currency borrowings qualify as hedging instruments that hedge foreign currency net investment balances. Gains or losses on translation of borrowings are recognised in equity. Upon disposal of the associated investment in foreign operations cumulative gain or loss is recycled through the income statement.

Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

Share-based payments

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

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

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

3. Accounting policies continued

Share-based payments continued

The Group has taken advantage of the transitional provisions of IFRS 2 in respect of equity-settled awards and has applied IFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested before 1 January 2005.

Taxation

The current income tax expense is based on taxable profits for the year, after any adjustments in respect of prior years. 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 consolidated financial statements.

The principal temporary differences arise from accelerated capital allowances, provisions for pensions and other post-retirement benefits, provisions for share-based payments and employee profit share schemes and other short-term temporary differences.

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.

Pensions

The Group operates a pension scheme, the Britvic Pension Plan ('BPP'), which has both a defined benefit fund and a defined contribution fund. The defined benefit section of the BPP was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the BPP.

In addition, as a result of the acquisition of the soft drinks business of C&C Group ('Britvic Ireland') on 29 August 2007, the Company inherited a further pension scheme in which its employees in Northern Ireland participate, the C&C Pension Trust (1973) Ltd. Also, following the acquisition the employees in the Republic of Ireland have continued to participate in a number of C&C Group pension funds until new arrangements are finalised in the 12 months following acquisition.

Under defined benefit pension plans, plan assets are measured at fair value and plan liabilities are measured on an actuarial basis, using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the plan liabilities.

The service cost of providing pension benefits to employees for the year is charged to the income statement. The cost of making improvements to pensions is recognised in the income statement on a straight-line basis over the period during which the increase in benefits vests. To the extent that the improvements in benefits vest immediately, the cost is recognised immediately. These costs are recognised as an expense.

Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the settlement or curtailment occurs.

A charge representing the unwinding of the discount on the plan liabilities during the year is included within administrative expenses.

A credit representing the expected return on the plan assets during the year is included within administrative expenses. This credit is based on the market value of the plan assets, and expected rates of return, at the beginning of the year.

Actuarial gains and losses may result from: differences between the expected return and the actual return on plan assets; differences between the actuarial assumptions underlying the plan liabilities and actual experience during the year; or changes in the actuarial assumptions used in the valuation of the plan liabilities. Actuarial gains and losses, and taxation thereon, are recognised in the consolidated statement of recognised income and expense.

For defined contribution plans, contributions payable for the year are charged to the income statement as an operating expense.

3. Accounting policies continued

Employee benefits

Wages, salaries, bonuses, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by the employees of the Group.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between the finance element, which is charged to the income statement using the effective interest rate method, and the capital element which reduces the outstanding obligation for future instalments.

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

Lease incentives received are credited to the income statement on a straight-line basis over the term of the leases to which they relate.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call 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. For the purposes of the statement of cash flows, bank overdrafts repayable on demand are a component of cash equivalents.

Trade and other receivables

Trade receivables, which generally have 30–90 day terms, are recognised at their original amount less an allowance for any doubtful accounts.

An allowance for doubtful accounts is made when collection of the full amount is no longer considered probable. Balances are written off when the probability of recovery is assessed as being remote.

Interest bearing loans and borrowings

Borrowings are stated at proceeds received less any unamortised issue costs.

Finance costs not settled in the period are included within the outstanding loan balance and finance charges are charged to the income statement using an effective interest rate method.

Foreign currencies

Functional and presentation currency

The consolidated financial information is presented in pounds sterling, which is the Group's presentational 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 income statement.

3. Accounting policies continued

Foreign currencies continued

Foreign operations

The income statement and cash flows of foreign operations are translated at the average rate of exchange during the period. The balance sheet is translated at the rate ruling at the reporting date. Opening net assets and exchange differences arising on the translation of results at an average rate compared to a closing rate are both dealt with through reserves. On disposal of a foreign operation accumulated exchange differences previously recognised in equity are included in the profit or loss on disposal recognised in the income statement.

Segmental reporting

A business segment is a distinguishable component of the Group engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. Segment reporting reflects the internal management structure and the way the business is managed.

Issued 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 the proceeds.

Exceptional Items

The Group presents as exceptional items on the face of the income statement those significant items of income and expense which, because of the nature and infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

Borrowing costs

All borrowing costs are recognised as finance costs in the income statement in the period in which they are incurred.

Issue costs of loans

The finance cost recognised in the income statement in respect of capital instruments is allocated to periods over the terms of the instrument using the effective interest method.

New standards and interpretations not applied

The Group has not applied the following IFRSs and IFRIC Interpretations, which will be applicable to the Group, that have been issued but are not yet effective:

		Effective date, periods commencing
International Financial Reporting Standards ('IFRS')		
IFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2007
IFRS 7	Financial Instruments: Disclosures	1 January 2007
IFRS 8	Operating Segments	1 January 2009
International Accounting Standards ('IAS')		
IAS 1	Amendment – Presentation of Financial Statements: Capital Disclosures	1 January 2007
IAS 1	Amendment – Presentation of Financial Statements (Revised)	1 January 2009
International Financial Reporting Interpretations Committee ('IFRIC')		
IFRIC 11	IFRS 2 – Group and Treasury Share Transactions	1 March 2007
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application.

3. Accounting policies continued

New standards and interpretations not applied continued

Upon adoption of IFRS 7, the Group will have to disclose additional information about its financial instruments, their significance and the nature and extent of the risks that they give rise to. More specifically the Group will need to disclose the fair value of its financial instruments and its risk exposure in greater detail. There will be no effect on reported income or net assets.

Those standards not mentioned above but issued recently have been considered by the Group and have no significant impact on the financial statements.

Key sources of estimation uncertainty

In applying the above accounting policies, management has made appropriate estimates and judgements in a number of areas. The key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing significant adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Post retirement benefits

The determination of the pension and other post retirement benefits cost and obligation is based on assumptions determined with independent actuarial advice. The assumptions include discount rate, inflation, pension and salary increases, expected return on scheme assets, mortality and other demographic assumptions.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires an estimate of the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Deferred tax

Deferred tax assets and liabilities require management's judgement in determining the amounts to be recognised. In particular, significant judgement is used when assessing the extent to which deferred tax assets should be recognised which is dependent on the generation of sufficient future taxable profits. The Group recognises deferred tax assets where it is more likely than not that the benefit will be realised.

Provisional goodwill

The acquisition of Britvic Ireland was completed on the 29 August 2007. The fair value adjustments as presented in Note 15 of the financial statements reflect management's current best estimates. As permitted by IFRS 3 'Business combinations', these items may be subject to further revision within a period of 12 months from the date of acquisition, in determining the final goodwill arising from the acquisition.

Cross currency interest rate swaps

The Group measures cross currency interest rate swaps at fair value at each balance sheet date. The fair value represents the net present value of the difference between the projected cash flows at the swap contract rate and the valuations rate for the period from the balance sheet date to the contracted expiry date. The calculation therefore uses estimates of present value, future foreign exchange rates and interest rates.

4. Segmental reporting

In prior periods the Directors have considered that the Group had only one reportable geographical segment and one business segment being the manufacture and sale of soft drinks. Following the acquisition of Britvic Ireland during the year, the Directors now consider that the Group's primary reporting segment is geographical, as this is the basis on which the Group is organised and managed. The geographical segments are: United Kingdom excluding Northern Ireland ('GB') and Republic of Ireland and Northern Ireland ('ROI & NI'). Britvic International is included within the GB segment.

Analysis by geography:

	2007 GB £m	2007 ROI & NI £m	2007 Total £m	2006 GB £m	2006 ROI & NI £m	2006 Total £m
Gross revenue	702.5	13.8	716.3	677.9	–	677.9
Inter-segment revenue	–	–	–	–	–	–
Segment revenue	**702.5**	**13.8**	**716.3**	**677.9**	**–**	**677.9**
Segment result						
Gross profit	427.4	2.9	430.3	414.4	–	414.4
Operating profit before exceptional items	79.2	0.8	80.0	73.7	–	73.7
Operating profit after exceptional items	74.7	(0.4)	74.3	54.6	–	54.6
Other non-cash expenses						
Depreciation of property, plant and equipment	36.2	0.6	36.8	38.3	–	38.3
Amortisation of intangible assets	5.6	0.1	5.7	4.7	–	4.7
Share-based payments	8.1	–	8.1	6.9	–	6.9
Segment assets						
Gross assets	443.9	247.5	691.4	467.1	–	467.1
Unallocated assets			3.2			–
Total segment assets			694.6			467.1
Segment liabilities						
Gross liabilities	599.6	52.3	651.9	512.4	–	512.4
Unallocated liabilities			38.4			12.4
Total segment liabilities			690.3			524.8
Capital expenditure						
Capital expenditure	26.7	0.6	27.3	33.0	–	33.0

5. Exceptional items

	2007 £m	2006 £m
Listing costs	–	(5.5)
Cost of incentive schemes directly associated with the flotation	(3.3)	(6.6)
Restructuring costs	(8.1)	(7.0)
Returnable bottle impairment in GB	(2.1)	–
Profit on sale of property, plant and equipment	3.4	–
Acquisition costs for the purchase of Britvic Ireland	(1.2)	–
Pension curtailment gain	5.6	–
	(5.7)	(19.1)
Finance costs (see Note 9)	–	(0.3)
	(5.7)	**(19.4)**

Listing costs relate to costs incurred in pursuit of the listing on the London Stock Exchange which include advisors' fees.

Incentive schemes directly associated with the flotation include all-employee share schemes and management incentives. The cost in 2007 relates to a transitional award granted to members of both the senior leadership team and senior management team shortly after flotation, the purpose of which was to compensate these individuals for the loss of existing long-term incentive bonuses which were discontinued upon flotation.

Restructuring costs includes the costs of major restructuring programmes undertaken in the year. These include the outsourcing of both the secondary distribution network and the delivery and remanufacture of vending and chiller equipment to external providers. These costs relate principally to redundancy costs and advisors' fees.

Returnable bottle impairment relates to a write-down of inventories for returnable glass bottle stocks which have become redundant due to the move to non-returnable bottles in the GB segment.

Profit on sale of property, plant and equipment relates to the sale of one of the Group's depots which was completed in April 2007. The Group has entered into a sale and leaseback transaction with regard to this depot. Further detail is provided in Note 31.

Acquisition costs for the purchase of Britvic Ireland relate to the costs incurred in acquiring the business which cannot be included in the cost of the business combination and therefore cannot be capitalised. Principally these costs relate to setting up the financing structure to facilitate the acquisition and internal staff costs such as transaction bonuses.

The pension curtailment gain is triggered by the transfer of Group employees under the outsourcing arrangements of the secondary distribution network. Those employees that are members of the Britvic Pension Plan will no longer accrue future entitlement, which gives rise to the curtailment gain. Further detail is provided in Note 25.

Details of the tax implications of exceptional items are given in Note 10a.

6. Operating profit

This is stated after charging/(crediting):

	2007 £m	2006 £m
Cost of inventories recognised as an expense	283.3	263.5
Write-down of inventories recognised as an expense*	1.1	1.7
Research and development expenditure written off	1.8	2.0
Net foreign currency differences	0.5	0.2
Depreciation of property, plant and equipment	36.8	38.3
Amortisation of intangible assets	5.7	4.7
Total depreciation and amortisation expense included in administration expenses	**42.5**	**43.0**
Operating lease payments		
– minimum lease payments	11.0	10.2
– sublease payments	(0.3)	(0.3)
Total lease and sublease payments recognised as an expense	**10.7**	**9.9**

* This excludes the write-down of returnable bottle stocks included in Note 5.

7. Auditor's remuneration

	2007 £m	2006 £m
Auditor's remuneration – audit services	0.2	0.2
Other fees to auditors		
– Local statutory audits for subsidiaries	0.1	–
– Corporate finance services*	0.7	1.0

* Corporate finance fees relate to costs incurred in respect of the acquisition of Britvic Ireland (2006: costs incurred in respect of the flotation).

8. Staff costs

	2007 £m	2006 £m
Wages and salaries*	94.9	93.3
Social security costs	8.5	8.5
Pension costs (Note 25)	5.0	10.7
Expense of share based compensation and employee profit share scheme**	8.1	6.9
	116.5	**119.4**

* £4.4m (2006: £4.3m) of this is included within 'restructuring costs' in exceptional items (Note 5).

** £3.3m (2005: £6.6m) of this is included within exceptional items (see Note 5 and Note 29).

Directors' emoluments included above are detailed in the Directors' Remuneration Report.

The average monthly number of employees during the period was made up as follows:

	2007	2006
Distribution	637	605
Production	1,000	1,157
Sales and marketing	743	786
Administration	310	347
	2,690	**2,895**

9. Finance income/(costs)

	2007 £m	2006 £m
Finance income		
Bank interest receivable	0.9	–
Other interest receivable	–	0.2
Total finance income	**0.9**	**0.2**
Finance costs		
Bank loans, overdrafts and loan notes	(19.6)	(18.3)
Total finance costs	**(19.6)**	**(18.3)**

Included within total finance costs is interest on bank loans and overdrafts of £nil which relates to exceptional items (2006: £0.3m).

10. Taxation

a) Tax on profit on ordinary activities

2007	Before Exceptional Items £m	Exceptional Items £m	Total £m
Consolidated income statement			
Current income tax			
Current income tax (charge)/credit	(19.7)	2.9	(16.8)
Amounts overprovided in previous years	0.5	–	0.5
Total current income tax (charge)/credit	**(19.2)**	**2.9**	**(16.3)**
Deferred income tax			
Origination and reversal of temporary differences	1.9	1.3	3.2
Total deferred tax credit	**1.9**	**1.3**	**3.2**
Total tax (charge)/credit in the income statement	**(17.3)**	**4.2**	**(13.1)**
Consolidated statement of recognised income and expense			
Current tax on additional pension contributions			3.0
Deferred tax on pension liabilities			(21.4)
Tax on share options granted to employees			2.7
Deferred tax on movement in cash flow hedges			(0.9)
Net tax expense reported in equity			**(16.6)**

2006	Before Exceptional Items £m	Exceptional Items £m	Total £m
Consolidated income statement			
Current income tax			
Current income tax (charge)/credit	(16.0)	3.5	(12.5)
Amounts overprovided in previous years	0.6	–	0.6
Total current income tax (charge)/credit	**(15.4)**	**3.5**	**(11.9)**
Deferred income tax			
Origination and reversal of temporary differences	(0.9)	0.5	(0.4)
Total deferred tax (charge)/credit	**(0.9)**	**0.5**	**(0.4)**
Total tax (charge)/credit in the income statement	**(16.3)**	**4.0**	**(12.3)**
Consolidated statement of recognised income and expense			
Tax on pensions			3.3
Tax on share options granted to employees			1.2
Tax benefit reported in equity			**4.5**

10. Taxation continued

b) Reconciliation of the total tax charge

The tax expense in the income statement is lower than the standard rate of corporation tax in the UK of 30% (2006: 30%). The differences are reconciled below:

2007	Before Exceptional Items £m	Exceptional Items £m	Total £m
Profit/(loss) before tax	**61.3**	**(5.7)**	**55.6**
Profit multiplied by the UK standard rate of corporation tax of 30%	(18.4)	1.7	(16.7)
Expenditure not deductible for income tax purposes	(0.7)	(0.6)	(1.3)
Tax relief on share-based payments	0.1	(0.1)	–
Tax overprovided in previous years	0.5	–	0.5
Non-taxable profit on sale of property	–	1.9	1.9
Overseas tax rates	1.2	(0.1)	1.1
Reduction of deferred tax due to reduction of UK corporation tax rate	–	1.4	1.4
	(17.3)	**4.2**	**(13.1)**
Effective income tax rate	**28.2%**		**23.6%**

2006	Before Exceptional Items £m	Exceptional Items £m	Total £m
Profit/(loss) before tax	**55.9**	**(19.4)**	**36.5**
Profit multiplied by the UK standard rate of corporation tax of 30%	(16.8)	5.8	(11.0)
Expenditure not deductible for income tax purposes	(0.5)	(1.6)	(2.1)
Tax relief on share-based payments	(0.1)	(0.3)	(0.4)
Tax overprovided in previous years	0.7	0.1	0.8
Other temporary differences	0.4	–	0.4
	(16.3)	**4.0**	**(12.3)**
Effective income tax rate	**29.2%**		**33.7%**

c) Unrecognised tax items

The Group has unrecognised capital tax losses which arose in the UK of £1.8m (2006: £2.4m) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. These tax losses can only be offset against future capital gains and have not been recognised in these financial statements.

The Group has unrecognised tax liabilities on un-remitted earnings from an overseas subsidiary amounting to £14.7m (2006: £nil). Deferred tax on these profits has not been recognised as the UK parent controls when the earnings will be remitted to the UK.

10. Taxation continued

d) Deferred tax

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

	2007 £m	2006 £m
Deferred tax liability		
Accelerated capital allowances	(20.4)	(22.9)
Acquisition fair value adjustments	(10.1)	(0.4)
Other temporary differences	(1.8)	(1.6)
Employee incentive plan	(0.2)	–
Post employment benefits	(2.1)	–
Deferred tax liability	(34.6)	(24.9)
Deferred tax asset		
Employee incentive plan	3.8	1.9
Post employment benefits	3.9	19.7
Other temporary differences	0.1	–
Deferred tax asset	7.8	21.6
Net deferred tax liability	**(26.8)**	**(3.3)**

The net deferred tax liability has been presented on the balance sheet by jurisdiction as follows:

	2007 £m	2006 £m
Net deferred tax assets – overseas	3.2	–
Net deferred tax liabilities – UK	(30.0)	(3.3)
	(26.8)	**(3.3)**

The deferred tax included in the Group income statement is as follows:

	2007 £m	2006 £m
Employee incentive plan	–	(1.1)
Acquisition fair value adjustments	(0.1)	(0.1)
Post employment benefits	(1.5)	–
Employee incentive plan	0.9	–
Accelerated capital allowances	2.4	0.5
Post employment benefits	–	0.2
Deferred tax from prior years	0.1	0.2
Reduction of deferred tax due to reduction of UK corporation tax rate	1.4	–
Deferred tax credit/(charge)	**3.2**	**(0.3)**

11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (before deducting interest on the convertible non-cumulative redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted earnings per share computations:

	2007 £m	2006 £m
Basic earnings per share		
Net profit attributable to ordinary shareholders	42.5	24.2
Weighted average number of ordinary shares in issue for basic earnings per share	215.5	215.4
Basic earnings per share	19.7p	11.2p
Diluted earnings per share		
Net profit attributable to ordinary shareholders	42.5	24.2
Weighted average number of ordinary shares in issue for diluted earnings per share	218.1	216.7
Diluted earnings per share	19.5p	11.2p

The Group presents as exceptional items on the face of the income statement, those significant items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance more readily.

To this end, basic and diluted earnings per share is also presented on this basis using the weighted average number of ordinary shares for both basic and diluted amounts as per the table above.

	2007 £m	2006 £m
Basic earnings per share for pre-exceptional earnings		
Net profit attributable to ordinary shareholders	42.5	24.2
Add: Net impact of exceptional items	1.5	15.4
Net profit attributable to ordinary shareholders (before exceptional items)	44.0	39.6
Weighted average number of ordinary shares in issue for basic earnings per share	215.5	215.4
Basic earnings per share for pre-exceptional earnings	20.4p	18.4p
Diluted earnings per share for pre-exceptional earnings		
Net profit attributable to ordinary shareholders (before exceptional items)	44.0	39.6
Weighted average number of ordinary shares in issue for diluted earnings per share	218.1	216.7
Diluted earnings per share for pre-exceptional earnings	20.2p	18.3p

12. Dividends paid and proposed

	2007 £m	2006 £m
Declared and paid during the year		
Equity dividends on ordinary shares		
Special dividend for 2006: 45.86p per share	–	98.5
Interim dividend for 2006: 3.00p per share	–	6.5
Final dividend for 2006: 7.00p per share	15.1	–
Interim dividend for 2007: 3.30p per share	7.1	–
Dividends paid	**22.2**	**105.0**
Proposed for approval by the shareholders at the AGM		
Final dividend for 2006: 7.00 per share	–	15.1
Final dividend for 2007: 7.70p per share	16.6	–

13. Property, plant and equipment

	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and machinery £m	Fixtures, fittings, tools and equipment £m	Total £m
At 3 October 2005, net of accumulated depreciation	47.5	14.1	79.2	90.7	231.5
Reclassification – cost	(1.6)	1.6	–	–	–
Reclassification – accumulated depreciation	–	–	–	–	–
Additions	0.9	1.9	12.8	13.6	29.2
Disposals at cost	–	–	(2.2)	(12.6)	(14.8)
Depreciation eliminated on disposals	–	–	2.0	8.6	10.6
Depreciation charge for the year	(0.7)	(0.5)	(17.1)	(20.0)	(38.3)
At 1 October 2006, net of accumulated depreciation	46.1	17.1	74.7	80.3	218.2
Acquisitions	14.2	11.7	9.5	3.1	38.5
Exchange differences	0.4	0.4	0.3	–	1.1
Additions	0.4	0.2	13.0	5.8	19.4
Disposals at cost*	(5.9)	–	(11.4)	(22.1)	(39.4)
Depreciation eliminated on disposals	0.6	–	10.9	17.5	29.0
Assets classified as held for sale – cost**	–	–	(9.4)	(1.7)	(11.1)
Assets classified as held for sale – depreciation**	–	–	5.7	0.6	6.3
Depreciation charge for the year	(0.9)	(0.5)	(16.0)	(19.4)	(36.8)
At 30 September 2007, net of accumulated depreciation	**54.9**	**28.9**	**77.3**	**64.1**	**225.2**
At 30 September 2007					
Cost (gross carrying amount)	60.1	32.4	209.1	188.5	490.1
Accumulated depreciation and impairment	(5.2)	(3.5)	(131.8)	(124.4)	(264.9)
Net carrying amount	**54.9**	**28.9**	**77.3**	**64.1**	**225.2**
At 1 October 2006					
Cost (gross carrying amount)	51.0	20.1	207.1	203.4	481.6
Accumulated depreciation and impairment	(4.9)	(3.0)	(132.4)	(123.1)	(263.4)
Net carrying amount	**46.1**	**17.1**	**74.7**	**80.3**	**218.2**
At 2 October 2005					
Cost (gross carrying amount)	51.7	16.6	196.5	202.4	467.2
Accumulated depreciation and impairment	(4.2)	(2.5)	(117.3)	(111.7)	(235.7)
Net carrying amount	**47.5**	**14.1**	**79.2**	**90.7**	**231.5**

* £5.8m of disposals (net of depreciation) relates to the sale and leaseback transaction which occurred in April 2007. Further details are given in Note 31.

** Further details are given in Note 21.

14. Intangible assets

	Trademarks, franchise rights and customer lists £m	Software costs £m	Goodwill £m	Total £m
Cost as at 3 October 2005, net of accumulated amortisation	–	25.2	71.5	96.7
Additions	–	3.8	–	3.8
Disposals at cost	–	(0.9)	–	(0.9)
Amortisation eliminated on disposal	–	0.5	–	0.5
Amortisation charge for the year	–	(4.7)	–	(4.7)
Cost as at 1 October 2006, net of accumulated amortisation	–	23.9	71.5	95.4
Acquisitions	90.0	–	55.5	145.5
Exchange differences	2.7	–	1.6	4.3
Additions	–	4.9	3.0	7.9
Amortisation charge for the year	(0.1)	(5.6)	–	(5.7)
At 30 September 2007	**92.6**	**23.2**	**131.6**	**247.4**
At 30 September 2007				
Cost (gross carrying amount)	92.7	38.6	131.6	262.9
Accumulated amortisation and impairment	(0.1)	(15.4)	–	(15.5)
Net carrying amount	**92.6**	**23.2**	**131.6**	**247.4**
At 1 October 2006				
Cost (gross carrying amount)	–	33.7	71.5	105.2
Accumulated amortisation and impairment	–	(9.8)	–	(9.8)
Net carrying amount	**–**	**23.9**	**71.5**	**95.4**
At 2 October 2005				
Cost (gross carrying amount)	–	30.8	71.5	102.3
Accumulated amortisation and impairment	–	(5.6)	–	(5.6)
Net carrying amount	**–**	**25.2**	**71.5**	**96.7**

Goodwill is not amortised. Instead it is subject to an impairment review at each reporting date in accordance with IAS 36 'Intangible Assets'. These reviews have been and will continue to be carried out annually or more frequently if there are indicators of impairment.

An agreement has been reached with the original vendors of Red Devil to pay an additional £3.0m deferred consideration. Goodwill has been revised upwards to reflect a change in contingent consideration. Payment will be made in instalments between August 2007 and September 2010.

Further details on the provisional goodwill arising on the acquisition of Britvic Ireland and the intangible assets identified as part of that acquisition (trademarks, franchise rights and customer lists) can be found in Note 15. The goodwill and intangible assets are valued in euros and translated at the reporting date.

Software costs are capitalised at cost. These intangible assets have been assessed as having finite lives and are amortised under the straight-line method over a period of three to seven years. These assets are tested for impairment where an indicator of impairment arises.

15. Business combination

Acquisition of Britvic Ireland

On 29 August 2007, the Group acquired 100% of the issued share capital of the companies detailed below for a cash consideration of €255.7m (translated at £173.3m). Included in this amount are directly attributable costs of €8.8m (translated at £5.9m). These costs relate in the main to advisors' fees.

Company name	Name change effective from 1 October 2007	Status	Principal activity
Ballygowan Limited	No change	Trading	Manufacture and marketing of natural mineral water
Aquaporte Limited	No change	Trading	Supply of water-coolers and bottled water
C&C (Ireland) Limited	Britvic Ireland Limited	Trading	Manufacture and marketing of soft drinks
C&C (Belfast) Limited	Britvic Northern Ireland Limited	Trading	Marketing and distribution of soft drinks
C&C (Wholesale) Limited	Britvic Licensed Wholesale Limited	Trading	Wholesale of soft drinks to the licensed trade
William J Dwan & Sons Limited	No change	Trading	Wholesale of soft drinks to the licensed trade
C&C (Logistics) Limited	Britvic Logistics Limited	Trading	Provision of distribution services
C&C (Munster) Limited	Britvic (Munster) Limited	Dormant	n/a
John Mulligan & Sons Limited	No change	Dormant	n/a
C&C Pension Trust (1973) Limited	Britvic Northern Ireland Pension Trust Limited	Dormant	n/a
Britvic Limited	No change	Dormant	n/a

From the date of acquisition to 30 September 2007, the acquired businesses contributed £13.8m to revenue and £0.8m to operating profit before tax for the period. Britvic Ireland had an operating cash outflow of £5.7m for the period from acquisition to the year-end.

The initial fair value/acquisition accounting for Britvic Ireland was determined provisionally. In accordance with IFRS 3, adjustments to the fair value of assets acquired and liabilities assumed can be made during the 12 months from the date of acquisition.

The difference between the fair value of the consideration paid and the fair value of the identifiable net assets acquired is recognised as goodwill. Included in goodwill recognised are certain intangible assets that cannot be individually separated and reliably measured due to their nature. These items include the favourable market presence which Britvic Ireland enjoys and an assembled workforce.

15. Business combination continued

The sterling carrying value shown of the net assets acquired shown in the table below has been calculated using the exchange rate on the date of acquisition which was £1: €1.4758.

	Book value €m	Provisional fair value adjustments €m	Carrying value €m	Carrying value £m
Intangible assets	–	132.9	132.9	90.0
Property, plant and equipment	57.0	(0.2)	56.8	38.5
Inventories	18.5	1.8	20.3	13.8
Trade and other receivables	46.9	(2.4)	44.5	30.2
Cash and cash equivalents	8.8	–	8.8	5.9
Trade and other payables	(55.0)	(1.2)	(56.2)	(38.0)
Pension liability	(18.2)	(5.1)	(23.3)	(15.8)
Deferred tax asset/(liability)	5.0	(13.0)	(8.0)	(5.4)
Current taxation liabilities	(2.5)	0.5	(2.0)	(1.4)
Net assets acquired	**60.5**	**113.3**	**173.8**	**117.8**
Purchased goodwill			81.9	55.5
Total cost of investment satisfied by cash consideration			**255.7**	**173.3**

Net cash outflow arising on acquisition of shares in Britvic Ireland	
Cash consideration	173.3
Cash and cash equivalents acquired	(5.9)
Cash flow on acquisition of shares in Britvic Ireland net of cash acquired	**167.4**

The cash outflow during the year was £160.6m with the remaining £6.8m cash outflow accrued.

A description of each of the significant provisional fair value adjustments is given below:

- Intangible assets – an assessment has provisionally identified the following classes of intangible assets: franchise arrangements, customer lists and brand names. The valuation assigned to each class, and useful economic life of intangibles, has been provisionally determined as at the date of acquisition based on the Britvic Group's accounting policies.
- Property, plant and equipment – the assets held have been provisionally assessed based on market values of land and buildings and a provisional impairment review of plant and machinery has been performed.
- Inventories – provisional alignment to Britvic Group's accounting policies in respect of the basis of inventory provisions and categorisation of assets.
- Trade and other receivables – provisional alignment with Britvic Group's accounting policy to write off marketing costs as incurred.
- Trade and other payables – provisional alignment with Britvic Group's accounting policy to recognise a holiday pay accrual.
- Pension liability – a provisional valuation of the pension liabilities in respect of the two schemes relating to the business has been provided by a qualified actuary.
- Deferred tax liability – provisional recognition of deferred tax assets/liabilities in respect of the other fair value adjustments.

The Britvic Ireland companies that have been acquired in this business combination had not previously been deemed a group and therefore had not produced consolidated financial information. As such there are certain costs that are not easily identifiable and it is therefore impracticable to state what the contribution to Group revenue and net profit would have been had the business combination completed on the first day of the financial period.

16. Goodwill impairment considerations

Goodwill acquired through business combinations has been allocated by senior management to seven individual cash-generating units for impairment testing as follows:

- Orchid;
- Red Devil;
- Tango;
- Robinsons;
- Britvic Soft Drinks business;
- Water Business; and
- Britvic Ireland.

The recoverable amount of the goodwill allocated to these units has been determined based on a value in use calculation. To calculate this, 20-year cash flow projections are used based on financial budgets approved by senior management covering a five-year period. A 20-year cash flow period has been used to reflect the considered longevity of the cash-generating units. The post-tax discount rate applied to post-tax cash flow projections is 8% (2006: 8%) and cash flows beyond the one-year period are extrapolated using a growth rate in line with senior management expectations of growth. No growth in real terms is assumed beyond five years.

Carrying amount of goodwill

	Red Devil £m	Orchid £m	Tango £m	Robinsons £m	BSD £m	Water £m	Britvic Ireland £m	**Total £m**
At 30 September 2007	5.1	12.4	8.9	38.6	7.8	1.7	57.1	**131.6**
At 1 October 2006	2.1	12.4	8.9	38.6	7.8	1.7	–	**71.5**

Key assumptions used in value in use calculation

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Growth rates – reflect senior management expectations of volume growth.

Discount rates – reflect senior management's estimate of the cost of capital. The estimated cost of capital is the benchmark used by management to assess operating performance and to evaluate future capital investment proposals.

Budgeted marginal contribution – financial budgets approved by senior management are used to determine the value assigned to budgeted marginal contribution.

Advertising and promotional spend – financial budgets approved by senior management are used to determine the value assigned to advertising and promotional spend.

Raw materials price, production and distribution costs, selling costs and other overhead inflation – the basis used to determine the value assigned to inflation is forecast consumer price indices of 2.5%.

Sensitivity to changes in assumptions

There are no reasonably possible changes in key assumptions which would cause the carrying value of these units to exceed their recoverable amount.

17. Operating lease premiums

	2007 £m	2006 £m
Operating lease premiums	**2.4**	**2.4**

This amount relates to the un-amortised element of lease premiums paid on inception of operating leases.

18. Inventories

	2007 £m	2006 £m
Raw materials	9.0	7.9
Finished goods	26.2	15.9
Consumable stores	5.4	6.9
Returnable packaging	4.7	1.0
Total inventories at lower of cost and net realisable value	**45.3**	**31.7**

19. Trade and other receivables (current)

	2007 £m	2006 £m
Trade receivables	113.3	87.2
Other receivables	2.6	0.9
Prepayments	13.9	11.5
	129.8	**99.6**

Trade receivables are non-interest bearing and are generally on credit terms usual for the business in which the Group operates.

20. Cash and cash equivalents

	2007 £m	2006 £m
Cash at bank and in hand	**27.3**	**19.2**

During the year short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is £27.3m (2006: £19.2m).

At 30 September 2007, the Group had available £105.0m (2006: £165.0m) of un-drawn committed borrowing facilities in respect of which all conditions precedent had been met.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2007 £m	2006 £m
Cash at bank and in hand	**27.3**	**19.2**

The Group operates a cash pooling approach with one bank such that there is a net cash position.

21. Assets held for sale

	2007 £m	2006 £m
Net transfer from property, plant and equipment	**4.8**	**–**

Assets held for sale relates to those assets which will be sold as part of the outsourcing of the secondary distribution network. The transfer of title of these assets was completed on 1 October 2007. The assets held for sale were written down to net realisable value in the year resulting in an exceptional charge of £0.5m (Note 5).

22. Issued share capital

The issued share capital as at 30 September 2007 and 1 October 2006 comprised 216,037,795 ordinary shares of £0.20 each, totalling £43,207,559.

The ordinary shares carry voting rights of one vote per share. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

	2007 £m	2006 £m
Authorised		
327,500,000 ordinary shares of £0.20 each	65.5	65.5
Ordinary shares issued and fully paid		
216,037,795 ordinary shares of £0.20 each	43.2	43.2

23. Reconciliation of movements in equity

	Called up share capital £m	Share premium account £m	Own shares £m	Share scheme reserve £m	Hedging reserve £m	Other reserves £m	Translation reserve £m	Retained earnings £m	**Total £m**
At 3 October 2005	12.3	25.4	–	0.8	–	7.1	–	(23.4)	**22.2**
Adoption of IAS 39 on 3 October 2005	–	–	–	–	(1.0)	–	–	–	**(1.0)**
At 3 October 2005 (Restated)	12.3	25.4	–	0.8	(1.0)	7.1	–	(23.4)	**21.2**
Reserve changes as a result of IPO	30.6	(25.4)	–	–	–	(7.1)	–	1.9	**–**
Total recognised income for the year	–	–	–	–	0.6	–	–	17.9	**18.5**
Issue of shares	0.3	2.5	–	(2.8)	–	–	–	–	**–**
Other temporary tax differences	–	–	–	–	–	–	–	0.1	**0.1**
Own shares purchased for share schemes	–	–	(0.5)	–	–	–	–	–	**(0.5)**
Movement in share based schemes	–	–	–	6.5	–	–	–	1.5	**8.0**
Payment of dividends	–	–	–	–	–	–	–	(105.0)	**(105.0)**
At 1 October 2006	43.2	2.5	(0.5)	4.5	(0.4)	–	–	(107.0)	**(57.7)**
Total recognised income for the year	–	–	–	–	2.3	–	2.9	88.1	**93.3**
Own shares purchased for share schemes	–	–	(13.2)	–	–	–	–	–	**(13.2)**
Own shares issued for share schemes	–	–	3.4	(3.2)	–	–	–	(0.2)	**–**
Movement in share based schemes	–	–	–	4.0	–	–	–	0.1	**4.1**
Payment of dividend	–	–	–	–	–	–	–	(22.2)	**(22.2)**
Other	–	–	–	–	–	–	–	–	**–**
At 30 September 2007	**43.2**	**2.5**	**(10.3)**	**5.3**	**1.9**	**–**	**2.9**	**(41.2)**	**4.3**

23. Reconciliation of movements in equity continued

Nature and purpose of other reserves

Share premium
The share premium account is used to record the excess of proceeds over nominal value on the issue of shares.

Own shares
The own shares account is used to record purchases by the Group of its own shares, which will be distributed to employees as and when share awards made under the Britvic employee share plans vest.

Share scheme reserve
The share scheme reserve is used to record the movements in equity corresponding to the cost recognised in respect of equity-settled share based payment transactions and the subsequent settlement of any awards that vest either by issue or purchase of the Group's shares.

Hedging reserve
The hedging reserve records movements in the fair value of forward exchange contracts and interest rate and cross currency swaps.

Translation reserve
The translation reserve includes cumulative net exchange differences on translation into sterling of balances and transactions denominated in currencies other than sterling.

Reserve changes as a result of IPO

	£m
Issued share capital	
Issue of 4,295,636,424,718 ordinary shares with a nominal value of £0.0001 to the existing shareholders of Britannia Soft Drinks Limited	429.6
Consolidation on 18 November of the total issued share capital of 4,295,648,700,000 ordinary shares of £0.0001 each at a ratio of one for every 20,000. This resulted in a revised nominal value of £2 per share. The nominal value of each share was subsequently reduced from £2 to £0.20 per share by a court approved reduction of share capital on 24 November 2005 creating additional distributable reserves	(386.7)
Elimination of Britannia Soft Drinks Limited's share capital	(12.3)
	30.6
Share premium account	
Elimination of Britannia Soft Drinks Limited's share premium account	(25.4)
Other reserves	
Elimination of Britvic plc's investment in Britannia Soft Drinks Limited against other reserves	(7.1)
Retained earnings	
Additional reserves were created by a court approved reduction of capital on 24 November 2005 as described above	386.7
Elimination of Britvic plc's investment in Britannia Soft Drinks Limited against retained earnings (excess of cost of investment over Britannia Soft Drinks Limited's share capital, share premium and other reserves balances)	(384.8)
	1.9

24. Interest bearing loans and borrowings

	2007 £m	2006 £m
Current		
Unsecured bank loans	(13.1)	(17.5)
Non-current		
Unsecured bank loans	(195.3)	(285.0)
Private placement notes	(223.7)	–
Less unamortised issue costs	1.2	0.7
Total	**(417.8)**	**(284.3)**

Private placement notes

On 20 February 2007, Britvic plc issued US$375m and £38m of Senior Notes ('the Notes') in the United States Private Placement market. The proceeds of the issue were used to repay and cancel a £150m term loan, with the remainder being used to repay the amounts drawn on the Group's revolving credit facility. The amount, maturity and interest terms of the Notes are shown in the table below:

Series	Tranche	Maturity date	Amount	Interest terms	Swap interest terms
A	7 year	20 February 2014	US$87m	Fixed at 5.80%	Fixed at 6.10%
B	7 year	20 February 2014	US$15m	US$ LIBOR + 0.5%	Fixed at 6.07%
C	7 year	20 February 2014	£25m (US$49m)	Fixed at 6.11%	n/a
D	10 year	20 February 2017	US$147m	Fixed at 5.90%	Fixed at 5.98%
E	12 year	20 February 2019	US$126m	Fixed at 6.00%	Fixed at 5.98%
F	12 year	20 February 2019	£13m (US$26m)	Fixed at 5.94%	n/a

Britvic plc makes quarterly and semi-annual interest payments in the currency of issue, with the first payment having been made on 21 May 2007. The Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the Company. In order to manage the risk of foreign currency and interest rate fluctuations, the Group has entered into currency swaps whereby fixed/floating US dollar interest is swapped for fixed sterling interest. The swap contracts have the same duration and other critical terms as the borrowings which they hedge.

Covenants on these Notes include a term which states that Britvic plc must offer to repay the Notes should a change in control of the Group occur.

Bank loans

The unsecured bank loans classified as current were repayable in October 2007 (2006: May 2007) and were rolled over. These loans attract interest at a rate of 6.35% (2006: 5.25%). The unsecured floating rate bank loans classified as non-current are repayable in May 2010 (2006: May 2010) and attract interest at an average rate of 6.62% for sterling denominated loans and 4.77% for euro denominated loans. Interest on bank loans is re-priced at regular intervals. For further details, please refer to Note 27.

24. Interest bearing loans and borrowings continued

Analysis of changes in interest-bearing loans and borrowings

	2007 £m	2006 £m
Current liabilities	(17.5)	(13.9)
Non-current liabilities	(284.3)	(219.3)
At the beginning of the period	(301.8)	(233.2)
Issue of the Notes	(228.5)	–
New unsecured loans	(323.1)	(667.0)
Issue costs of new loans/Notes	0.8	0.1
Amortisation of issue costs	(0.3)	(0.1)
Borrowings repaid	419.4	598.4
Net translation gain	4.5	–
Accrued interest	(1.9)	–
At the end of the period	**(430.9)**	**(301.8)**

As a result of applying hedge accounting, the net translation gain shown above includes a gain £6.4m which has been offset by an equivalent change in the fair value of the swap arrangements.

25. Pensions

The Group operates a pension scheme, the Britvic Pension Plan ('BPP'), which has both a defined benefit fund and a defined contribution fund. The defined benefit section of the BPP was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the BPP. The funds are administered by trustees and are independent of the Group's finances. Contributions are paid into the funds in accordance with the recommendations of an independent actuary. The latest formal actuarial valuation for contribution purposes was carried out as at 31 March 2004, with a further valuation carried out at 31 March 2007 currently being finalised. As a result of the latest formal valuation, further contributions of £30m, £30m and £10m were made in March 2005, December 2005 and December 2006 respectively. An additional annual contribution of £10m will be made in December 2007-2010 in order to eliminate the funding deficit in the scheme arising at that time.

The amount recognised as an expense in relation to the BPP defined contribution scheme in the income statement for 2007 was £1.4m (2006: £1.3m).

In addition, as a result of the acquisition of Britvic Ireland on 29 August 2007, the company inherited a further pension scheme in which its new employees in Northern Ireland participate, the C&C Pension Trust (1973) Ltd ('CCPT'). Also, following the acquisition the new employees in the Republic of Ireland ('ROI') have continued to participate in a number of C&C Group pension funds (C&C) until new arrangements are finalised in the 12 months following acquisition. Both CCPT and C&C pension schemes have a defined benefit section closed on 28 February 2006, and since this date new employees have been eligible to join the defined contribution section. The latest valuation for both schemes for contribution purposes was carried out as at 31 December 2005. A provisional valuation of these schemes at the acquisition date has been carried out by a qualified actuary based on information available. Changes to this provisional valuation can be made up to twelve months after the acquisition date.

The assets and liabilities of the pension schemes were valued on an IAS 19 basis at 30 September 2007 by a qualified actuary.

25. Pensions continued

Principal assumptions

Financial assumptions

	2007 % ROI	2007 % GB	2006 % GB
Discount rate	5.40	5.90	5.00
Rate of compensation increase	4.10	4.90	4.50
Expected long-term return on plan assets	7.00	6.17	6.34
Pension increases ('LPI')	3.00	3.40	3.00
Inflation assumption	2.25	3.40	3.00

To develop the expected long-term rate of return on assets assumption, the Group considered the level of expected returns on risk free investments ('primarily government bonds'), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate on assets assumption for the portfolio.

Demographic assumptions

The most significant non-financial assumption is the assumed rate of longevity. This is based on standard actuarial tables known as PA92. An allowance for future improvements in longevity has been also included. The following life expectancy assumptions have been used:

	2007 Years ROI	2007 Years GB	2006 Years GB
Current pensioners (at age 65) – males	19.0	19.9	20.6
Current pensioners (at age 65) – females	21.9	22.8	23.6
Future pensioners currently aged 45 (at age 65) – males	20.5	21.1	22.5
Future pensioners currently aged 45 (at age 65) – females	23.4	24.0	25.3

The mortality assumptions used to calculate the pension obligation have been revised in 2007 following a mortality investigation carried out as part of the ongoing actuarial valuation of the Britvic Pension Plan at 31 March 2007.

Net benefit expense

	2007 C&C £m	2007 CCPT £m	2007 BPP £m	2007 Total £m	2006 Total £m
Current service cost	(0.2)	–	(10.7)	(10.9)	(11.6)
Special termination benefits	–	–	–	–	(0.5)
Interest cost on benefit obligation	(0.2)	(0.1)	(22.7)	(23.0)	(20.7)
Expected return on plan assets	0.2	0.1	24.4	24.7	21.8
Curtailment gain	–	–	5.6	5.6	1.6
Net expense	**(0.2)**	**–**	**(3.4)**	**(3.6)**	**(9.4)**

The net expense detailed above is all recognised in arriving at net profit from continuing operations before tax and finance costs/income, and is included within cost of sales, selling and distribution costs and administration expenses.

The pension curtailment is triggered by the transfer of Group employees under the outsourcing arrangements of the secondary distribution network. Those employees that are members of the BPP will no longer accrue future entitlement, which gives rise to the curtailment gain.

25. Pensions continued

Taken to the statement of recognised income and expense

	2007 C&C £m	2007 CCPT £m	2007 BPP £m	2007 Total £m	2006 Total £m
Actual return on scheme assets	0.5	0.6	37.2	38.3	31.8
Less: Expected return on scheme assets	(0.2)	(0.1)	(24.4)	(24.7)	(21.8)
	0.3	0.5	12.8	13.6	10.0
Other actuarial gains/(losses)	–	0.4	47.3	47.7	(20.8)
Actuarial gains/(losses) taken to the statement of recognised income and expense	**0.3**	**0.9**	**60.1**	**61.3**	**(10.8)**

Net (liability)/surplus

	2007 C&C £m	2007 CCPT £m	2007 BPP £m	2007 Total £m	2006 Total £m
Present value of benefit obligation	(39.7)	(23.0)	(422.2)	(484.9)	(454.5)
Fair value of plan assets	34.3	13.7	431.3	479.3	388.7
Net (liability)/surplus	**(5.4)**	**(9.3)**	**9.1**	**(5.6)**	**(65.8)**

Movements in the present value of benefit obligation are as follows:

	2007 C&C £m	2007 CCPT £m	2007 BPP £m	2007 Total £m	2006 Total £m
At start of period	–	–	(454.5)	(454.5)	(412.2)
Acquisition at 29 August 2007	(38.1)	(23.3)	–	(61.4)	–
Currency movement	(1.2)	–	–	(1.2)	–
Current service cost	(0.2)	–	(10.7)	(10.9)	(11.6)
Special termination benefits*	–	–	–	–	(0.5)
Member contributions	–	–	(2.1)	(2.1)	(2.4)
Interest cost on benefit obligation	(0.2)	(0.1)	(22.7)	(23.0)	(20.7)
Benefits paid	–	–	14.9	14.9	12.1
Curtailment gain	–	–	5.6	5.6	1.6
Actuarial gains/(losses)	–	0.4	47.3	47.7	(20.8)
At end of period	**(39.7)**	**(23.0)**	**(422.2)**	**(484.9)**	**(454.5)**

The current service cost excludes contributions made by employees of £2.1m (2006: £2.4m).

* Special termination benefits relate to redundancy payments.

25. Pensions continued

Movements in the fair value of plan assets are as follows:

	2007 C&C £m	2007 CCPT £m	2007 BPP £m	2007 Total £m	2006 Total £m
At start of period	–	–	388.7	388.7	327.6
Acquisition at 29 August 2007	32.6	13.0	–	45.6	–
Currency movement	1.0	–	–	1.0	–
Expected return on plan assets	0.2	0.1	24.4	24.7	21.8
Actuarial gains	0.3	0.5	12.8	13.6	10.0
Employer contributions	0.2	0.1	18.2	18.5	39.0
Member contributions	–	–	2.1	2.1	2.4
Benefits paid	–	–	(14.9)	(14.9)	(12.1)
At end of period	**34.3**	**13.7**	**431.3**	**479.3**	**388.7**

Categories of scheme assets as a percentage of the fair value of total scheme assets

	2007 C&C £m	2007 CCPT £m	2007 BPP £m	2007 Total £m	2007 Total %	2006 Total £m	2006 Total %
Equities	30.8	12.2	246.0	289.0	60	226.3	58
Bonds and gilts	3.5	0.8	184.4	188.7	40	161.3	42
Cash	–	0.7	0.9	1.6	–	1.1	–
Total	**34.3**	**13.7**	**431.3**	**479.3**	**100**	**388.7**	**100**

Categories of scheme assets as a percentage of the expected return on assets

	2007 C&C £m	2007 CCPT £m	2007 BPP £m	2007 Total £m	2007 Total %	2006 Total £m	2006 Total %
Equities	0.2	0.1	17.2	17.5	71	15.1	69
Bonds and gilts	–	–	7.2	7.2	29	6.6	30
Cash	–	–	–	–	–	0.1	1
Total	**0.2**	**0.1**	**24.4**	**24.7**	**100**	**21.8**	**100**

History of experience gains and losses

	2007 £m	2006 £m	2005 £m
Fair value of schemes assets	479.3	388.7	327.6
Present value of defined benefit obligations	(484.9)	(454.5)	(412.2)
Deficit in the schemes	(5.6)	(65.8)	(84.6)
Experience adjustments arising on plan liabilities	(17.2)	(2.0)	–
Experience adjustments arising on plan assets	13.6	10.0	32.6

Normal contributions of £8.5m and additional contributions of £10m are expected to be paid into the pension scheme during the 2008 financial year.

26. Trade and other payables (current)

	2007 £m	2006 £m
Trade payables	110.8	92.3
Other payables	14.3	9.3
Accruals and deferred income	60.7	27.9
Other taxes and social security	17.4	18.2
	203.2	**147.7**

27. Financial instruments

Overview

The Group's principal financial instruments comprise derivatives, borrowings and overdrafts, cash and cash equivalents. These financial instruments are used to manage funding and liquidity requirements. Other financial instruments which arise directly from the Group's operations include trade receivables and payables (see Notes 19 and 26 respectively).

The main risks arising from the Group's financial instruments 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 Group has operations in euro-denominated countries. Foreign exchange risk is primarily in respect of exposure to fluctuations to the sterling-euro rate of exchange. The Group finances foreign operations mainly through the use of foreign currency borrowings which hedge the net investment in foreign operations.

The Group also has transactional exposures arising from purchases of prime materials and commercial assets in currencies other than the functional currency of the individual group entities. Such purchases are made in the currencies of US dollars and euros. For the period ended 30 September 2007, the Group has hedged 70% (2006: 70%) of forecast exposures 12 months in advance using forward foreign exchange contracts.

Where funding is raised in a currency other than the currency ultimately required by the Group, cross currency interest rate swaps are used to convert the cash flows to the required currency. These swaps have the same duration and other critical terms as the underlying borrowing.

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 Group enters into fixed price contracts with suppliers to hedge against unfavourable commodity price changes.

Interest rate risk

The Group borrows in desired currencies at both fixed and floating rates of interest and then uses interest rate swaps to generate the desired interest rate profile and to manage the Group's exposure to interest fluctuation. At 30 September 2007, £222.9m (2006: £100.0m) of the Group's borrowings were at fixed rates after taking account of interest rate swaps.

Credit risk

There are no significant concentrations of credit risk within the Group. The maximum credit risk exposure relating to financial assets is represented by carrying value as at the balance sheet date.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funds and flexibility through the use of bank loans and overdrafts. The bank loans entered into by the Group are unsecured.

27. Financial instruments continued

Interest rate risk profile of financial assets and liabilities

The interest rate profile of the financial assets and liabilities of the Group by maturity date is as follows:

Fixed rate

2007

	Within 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	More than 5 years £m	**Total £m**
Notes*	–	–	–	–	–	(222.9)	**(222.9)**

2006

	Within 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	More than 5 years £m	**Total £m**
Bank loans*	–	–	–	(100.0)	–	–	**(100.0)**

* Includes the effects of the related floating to fixed interest rate swaps on floating borrowings discussed below.

Floating rate

2007

	Within 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	More than 5 years £m	**Total £m**
Cash	27.3	–	–	–	–	–	**27.3**
Bank loans	(13.1)	–	(194.9)	–	–	–	**(208.0)**
Interest rate swap*	–	–	–	–	–	(3.4)	**(3.4)**
Foreign currency contracts	(0.2)	–	–	–	–		**(0.2)**

2006

	Within 1 year £m	1–2 years £m	2–3 years £m	3–4 years £m	4–5 years £m	More than 5 years £m	**Total £m**
Cash	19.2	–	–	–	–	–	**19.2**
Bank loans	(17.5)	–	–	(184.3)	–	–	**(201.8)**
Interest rate swap*	–	–	–	0.5	–	–	**0.5**
Foreign currency contracts	(1.0)	–	–	–	–	–	**(1.0)**

* See Note 24.

Interest on financial instruments classified as floating rate is re-priced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

27. Financial instruments continued

Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments, except trade and other receivables and payables.

	Book value 2007 £m	Fair value 2007 £m	Book value 2006 £m	Fair value 2006 £m
Financial assets				
Cash	27.3	27.3	19.2	19.2
Forward currency contracts	0.1	0.1	0.1	0.1
Interest rate swap	–	–	0.5	0.5
Financial liabilities				
Interest-bearing loans and borrowings (bank loans and US$ Notes):				
Fixed rate borrowings	(222.9)	(244.9)	(100.0)	(100.0)
Floating rate borrowings	(208.0)	(208.0)	(201.8)	(201.8)
Forward currency contracts	(0.3)	(0.3)	(1.0)	(1.0)
Interest rate swap	(3.4)	(3.4)	–	–

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates.

The fair value of the current trade and other receivables and payables approximate their book value.

Hedges

Cash flow hedges

At 30 September 2007, the Group held 27 (2006: 25) US dollar and 21 (2006: 58) euro forward exchange contracts designated as hedges of expected future purchases from overseas suppliers in US dollars and euros for which the Group believe to be 'highly probable' transactions. The forward currency contracts are being used to hedge the foreign currency risk of these 'highly probable' transactions. The terms of these contracts are as follows:

	Maturity range	Average exchange rate
Forward contracts to hedge expected future purchases		
2007		
US$10,128,000	31 Oct 07 – 29 Aug 08	£/US$2.00
EUR22,881,000	31 Oct 07 – 28 Apr 08	£/EUR1.46
2006		
US$7,084,000	31 Oct 06 – 28 Sept 07	£/US$1.81
EUR43,548,000	31 Oct 06 – 28 Sept 07	£/EUR1.48

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The cash flow hedges of the expected future purchases within the 12 months of the balance sheet date have been assessed to be effective.

In February 2007, Britvic plc issued US$375m and £38m of Senior Notes in the United States Private Placement market. As a result of this transaction further cash flow hedges were entered into. These are detailed in Note 24.

28. Other non-current liabilities

	2007 £m	2006 £m
Deferred consideration	**1.2**	–

This amount relates to the element of additional deferred consideration due to the vendors of Red Devil payable after one year. Further detail is given in Note 14.

29. Share-based payments

The expense recognised for share-based payments in respect of employee services received during the year to 30 September 2007 is £8.1m (2006: £6.9m). All of that expense arises from transactions which are expected to be equity-settled share-based payment transactions.

The Britvic Share Incentive Plan ('SIP')

The SIP is an all-employee plan approved by HMRC. The plan allows for annual awards of free ordinary shares with a value of 3% of salary (subject to HMRC maximum limits) together with an offer of matching shares on the basis of one free matching share for each ordinary share purchased with a participant's savings, up to a maximum of £75 per four-week pay period. Employees are entitled to receive the annual free share award provided they are employed by the Company on the last day of each financial year and on the award date. There are no cash settlement alternatives.

Awards made during the year are shown in the table below. The fair value of these awards is equivalent to the intrinsic value of the shares.

	Number of shares	
	2007	2006
Annual free shares award	582,762	957,953
Matching shares award – one free share for every ordinary share purchased	455,349	347,212
Special free shares award after flotation	–	915,408
Special matching shares award – two free shares for every ordinary share purchased	–	339,952

The Britvic Executive Share Option Plan ('ESOP')

The ESOP allows for options to buy ordinary shares to be granted to selected employees. The option price is the market price of Britvic plc's shares on the business day before the date of grant. Options become exercisable on the satisfaction of the performance condition and remain exercisable until ten years after the date of grant.

The performance condition requires average growth in EPS of 7% pa over a three-year period in excess of the growth in RPI over the same period for the options to vest in full. If EPS growth averages 3% per annum in excess of RPI growth, 40% of the options will vest. Straight-line apportionment will be applied between these two levels to determine the number of options that vest and no options will vest if average EPS growth is below the lower threshold.

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

29. Share-based payments continued

The following table illustrates the movements in the number of share options during the year.

	Number of share options	Weighted average exercise price (pence)
Outstanding as at 3 October 2005	–	–
Granted during the year	1,644,828	245.0
Forfeited during the year	(62,199)	245.0
Outstanding as at 1 October 2006	1,582,629	245.0
Granted during the year	1,673,929	245.0
Forfeited during the year	(141,426)	245.0
Outstanding at 30 September 2007	**3,115,132**	**245.0**
Exercisable at 30 September 2007	–	–

The share options outstanding as at 30 September 2007 had a weighted average remaining contractual life of 8.7 years (2006: 9.2 years) and had an exercise price of 245.0p (2006: 245.0p).

The weighted average fair value of options granted during the year was 44.7p (2006: 40.4p).

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.

The following table lists the inputs to the model used for the year ended 30 September 2007.

	2007	2006
Dividend yield (%)	2.9	3.0
Expected volatility (%)	20.0	19.0
Risk-free interest rate (%)	4.8	4.3
Expected life of option (years)	5.0	5.0
Share price at date of grant (pence)	242.0	242.0
Exercise price (pence)	245.0	245.0

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

29. Share-based payments continued

The Britvic Performance Share Plan ('PSP')

The PSP allows for awards of ordinary shares to be made to selected employees subject to the satisfaction of a performance condition. Different performance conditions apply to different groups of employees.

Awards granted to members of the senior leadership team are subject to a performance condition which measures the Company's total shareholder return ('TSR') relative to the TSR of a comparator group (consisting of 20 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 40% will vest, rising on a straight-line basis to 100% vesting at upper quartile.

Awards granted to members of the senior management team will be subject to a performance condition which requires average growth in EPS of 7% pa over a three-year period in excess of the growth in RPI over the same period for the awards to vest in full. If EPS growth averages 3% pa in excess of RPI growth, 40% of the awards will vest. Straight-line apportionment will be applied between these two levels to determine the number of awards that vest and no awards will vest if average EPS growth is below the lower threshold.

In addition, a transitional award has been made to members of both the senior leadership team and the senior management team shortly after flotation, at levels varying according to seniority. These awards will vest in tranches over a period of up to three years, subject to the satisfaction of a performance condition. The performance condition requires the Company's Return on Invested Capital ('ROIC') to be at least 17% over the performance period for the award to vest in full. If ROIC is 15% over the performance period, 50% of the award will vest. Straight-line apportionment will be applied between these two levels to determine the percentage of awards that vest and no awards will vest if ROIC is below the lower threshold.

In some circumstances, at the discretion of the Company, vested awards may be satisfied by a cash payment rather than a transfer of ordinary shares. However, it is expected that this plan will be equity-settled and as a consequence has been accounted for as such.

The following table illustrates the movements in the number of shares during the year.

	Number of shares subject to TSR condition	Number of shares subject to EPS condition	Number of shares subject to ROIC condition
Outstanding as at 3 October 2005	–	–	–
Granted during the year	744,872	746,956	3,834,820
Lapsed during the year	(44,163)	(63,465)	(170,458)
Outstanding as at 1 October 2006	700,709	683,491	3,664,362
Granted during the year	718,673	644,219	–
Vested during the year	–	–	(1,367,136)
Lapsed during the year	(97,348)	(167,075)	(158,760)
Outstanding at 30 September 2007	**1,322,034**	**1,160,635**	**2,138,466**
Weighted average fair value of shares granted during the year	123.7p	222.1p	–

The fair value of equity-settled shares granted is estimated as at the date of grant using separate models as detailed below, taking account of the terms and conditions upon which the shares were granted.

29. Share-based payments continued

The following table lists the inputs to the models used for the year ended 30 September 2007.

	Shares subject to TSR condition	Shares subject to EPS condition
Valuation model used	Monte Carlo simulation	Share price at date of grant adjusted for dividends not received during vesting period
Dividend yield (%)	2.9	2.9
Expected volatility (%)	20.0	n/a
Share price at date of grant (pence)	242.0	242.0

The following table lists the inputs to the models used for the year ended 1 October 2006.

	Shares subject to TSR condition	Shares subject to EPS condition	Shares subject to ROIC condition
Valuation model used	Monte Carlo simulation	Share price at date of grant adjusted for dividends not received during vesting period	Grant adjusted for dividends not received during vesting period
Dividend yield (%)	3.0	3.0	3.0
Expected volatility (%)	19.0	n/a	n/a
Share price at date of grant (pence)	242.0	242.0	242.0

30. Notes to the consolidated cash flow statement

Analysis of net debt

	2006 £m	Cash flows £m	Exchange differences £m	Other movement £m	2007 £m
Cash at bank and in hand	19.2	8.1	–	–	27.3
Overdrafts	–	–	–	–	–
Net cash	19.2	8.1	–	–	27.3
Debt due within one year	(17.5)	4.4	–	–	(13.1)
Debt due after more than one year	(284.3)	(136.2)	4.5	(1.8)	(417.8)
Debt	(301.8)	(131.8)	4.5	(1.8)	(430.9)
Net debt	(282.6)	(123.7)	4.5	(1.8)	(403.6)

	2005 £m	Cash flows £m	2006 £m
Cash at bank and in hand	19.4	(0.2)	19.2
Overdrafts	–	–	–
Net cash	19.4	(0.2)	19.2
Debt due within one year	(13.9)	(3.6)	(17.5)
Debt due after more than one year	(219.3)	(65.0)	(284.3)
Debt	(233.2)	(68.6)	(301.8)
Net debt	(213.8)	(68.8)	(282.6)

31. Commitments and contingencies

Operating lease commitments

In April 2007, the Group completed a sale and leaseback transaction with regard to its Tamworth depot. The Group has entered into a short-term lease which has no significant arrangements of note.

Future minimum lease payments under non-cancellable operating leases are as follows:

			2007
	Land and buildings £m	Other £m	**Total £m**
Within one year	4.0	6.1	**10.1**
After one year but not more than five years	10.6	11.7	**22.3**
More than five years	35.3	1.9	**37.2**
	49.9	19.7	**69.6**

			2006
	Land and buildings £m	Other £m	**Total £m**
Within one year	3.5	5.4	**8.9**
After one year but not more than five years	10.4	8.0	**18.4**
More than five years	36.8	2.0	**38.8**
	50.7	15.4	**66.1**

The Group enters into sublease agreements in respect of some of its operating leases for property. At the reporting date the Group had contracted with tenants for future minimum operating sublease receipts amounting to £1.9m (2006: £2.1m).

Capital commitments

At 30 September 2007, the Group has commitments of £2.0m (2006: £3.9m) relating to the acquisition of new plant and machinery.

Contingent liabilities

The Group has the following contingent liabilities at 30 September 2007 and 1 October 2006:

The Group has assigned its interest in certain leasehold properties to other tenants. It remains liable for rentals due to the landlord for any defaults on the part of these tenants. It is not practicable to estimate the amount or timing of rentals that may default. However, the Directors do not expect that any potential default would result in a material claim against the Group.

32. Related party disclosures

The consolidated financial statements include the financial statements of Britvic plc and the subsidiaries listed in the table below. Particulars of dormant and non-trading subsidiaries which do not materially affect the Group results have been excluded.

Name	Name change effective from 1 October 2007	Country of incorporation	% equity interest
Directly held			
Britannia Soft Drinks Limited	–	UK	100
Indirectly held			
Britvic Holdings Limited	–	UK	100
Britvic International Limited	–	UK	100
Britvic Soft Drinks Limited	–	UK	100
Robinsons Soft Drinks Limited	–	UK	100
Orchid Drinks Limited	–	UK	100
Red Devil Energy Drinks Limited	–	UK	100
Robinsons (Finance) Limited	Britvic Irish Holdings Limited	Republic of Ireland	100
C&C (Ireland) Limited	Britvic Ireland Limited	Republic of Ireland	100
C&C (Belfast) Limited	Britvic Northern Ireland Limited	Republic of Ireland	100
C&C (Wholesale) Limited	Britvic Licensed Wholesale Limited	Republic of Ireland	100
C&C (Logistics) Limited	Britvic Logistics Limited	Republic of Ireland	100
Ballygowan Limited	–	Republic of Ireland	100
Aquaporte Limited	–	Republic of Ireland	100
William J Dwan & Sons Limited	–	Republic of Ireland	100

Key management personnel are deemed to be the Executive Directors of the Company and members of the Executive Committee. The compensation payable to key management in the year is detailed below.

	2007 £m	2006 £m
Short-term employee benefits	1.8	1.7
Post-employment benefits	0.5	0.4
Share-based payment	2.1	1.4
	4.4	3.5

There were no other related party transactions requiring disclosure in these financial statements.

Independent Auditor's Report to the Members of Britvic plc

We have audited the parent company financial statements of Britvic plc for the 52 weeks ended 30 September 2007 which comprise the Balance Sheet and the related Notes 1 to 14. These parent Company Financial Statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

We have reported separately on the Group Financial Statements of Britvic plc for the 52 weeks ended 30 September 2007.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the parent Company Financial Statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent company financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent Company Financial Statements give a true and fair view and whether the parent company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the parent company Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Operating and Financial Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent Company Financial Statements. The other information comprises only the Chairman's Statement, the Operating and Financial Review, the Corporate Responsibility Review, the Directors' Report, the Corporate Governance Statement and the unaudited part of the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent Company Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing ('UK and Ireland') issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the parent Company Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- The parent Company Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2007.
- The parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985.
- The information given in the Directors' Report is consistent with the parent Company Financial Statements.

Ernst & Young LLP
Registered auditor
Nottingham
28 November 2007

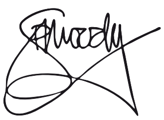
Note: The maintenance and integrity of the Britvic plc website is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Company Balance Sheet

At 30 September 2007

	Notes	2007 £m	2006 £m
Fixed assets			
Investments in Group undertakings	6	599.0	429.6
Current assets			
Trade and other receivables	7	118.1	1.5
Current liabilities			
Trade and other payables	8	(23.0)	(105.3)
Interest bearing loans and borrowings	9	(14.0)	(2.4)
Other financial liabilities	9	(3.4)	–
		(40.4)	(107.7)
Net current assets/(liabilities)		**77.7**	**(106.2)**
Total assets less current liabilities		**676.7**	**323.4**
Non-current liabilities			
Interest bearing loans and borrowings	9	(393.9)	–
Net assets		**282.8**	**323.4**
Capital and reserves			
Called up share capital	10	43.2	43.2
Share premium reserve	11	2.5	2.5
Own shares	11	(10.3)	(0.5)
Hedging reserve	11	3.0	–
Profit and loss account	11	244.4	278.2
Equity shareholders' funds		**282.8**	**323.4**

The financial statements were approved by the Board of Directors and authorised for issue on 28 November 2007.
They were signed on its behalf by:



Paul Moody
Chief Executive

John Gibney
Finance Director

Notes to the Company Financial Statements

1. Parent undertaking

The financial statements are prepared in accordance with the Companies Act 1985 and in accordance with applicable accounting standards.

These accounts present information about the Company as an individual undertaking, under UK Generally Accepted Accounting Principles, and not about its Group.

The Company has taken advantage of the exemption provided under section 230 of the Companies Act 1985 not to publish its individual profit and loss account and related notes.

The Company is exempt from the requirements of Financial Reporting Standard No.1 (Revised) 'Cash Flow Statements'.

2. Accounting policies

Investments

The Company recognises its investments in subsidiaries at cost less any provisions made for impairment.

Interest bearing loans and borrowings

Borrowings are stated at proceeds received less any unamortised issue costs.

Issue costs of loans

The finance cost recognised in the profit and loss account in respect of capital instruments is allocated to periods over the terms of the instrument using the effective interest method.

Borrowing costs

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

All borrowing costs are recognised as finance costs in the profit and loss account in the period in which they are incurred.

Foreign currencies

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.

Issued 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 the proceeds.

Dividends

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

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Taxation

The current income tax expense is based on taxable profits for the year, after any adjustments in respect of prior years. 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.

2. Accounting policies continued

Derivative financial instruments and hedging

The Company uses interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations classified as cash flow hedges (when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction). All derivative financial instruments are initially recognised and 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.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the profit and loss account. The treatment of gains and losses arising from revaluing interest rate swaps designated as cash flow hedging instruments is as follows:

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the profit and loss account. Amounts taken to equity are transferred to the profit and loss account when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If a forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the profit and loss account. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the profit and loss account or to the initial carrying amount of a non-financial asset or liability as above. If the related transaction is not expected to occur, the amount is taken to the profit and loss account.

3. Auditors' remuneration

Auditors' remuneration has been borne by another Group undertaking.

4. Loss of the company

The Company made a loss of £11.6m in the year (2006: loss of £3.5m).

5. Director's remuneration

The remuneration of the Directors of the Company is borne by another Group company.

Directors' emoluments are disclosed in the Directors' Remuneration Report.

6. Investments in Group undertakings

	2007 £m	2006 £m
Cost and net book value at 2 October 2006	429.6	–
Acquisition of Britannia Soft Drinks Limited	169.4	429.6
Cost and net book value at 30 September 2007	599.0	429.6

On 18 November 2005 the Company acquired the entire share capital of Britannia Soft Drinks Limited.

On 24 August 2007 the Company acquired 169,472,800 shares of £1 each being a 100% shareholding in Britvic Finance Limited for £169,472,800.

On 24 August 2007 the Company exchanged its investment in Britvic Finance Limited for an additional investment in Britannia Soft Drinks Limited on their issue of a further 169,472,800 shares of £1 each.

The following is a list of the principal subsidiary undertakings of which Britvic plc is, either directly or through subsidiary companies, the beneficial owner of the whole of the equity share capital.

Name	Name changes effective from 1 October 2007	Principal activity	Country of incorporation	% equity interest
Directly held				
Britannia Soft Drinks Limited	–	Investment holding company	UK	100
Indirectly held				
Britvic Finance Limited	–	Financing company	Jersey	100
Britvic Holdings Limited	–	Holding company	UK	100
Britvic International Limited	–	Manufacture and sale of soft drinks	UK	100
Britvic Soft Drinks Limited	–	Manufacture and sale of soft drinks	UK	100
Robinsons Soft Drinks Limited	–	Manufacture and sale of soft drinks	UK	100
Orchid Drinks Limited	–	Manufacture and sale of soft drinks	UK	100
Red Devil Energy Drinks Limited	–	Manufacture and sale of soft drinks	UK	100
Robinsons (Finance) Limited	Britvic Irish Holdings Limited	Investment holding company	Republic of Ireland	100
C&C (Ireland) Limited	Britvic Ireland Limited	Manufacture and marketing of soft drinks	Republic of Ireland	100
C&C (Belfast) Limited	Britvic Northern Ireland Limited	Marketing and distribution of soft drinks	Republic of Ireland	100
C&C (Wholesale) Limited	Britvic Licensed Wholesale Limited	Wholesale of soft drinks to the licensed trade	Republic of Ireland	100
C&C (Logistics) Limited	Britvic Logistics Limited	Provision of distribution services	Republic of Ireland	100
Ballygowan Limited	–	Manufacture and marketing of soft drinks	Republic of Ireland	100
Aquaporte Limited	–	Supply of water-coolers and bottled water	Republic of Ireland	100
William J Dwan & Sons Limited	–	Wholesale of soft drinks to the licensed trade	Republic of Ireland	100

7. Trade and other receivables

	2007 £m	2006 £m
Amounts due from subsidiary undertakings	111.6	–
UK corporation tax receivable	6.5	1.5
	118.1	**1.5**

8. Trade and other payables

	2007 £m	2006 £m
Amounts due to subsidiary undertakings	(22.9)	(105.3)
Accruals and deferred income	(0.1)	–
	(23.0)	**(105.3)**

9. Interest bearing loans and borrowings

	2007 £m	2006 £m
Current		
Bank overdrafts	(14.0)	(2.4)
Non-current		
Unsecured bank loans	(171.1)	–
Private placement notes	(223.6)	–
Less unamortised issue costs	0.8	–
Total	**(393.9)**	**–**

As a result of applying hedge accounting, the translation gain shown above of £6.4m has been offset by an equivalent change in the fair value of the swap arrangements.

Private placement notes

On 20 February 2007, Britvic plc issued US$375m and £38m of Senior Notes ('the Notes') in the United States Private Placement market.

In order to manage the risk of foreign currency and interest rate fluctuations, the Company has entered into currency swaps whereby fixed/floating US dollar interest is swapped for fixed sterling interest. The fair value of these swaps as at 30 September 2007 is £3.4m.

For further details, refer to Notes 24 and 27 to the Consolidated Financial Statements.

Unsecured bank loans

On 28 August 2007 Britvic plc entered into a €100m loan agreement. The remaining unsecured bank loans are sterling denominated. These loans attract a floating rate of interest and are regularly re-priced with a current average interest rate of 6.52% on the sterling loans and 4.77% on the euro loans. This interest rate expires on 4 December 2007 when it is anticipated they will be re-priced.

10. Issued share capital

The issued share capital as at 30 September 2007 and 1 October 2006 comprised 216,037,795 ordinary shares of £0.20 each, totalling £43,207,559.

The ordinary shares carry voting rights of one vote per share. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

	2007 £m	2006 £m
Authorised		
327,500,000 ordinary shares of £0.20 each	65.5	65.5
Issued and fully paid		
216,037,795 ordinary shares of £0.20 each	43.2	43.2

11. Reconciliation of movement in shareholders' funds

	Called up share capital £m	Share premium reserve £m	Own shares £m	Hedging reserve £m	Profit and loss account £m	Total £m
At 2 October 2006	43.2	2.5	(0.5)	–	278.2	323.4
Own shares purchased for share schemes	–	–	(13.2)	–	–	(13.2)
Own shares issued for share schemes	–	–	3.4	–	–	3.4
Movement in cash flow hedges	–	–	–	3.0	–	3.0
Loss for the year	–	–	–	–	(11.6)	(11.6)
Payment of dividends	–	–	–	–	(22.2)	(22.2)
At 30 September 2007	**43.2**	**2.5**	**(10.3)**	**3.0**	**244.4**	**282.8**

12. Dividends paid and proposed

	2007 £m	2006 £m
Declared and paid during the year		
Special dividend for 2006: 45.86p per share	–	(98.5)
Interim dividend for 2006: 3.00p per share	–	(6.5)
Final dividend for 2006: 7.00p per share	(15.1)	–
Interim dividend for 2007: 3.30p per share	(7.1)	–
Dividends paid	**(22.2)**	**(105.0)**
Proposed for approval by the shareholders at the AGM		
Final dividend for 2006: 7.00p per share	–	(15.1)
Final dividend for 2007: 7.70p per share	16.6	–

13. Contingent liabilities

The Company is co-guarantor of the Group's bank loan and overdraft facilities.

14. Related party transactions

The Company has taken advantage of the exemption under FRS 8 available to a parent company not to disclose transactions with other Group companies within its financial statements.

Shareholder Information

Shareholder profile as at 30 September 2007

Category of holdings	Number of shareholders	Percentage of total shareholders	Ordinary shares (million)	Percentage of issued share capital
Private Individuals	856	58.11	1,885,226	0.87
Nominee Companies	578	39.24	194,503,351	90.03
Limited and Public Limited Companies	25	1.70	13,129,503	6.08
Other Corporate Bodies	10	0.68	5,995,108	2.78
Pension Funds, Insurance Companies and Banks	4	0.27	524,607	0.24
Total	**1,473**	**100**	**216,037,795**	**100**

Range of holdings	Number of shareholders	Percentage of total shareholders	Ordinary shares (million)	Percentage of issued share capital
1 – 199	84	5.70	6,404	0.00
200 – 499	143	9.72	46,304	0.02
500 – 999	223	15.14	152,261	0.07
1000 – 4999	595	40.38	1,233,628	0.57
5000 – 9999	105	7.13	712,651	0.33
10000 – 49999	128	8.69	2,872,957	1.33
50000 – 99999	43	2.92	3,098,777	1.43
100000 – 499999	86	5.84	21,417,744	9.91
500000 – 999999	27	1.83	17,565,083	8.13
1000000 Plus	39	2.65	168,931,986	78.21
Total	**1,473**	**100**	**216,037,795**	**100**

Dividend mandates

Shareholders who wish dividends to be paid directly into a bank or building society account should contact the Registrar for a dividend mandate form. This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

Share dealing services

The Company's Registrar, Equiniti, offer a telephone and internet dealing service, Shareview, which provides a simple and convenient way of buying and selling shares. For telephone dealings call 0870 850 0852 between 8.30am and 4.30pm, Monday to Friday, and for internet dealings log onto www.shareview.co.uk/dealing

Individual savings accounts ('ISAs')

ISAs in Britvic plc ordinary shares are available through Equiniti. Further information may be obtained through their ISA Helpline, telephone 0870 24 24 244.

Financial calendar

Ex-dividend date	5 December 2007	Payment of final dividend	15 February 2008
Record date	7 December 2007	Interim results announcement	May 2008
Annual General Meeting	30 January 2008		

Contacts

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The Company's Registrar is Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone 0870 195 6550* (UK callers +44 121 415 7047 (non- UK callers).

*For those with hearing difficulties, a textphone is available on 0870 600 3950 for UK callers with compatible equipment.

Further copies of this report are available from the Company's registered office (address as above) and may be accessed through the Company's website, www.britvic.com

***Note regarding all numbers in this announcement other than those included within the Financial Statements:**

All numbers are disclosed before exceptional items and other than free cash flow and ROIC include a five-week contribution from the recently acquired soft drinks and distribution businesses of C&C Group plc ('Britvic Ireland') which contributed revenue of £13.8m and operating profit of £0.8m. All numbers exclude the Private Label Water business where the last contract expired in November 2005.

1 EBITDA is defined as operating profit before exceptional items, depreciation, amortisation and any gain or loss on disposal of fixed assets.

2 Free cash flow is defined as net cash flow excluding movements in borrowings, dividend payments and non cash exceptional items. Including the impact of the Britvic Ireland acquisition free cash flow is an outflow of £92.6m.

Cautionary note regarding forward-looking statements

This announcement includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules and applicable law, Britvic undertakes no obligation to update or change any forward-looking statements to reflect events occurring after the date such statements are published.

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