24/7

A day in the life of Britvic

Annual Report 2009

BRITVIC plc

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Sources:
Nielsen Scantrak GB take-home 52 weeks MAT to 26 September 2009

Nielsen on-premise brewers MAT September 2009

Nielsen Scantrak ROI grocery 52 weeks MAT to 4 October 2009

Hall & Partners

OVERVIEW

OUR PERFORMANCE AT A GLANCE

GROUP TOTAL BRANDED REVENUE

2006	£677.7m
2007	£716.3m
2008	£926.5m
2009	£978.8m

+5.6%

GROUP EBIT

2006	£73.7m
2007	£80.0m
2008	£96.7m
2009	£110.1m

+13.9%

GROUP FULL YEAR DIVIDEND

2006	10.0p
2007	11.0p
2008	12.6p
2009	15.0p

+19.0%

GROUP EARNINGS PER SHARE

2006	18.4p
2007	20.4p
2008	24.8p
2009	29.9p

+20.6%

GROUP FREE CASH FLOW

2006	£48.9m
2007	£65.3m
2008	£66.2m
2009	£69.7m

+5.3%

GB AND INTERNATIONAL REVENUE

2006	£669.6m
2007	£692.5m
2008	£725.8m
2009	£789.3m

+8.7%

GB AND INTERNATIONAL EBIT

2006	£71.8m
2007	£76.2m
2008	£82.0m
2009	£97.9m

+19.4%

EVERY MINUTE EVERY HOUR EVERY DAY

Someone somewhere is contributing to the creation of a Britvic brand.

Whether they are sourcing ingredients across the world, running our production lines, making deliveries, engaging with our customers, filling vending machines or having great ideas for new brands, new flavours or new marketing campaigns, they all have a vital role to play. 24/7.

EVERY MINUTE EVERY HOUR EVERY DAY

Someone somewhere is enjoying a Britvic brand.

From the breakfast table to the gym, from on-the-go refreshment to a night in the pub with friends, we have great drinks to suit all occasions and all tastes. 24/7.

OVERVIEW

OUR BRAND PORTFOLIO

4PM

LONDON BRIDGE, SE1

Danny, Kristian and Ed have been mates since school. They know each other inside out and always pick straight up where they left off. Pepsi Max tastes even better on days like this.

OVERVIEW

WHO WE ARE

Britvic is one of the two leading branded soft drinks businesses in the UK and Republic of Ireland.

With great brands like Robinsons, J_2O, Tango and Fruit Shoot in the UK, strong local brands in Ireland, and exclusive agreements to make and distribute global brands like Pepsi and 7UP in selected territories, we are dedicated to creating and building brands that delight consumers always.

We have a strong track record of innovation in products and packaging, are renowned for our compelling and effective marketing and sell over 1.7 billion litres of soft drinks each year.

We are the largest supplier of branded still drinks in Great Britain and the number two supplier of branded carbonates. We are also the number one supplier to the GB on-premise market and number two in the GB take-home market.

In Ireland we are number one in the licensed on-premise market and number two in the grocery market.

Britvic International is focused on export and the travel industry as well as extending availability of Britvic brands through licensing and franchising agreements.

OVERVIEW
WHERE WE ARE

Offices
Chelmsford
Dublin
Solihull
Tamworth

Factories
Ballygowan
Beckton
Dublin
Huddersfield
Leeds
Norwich
Rugby
Widford

Distribution Centres
Lutterworth

STRATEGY FOR GROWTH

Britvic has a clear and focused strategy for growth

- Supporting and growing our core brands: Pepsi, 7UP, Robinsons squash, Tango, Fruit Shoot and J_2O
- Innovating and developing our seed brands: drench, Gatorade, V Water, Lipton Ice Tea and Pepsi Raw
- Managing efficiency by improving margins and free cash flow
- Expanding into Europe

BRAND HIGHLIGHTS

- We outperformed the GB soft drinks market in all of our key categories
- Our core GB brands – Pepsi, 7UP, Tango, Robinsons, J_2O and Fruit Shoot – all increased volume and value shares
- Lipton Ice Tea was added to our GB portfolio in conjunction with PepsiCo
- Strong execution of Pepsi 'Max It For a Million' and 'Comes with Music' campaigns
- Pepsi is the number one cola in licensed on-premise
- Robinsons consolidated its number one position with volume and value share gains in the squash market
- Robinsons Wimbledon execution was the best ever
- Consumer preference for Tango increased 8%pts following the Save Tango campaign
- J_2O remains the number one packaged drink in licensed on-premise
- Fruit Shoot is a £100m retail brand
- We launched Robinsons Be Natural, the first everyday natural squash
- New pack designs were introduced for J_2O, Fruit Shoot and Tango
- Robinsons squash was produced in Ireland for the Irish market
- Pepsi became the fastest growing carbonate brand in Ireland
- 7UP retained its position as the number two soft drinks brand in Ireland
- Fruit Shoot was launched in Sweden

1PM

THE LAMBERT ARMS, OXFORD

There's nothing quite like going to the pub with friends for a proper Sunday lunch. Just add your favourite J_2O. Cheers!

CHAIRMAN'S STATEMENT

Gerald Corbett
Independent
Non-Executive Chairman

Britvic's profit before tax, in our fourth year as a public company, rose 23.4% to £86.5m, before exceptional items. Revenues grew 5.6% to £978.8m. This was in spite of the deepest recession the UK has seen since the 1930s and in spite of an adverse trading environment in Ireland. Earnings per share rose 20.6% to 29.9p, and cash flow was again strong with free cash flow generation of £69.7m before exceptional items. We are proposing a final dividend of 10.9p per share, which will make a full year dividend of 15.0p per share, an increase of 19.0%.

This was another powerful set of results, with the business now developing a track record of solid growth, built from a healthy top line. Our objective is to make steady progress on all measures every year.

In sales terms, we again outperformed the British soft drinks market, building on the strength of our brand portfolio, our innovation and our in-market execution. We again gained market share in every major category in which we compete. The launches of Juicy drench and Robinsons Be Natural were delivered in line with our expectations and promotion management and product/pack mix helped boost our average realised price. Our approach is to keep costs tight, whilst maximising margins and cash.

The further collaboration with PepsiCo, our major commercial partner, is a demonstration of the strong and growing relationship that now goes back over 20 years. We are committed to their success, and they to ours. We pride ourselves on being their leading partner in Europe. We hope to build further on this relationship to our mutual benefit.

Britvic Ireland, in its second full year as part of the Britvic group, has coped remarkably well in a difficult environment. It has been a year of change, with a reduction in the workforce, the implementation of new systems, closure of a factory and further integration into our supply chain and back office. The soft drinks market in Ireland, particularly in the licensed on-premise channel, again suffered from the sharp decline in the economy. Importantly the business held share across key categories, and now commands over 40% of the licensed on-premise market. These market positions, together with a well-invested sales and supply chain infrastructure, mean that Britvic Ireland is well placed to take advantage of future recovery in the market. The total synergies we will achieve with the acquisition will total €27.0m. This will underpin our financial performance. Indeed our experience in Ireland and the value we have been able to add to the business give us encouragement to continue, albeit at a prudent rate, our international expansion.

The resilience of our financial performance during this recession, our portfolio of leading brands, and our innovation and through-the-line execution give us confidence as we face 2010, which will be another challenging year. This confidence and our cash flow underpin the board's decision to propose a 24% increase in the final dividend. The new year has begun strongly in a market yet to fully recover. We expect to be able again to demonstrate the inherent strength of our business.

We have a management team which has successfully driven the business forward in the four years since we floated, in what has not been an easy environment. On behalf of the board I would like to thank them 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.

BUSINESS REVIEW
CHIEF EXECUTIVE'S REVIEW

In the 52 weeks ended 27 September 2009, Britvic's GB brands have again performed extremely well, growing in revenue and taking both volume and value share in key categories. This is despite the small decline in the soft drinks market, driven by subdued consumer confidence. The GB & International businesses underpinned the performance of the group, with revenue growth of 8.7% to £789.3m. Poor local trading conditions drove a 5.6% revenue decline in Ireland, though the strength of the GB and International businesses delivered total group revenue of £978.8m, up by 5.6% on the prior year.

We have continued to deliver on our point-of-purchase and innovation strategies, delivering another healthy top line whilst maintaining our proactive focus on the cost base. Group operating profit before exceptional items is up 13.9% while profit after tax (PAT) and basic earnings per share (EPS) are both up by more than 20%. These strong results build on our strong and accelerating track record, ensuring repeated delivery of shareholder returns.

Free cashflow was £69.7m, £3.5m ahead of the prior year number, driven by the ongoing focus on disciplined cash and capital expenditure management. Return on Invested Capital (ROIC) including Britvic Ireland has increased by 160 basis points reflecting the strong management of the group's asset and cost base. The board is proposing a final dividend per share of 10.9p bringing the full year dividend per share to 15.0p, an increase of 19.0% on the prior year.

THE GB TAKE-HOME SOFT DRINKS MARKET

Though relatively resilient, the soft drinks market has not been immune to the slowdown in consumer spending in 2009, with a 0.9% decline in volume over the period.

The move out of carbonates by the UK consumer experienced in 2006 was again countered in 2009 by the ongoing gradual return into carbonates by consumers taking a rational and balanced approach to their soft drinks repertoire. This was accentuated by consumers looking for enhanced-value propositions, particularly in large-pack carbonates and resulted in the carbonates market increasing in volume terms by 0.8%, driven by the cola and glucose/stimulant categories. Every carbonates category showed value growth in the period.

The stills category declined by 2.5% this year. Notable sub-categories in material decline were smoothies and pure juice. However, there was substantial volume growth within the water plus and dairy categories, and value growth within squash. Plain water also recovered to only a minor decline in the year, with strong growth in the last quarter.

Paul Moody
Chief Executive

THE GB LICENSED ON-PREMISE SOFT DRINKS MARKET

The GB licensed on-premise soft drinks market experienced a volume decline of 1.9% for the year to September 2009, though the most recent quarter encouragingly saw a 0.6% volume increase. However, given the pressures within the overall licensed on-premise market, we remain cautious on the prospects for a fuller and sustained recovery in the channel.

GB BRAND PERFORMANCE

Against this general background, Britvic has again outperformed the market in its key categories during the period, with Britvic's GB stills volumes up 3.6% and GB carbonates volumes up 7.9%. A description of the performance of some of the core brands is shown below:

- The cola market was up by 3.3% by volume and up 3.5% in value. Pepsi outperformed this with a 0.7%pts increase in market volume share and a 0.5%pts increase in market value share
- The squash market was down 3.1% by volume and up 5.6% in value. Market volumes remain subdued due to the increasing preponderance for own-label squash to be sold in 'double-concentrate' form. Robinsons squash outperformed the market again with a 0.7%pts increase in market volume share and a 0.2%pts increase in market value share
- The fruit carbonates market was down by 2.3% by volume and up 1.8% in value. 7UP outperformed this with a 0.7%pts increase in market value share. Tango also benefited from its award-winning campaign with 0.7%pts increase in market volume share and a 0.3%pts increase in market value share

CORPORATE RESPONSIBILITY

Our Corporate Responsibility Programme has been further developed in the past year and we have revised our vision – progressive brands, responsible business, dedicated people. This reflects our values as a business and is underpinned by four strategic goals that address the most pressing sustainability issues facing Britvic. Environmental performance is a key part of this programme and we continue to build on our positive track record. For example, we have achieved year on year reductions in energy and water use (per litre produced), all GB manufacturing sites now operate Environmental Management Systems to ISO 14000, and packaging optimisation remains a priority, such as the light-weighting of our J_2O bottles, saving 4,000 tonnes of glass per year. Further details of the Britvic Corporate Responsibility Programme are provided later in this statement.

BRITVIC'S STRATEGY

Management action has focused on five main areas:

1. SUPPORTING AND GROWING OUR CORE BRAND

Britvic GB's six core brands are Pepsi, 7UP, Robinsons squash, Tango, Fruit Shoot and J_2O. They are the key profit drivers of our current GB business and therefore the brands to which we allocate greatest resource. Other supporting brands help to leverage customer relationships with scale and account wins. We continue to invest in our strong total portfolio of brands through both innovation and media, to ensure that they are preferred by consumers. Examples of our successful core GB brand performances are shown below:

The Pepsi brand has continued its volume and value share gains of the cola market, an increase of 0.7%pts and 0.5%pts on last year respectively. The success enjoyed by the brand in the period reflects repeated strong promotional execution across all key customers and the highly successful 'Max-It-For-A-Million' and 'Comes-With-Music' campaigns that, in conjunction with the increased in-store distribution from the successful investment in trade-ready display units, has led to real success for the brand again this year. The growth in market share was also achieved against a background of increased competitor activity this summer, though our promotion management meant no adverse impact on our own ARP, despite our continually-growing presence in the discounters sector. Our close working relationship with the brand owner, PepsiCo, has been instrumental in achieving this performance.

Robinsons squash has consolidated its number one position further with volume and value share gains in the squash market, an increase of 0.7%pts and 0.2%pts on last year respectively. Robinsons' best ever Wimbledon, plus excellent brand equity programmes and in-store execution mean that the brand goes from strength to strength as the 10th most valued grocery brand within the GB take-home market. Innovation in the form of 'Robinsons Be Natural', plus brand-equity programmes such as the sponsorship of British pantomimes during Christmas 2009, mean that further share gains are well within our grasp.

2. INNOVATING/DEVELOPING NEW PRODUCTS

The focus of this year's innovation programme in GB was brand extensions and new packaging concepts and flavours to continually match consumer needs and drive an increase in ARP as well as margin for both Britvic and the retailer.

All launches are performing in line with our expectations. The two major new innovation launches this year were Juicy drench and Robinsons Be Natural. Packaging also plays a significant part in the innovation and product launch programme, with ARP and margin-enhancing new SKUs including:

- J_2O mixers in the licensed on-premise channel
- 250ml multipacks and 1 litre packs for core brands such as Pepsi
- Pepsi Raw into single-serve can within the impulse channel, as well as four-pack glass in take-home grocery

New pack designs for J_2O, Fruit Shoot and Tango drove material consumer engagement this year, and these successful initiatives helped build both momentum and Britvic's record of great brand management.

Britvic also launched Lipton Ice Tea in GB in conjunction with Pepsi Co. Cold/hot drinks is one of the world's largest soft drink categories, and is another example of a category which Britvic can take the lead in building within GB in the medium term.

3. MANAGING EFFICIENCY – IMPROVING MARGINS AND FREE CASH FLOW

Against the background of the tough cost environment, we continue to drive costs out of the business.

We have repeated the success of the Product Value Optimisation (PVO) programme, delivering a further £2.0m of savings in the year in GB, in addition to the £2.0m delivered in each of 2006, 2007 and 2008. We anticipate delivering a further £2.0m incremental saving in the 2010 financial year.

Added to this we realised the final incremental annualised savings as a consequence of the outsourcing of the secondary distribution network and vending and chiller re-manufacturing operations outlined in March 2008. We have also realised some of the benefits of the business review in GB and most notably in Ireland, delivering group savings of around £3.0m this year.

4. BRITVIC IRELAND
In the extremely challenging macro-economic environment, the Irish soft drinks market shows no indication of a return to growth in the short term. ROI grocery market volumes are down 5% in the year, whilst the licensed on-premise market is down 19% in the year to August.

Despite the trading conditions, Britvic Ireland continues to deliver on a synergy programme that was enhanced during the year. Total achieved cumulative synergies to date now amount to €15.3m, with further planned synergies of over €9.0m coming in 2010 and €2.0m in 2011. These already-guided synergy gains are primarily a result of:

- The implementation of our Business Transformation Programme, begun during the first half of the 2009 financial year
- The outcome of the January 2009 business review, which restructured and right-sized operations on the island of Ireland. The measures were designed to underpin sustainable business growth and enhance group integration

The business fundamentals remain strong:

- No. 1 in the licensed on-premise market (now >40% volume share) and No. 2 in the ROI Grocery market
- Alignment of business model and systems with Britvic GB from the implementation of the Business Transformation Programme
- From January 2009, investment in the Kylemore production facility in Dublin facilitated the production of Robinsons squash for the Irish market for the first time

In a tough Irish market, core brands have played a significant part in the robust performance of the business. 7UP retains its position as the number two soft drinks brand in the market, whilst Pepsi has become the fastest-growing carbonate brand, up 14% in the period, according to Nielsen.

5. EXPANSION INTO EUROPE
Britvic's European presence centres around Britvic International's main focus of export into the Netherlands and Scandinavia. Our International division delivered another strong performance of 18.5% revenue growth, despite a backdrop of significant double-digit decline in the euro-flight travel sector and traditional tourist markets. The performance was driven by strong in-market activity in Holland where we delivered our highest ever market shares during the summer, strong Robinsons squash activity in the Nordics, and the launch of Fruit Shoot in Sweden in August. In addition we saw volumes materialising from new travel contracts in the airline and shipping sectors, and rapid growth in some new, though opportunistic, export markets such as Turkey and Bulgaria.

Britvic International continues to look at opportunities to further establish Britvic's international presence. Aside from traditional sales into the travel industry and via export, the business remains focused on developing its licensing and franchising arm through brands such as Fruit Shoot and Robinsons. As an example of this strategic intention, the sale of Fruit Shoot in the southern United States through Buffalo Rock continues to meet expectations, albeit within the depressed convenience and gas channel.

MEDIUM-TERM REVENUE GROWTH DRIVERS

Given the strong track record of growth, it is worth noting a number of previous revenue drivers that are likely to continue driving the top-line over the medium to long-term.

Britvic intends to grow within GB, Ireland, as well as internationally.

GB

In GB, the drivers of future growth will to be:

1. Market volume growth

Estimated by Britvic to average 2-3% per year in the medium and long-term. We expect this growth will marginally be led by the stills category as consumers renew their focus on health, wellbeing and a 'natural' agenda. Per capita consumption of purchased soft drinks will be in turn driven by:

- **Cohorting**
  Younger generations drink more purchased soft drinks and less tea, coffee, alcohol, dairy drinks and tap water than previous generations
- **Population Growth**
  Over the next 20-25 years, the British population is expected to reach 70m from the current population of around 60m
- **Continuing Trends**
  According to Canadean, per-capita soft drink consumption continues to increase. This is against 10-year declines of 2% for dairy drinks, 4% for hot drinks, and 8% for alcoholic drinks

2. Innovation

Typically adds 1-2% to Britvic GB's revenue line in a full year.

3. ARP Growth

Derived from promotional management, product/channel mix and headline price increases.

4. Distribution Opportunities

Britvic does not yet have anywhere near-ubiquitous distribution within the GB soft drinks market and particularly under-trades in attractive routes to market such as convenience, impulse and leisure/catering. With Britvic's balanced and extensive brand portfolio, as well as market-leading consumer insight, there are significant opportunities for GB growth over the medium to long term within other channels.

IRELAND

In Ireland, the structure of the business is now appropriate for a resized soft drinks market. Commanding presence in routes to market such as licensed on-premise is juxtaposed with significant opportunities in other channels. Category gaps also provide room for material growth, and a strong brand portfolio can only benefit from potential innovation and product launches of GB, PepsiCo and Ireland-specific brands and products. While the soft drinks market remains challenged in the near term, group-wide systems, processes and infrastructure will keep the synergy programme on track and give Britvic Ireland the right platform to grow when conditions ease.

INTERNATIONAL

Internationally, Britvic is focused on two main routes to build its global presence:

- Through the already successful Britvic International business that not only concentrates on export and the travel industry, but is also exploring ways to extend the availability of Britvic's wholly-owned brands worldwide through licensing and franchising arrangements
- Through European acquisition of soft drink businesses and assets in order to drive Britvic's current portfolio and unlock material cost synergies and revenue opportunities across the Continent

By concentrating on brand management purely within the soft drinks category, a clear growth strategy has led to a material track record of growth that positions us well for longer-term prospects.

SUMMARY

We have grown market share and revenue across all of the categories with a strong performance from both our core and seed brands, despite continued difficult trading conditions.

Our robust top-line performance has again translated into double-digit operating profit and earnings growth, with another material increase in operating-profit margins. Revenue growth will continue to be driven by an expanding market, successful innovation, management of ARP, as well as significant distribution opportunities. Indeed, our GB and International operating profit margin increase of 170 basis points over the last three years gives us the confidence required to enhance our margin guidance, given the strength of our delivery to date.

Together with cost reduction and operating leverage, Britvic is better-equipped to anticipate and react to competitor activity, and we are therefore well-placed to build on our successful track record in the short, medium and long-term.

Emails, phone calls, meetings, yet more emails! Take a bottle of 7UP at lunchtime or a quick break to escape from it all. It's refreshingly clear and bursting with natural vitality.

11AM

BRITVIC OFFICE, WIDFORD

FINANCIAL REVIEW

The following discussion is based on Britvic's results for the 52 weeks ended 27 September 2009 ('the period') compared with the same period last year, and all numbers exclude exceptional items.

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 CASHFLOW –** 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 and effective hedges relating to interest-bearing liabilities. Our previous definition of ROIC included within assets the impact of cross currency interest rate swaps. This has now been adjusted to align with our adjusted net debt definition, giving a more accurate reflection of the true position. This change does not significantly impact on the trends we have seen previously.

OVERVIEW

In the period Britvic outperformed the UK soft drinks market in its key categories and channels with strong revenue growth of 5.6% to £978.8m, driven by a volume increase of 3.9% to 1.7bn litres and an ARP increase of 2.9% to 53.2p. GB & International revenue growth was 8.7% to £789.3m with volumes up 6.5%.

Operating profit before exceptional items for the period was up 13.9% to £110.1m with group operating profit margin up 0.8%. GB & International operating profit was up 19.4% at £97.9m with operating profit margin up to 12.4%, an increase of 110 basis points on the prior year. This takes the GB and International operating profit margin increase over the last three years to 170 basis points. Pre-exceptional Profit After Tax for the 2009 period was £64.2m, up 21.1% on the prior period.

GB STILLS	52 weeks ended 27 Sep 2009 £m	52 weeks ended 28 Sep 2008 £m	% change
Volume (millions litres)	496.8	479.6	3.6
ARP per litre	70.5p	69.1p	2.0
Revenue	350.2	331.4	5.7
Brand contribution	156.5	146.7	6.7
Brand contribution margin	44.7%	44.3%	0.4%pts

In stills we have seen an outstanding outperformance against the market across the key categories and channels during the period with revenue growth of 5.7% to £350.2m. Volumes were up 3.6% against a market which was down 2.5%, having been impacted by the recession seen in the UK through most of the year.

This strong performance in Britvic's stills portfolio was driven by:

- The core brands of Fruit Shoot and Robinsons squash consolidating their positions as market leading brands
- J_2O taking 3.6% value share in the year in the take-home market alone
- The major launches of the brand extensions, namely Juicy drench and Robinsons Be Natural

ARP was up 2.0% with this growth accelerating through the year. This reversal of direction was due to a weak comparable period when consumers moved from the more expensive licensed on-premise environment to consuming more soft drinks at home. 2009 also saw the anniversary of the successful launch of lower-than-average priced drench water, and ARP-accretive innovation launches, and new packs also drove pricing in the year.

Despite a 6.1% increase in direct stills costs and an overall raw material price increase of 4.2%, brand contribution margin increased by 40 basis points due to lower stills A&P compared to the launch-led stronger spend in the previous year.

We continue to minimise both variable and fixed costs using a variety of tools including the PVO programme where product cost is reduced with no detriment to brand quality or equity. PVO saved around £1.0m in 2009 stills, on top of the previous cumulative total across carbonates and stills over 2006-2008 of £6.0m.

GB CARBONATES	52 weeks ended 27 Sep 2009 £m	52 weeks ended 28 Sep 2008 £m	% change
Volume (millions litres)	995.7	922.8	7.9
ARP per litre	41.8p	40.7p	2.7
Revenue	416.7	375.5	11.0
Brand contribution	151.2	143.6	5.3
Brand contribution margin	36.3%	38.2%	(1.9)%pts

Carbonates have delivered an excellent performance over the period with revenue growth of 11.0% to £416.7m. Increasingly effective through-the-line execution and brand-equity programmes have led to double-digit revenue growth this year for each of the core carbonates brands, namely Pepsi, 7UP and Tango brands. Each of these brands increased both volume and value share this year.

ARP was also up by 2.7%, driven mainly by ever-more-effective management of our promotional programmes. Part of this effectiveness has come from improving in-store point of sale delivery.

Brand contribution margin decreased by 1.9%pts. The decrease is mainly a result of the growth of large pack PET and dispense, which have an inherently lower margin. Brand contribution margins were also impacted by the final switch of some fixed costs to variable costs as part of the completion of the outsourcing of the secondary retail distribution network, outlined in March 2008.

Again, we continue to minimise costs using a variety of tools including the PVO programme, which in itself saved around £1.0m in 2009 carbonates on top of the previous cumulative total across carbonates and stills over 2006-2008 of £6.0m.

INTERNATIONAL	52 weeks ended 27 Sep 2009 £m	52 weeks ended 28 Sep 2008 £m	% change
Volume (millions litres)	28.8	26.1	10.3
ARP per litre	77.8p	72.4p	7.5
Revenue	22.4	18.9	18.5
Brand contribution	7.6	4.9	55.1
Brand contribution margin	33.9%	25.9%	8.0%pts

Our International division delivered another strong performance of 18.5% revenue growth, despite a backdrop of significant double-digit decline in the euro-flight travel sector and traditional tourist markets. The performance was driven by strong in-market activity in Holland where we delivered our highest ever market shares during the summer, strong Robinsons squash activity in the Nordics, and the launch of Fruit Shoot in Sweden in August.

In addition we saw volumes materialising from new travel contracts in the airline and shipping sectors, and rapid growth in some new, though opportunistic, export markets such as Turkey and Bulgaria. In addition to the flow-through from the volume and ARP growth, the stark increase in brand contribution has come as a result of lower A&P spend in the Nordics due to the Robinsons brand now establishing itself in the region.

IRELAND (GBP)	52 weeks ended 27 Sep 2009 £m	52 weeks ended 28 Sep 2008 £m	% change
Volume (millions litres)	226.1	253.1	(10.7)
ARP per litre	62.2p	56.9p	9.3
Revenue	189.5	200.7	(5.6)
Brand contribution	70.8	70.2	0.9
Brand contribution margin	37.4%	35.0%	2.4%pts
EBIT	12.2	14.7	(17.0)
EBIT margin	6.4%	7.3%	(0.9)%pts

IRELAND (EUROS)	52 weeks ended 27 Sep 2009 £m	52 weeks ended 28 Sep 2008 £m	% change
Volume (millions litres)	226.1	253.1	(10.7)
ARP per litre	71.6c	74.3c	(3.6)
Revenue	218.1	262.3	(16.9)
Brand contribution	81.5	91.8	(11.2)
Brand contribution margin	37.4%	35.0%	2.4%pts
EBIT	14.0	19.0	(26.3)
EBIT margin	6.4%	7.2%	0.8%pts

Note: Volumes and ARP include own-brand soft drinks sales and do not include 3rd-party drink sales included within total revenue and brand contribution. Britvic Ireland shows trading-entity results only and excludes the associated holding company shown in GB.

Britvic Ireland was challenged by the severe declines in the Irish soft drinks market, seen most notably in the licensed on-premise channel, where Britvic Ireland now has over a 40% share.

An operating profit of £12.2m was achieved through the cumulative delivery of €15.3m of synergies, which drove a brand contribution margin increase of 240 basis points.

FIXED COSTS	52 weeks ended 27 Sep 2009 £m	52 weeks ended 28 Sep 2008 £m	% change
Non-brand A&P	(8.1)	(7.7)	(5.2)
Fixed supply chain	(87.1)	(92.9)	6.2
Selling costs	(102.5)	(101.5)	(1.0)
Overheads and other	(78.3)	(66.6)	(17.6)
Total	(276.0)	(268.7)	(2.7)

The group's A&P spend was 5.6% of branded revenue (5.7% in GB & International). The reduction was driven by Britvic taking advantage of lower media rates and a higher proportion of activity through less expensive advertising media such as digital and viral marketing. Share of voice increased in the year as Britvic led with major brand equity programmes across not just its six core brands, but with also with seed brands such as drench and Gatorade. The spend shown does not include that of PepsiCo on their brands franchised with Britvic.

The reduction in fixed supply chain costs of around £6.0m is due to the completion of the outsourcing of the secondary distribution network, outlined in March 2008, where related fixed supply chain costs are now treated as variable costs. Additionally, the depreciation shown within fixed supply chain costs has declined due to the expiry of the depreciation of the Business Transformation Programme in GB.

Overall therefore, we have maintained very strong and disciplined control over our cost base in response to challenging trading conditions.

Overheads have increased by around £12.0m, being primarily driven by an increase in performance-related employee bonuses. In addition, we have invested further into the GB business as part of the group restructuring announced earlier in the year, designed to build group capability in line with our expansion plans. There is also a foreign exchange impact, relating to both currency balances in GB and the increased sterling costs on translating flows derived from the Irish business.

EXCEPTIONAL ITEMS

During the period, Britvic incurred pre-tax exceptional operating costs and profits which netted to £20.3m in total. The main elements of this comprised:

Cash items of £12.9m were mainly related to group and business-unit restructuring costs as part of the group business review announced on 23 January 2009.

Non-cash items of £7.4m primarily relate to onerous leases and the impairment of properties relating to the closure of three sites in the Britvic Ireland business.

INTEREST

The net finance charge before exceptional items for the period for the group was £23.6m compared with £26.6m in the same period in the prior year. The reduction was for two reasons, namely lower debt balances compared to the previous year, closing adjusted net debt is down by £22.0m, as well as a lower weighted average interest rate, down by nearly 100 basis points to below 5%. The fall in LIBOR and EURIBOR more than compensated for the higher margin paid on refinanced bank facilities secured during the period.

TAXATION

The tax charge of £22.3m before exceptional items represents an effective tax charge of 25.8%. The effective tax rate as reported in the accounts for the previous year was 24.4%. Including the effect of exceptional items, the effective tax rate was 29.3%, which is lower than last year's rate of 38.6% as 2008 saw the one-off impact from the abolishment of IBAs.

EARNINGS PER SHARE

Basic EPS for the period, excluding exceptional items, was 29.9p, up 20.6% on the same period last year of 24.8p. Basic EPS (after exceptional items) for the period was 21.8p compared with 14.9p for the same period last year.

DIVIDENDS

The board is recommending a final dividend for 2009 of 10.9p per share. Together with the interim dividend of 4.1p per share paid on 3 July 2009, this gives a total dividend for the year of 15.0p per share, an increase of 19.0% on the dividend paid last year. Subject to approval at the AGM, the total cost of the dividend for the financial year will be £32.3m and the final dividend will be paid on 12 February 2010 to shareholders on record as at 4 December 2009.

CASH FLOW AND NET DEBT

Free cash flow was £69.7m, £3.5m ahead of the prior year number, driven by a continued focus on cash and capital expenditure management. Additional contributions were made to the defined benefit pension scheme of £10.0m in the year as part of the ongoing programme agreed with trustees. At 27 September 2009, the group's net debt was £411.0m compared to £401.4m at 28 September 2008 impacted by an £45.4m adverse movement due to the revaluation of foreign currency-denominated debt. However, this accounting treatment is offset to the tune of £31.6m due to the effective hedging in place on our US-dollar denominated debt. In addition, the majority of the remainder of the adverse movement relates to euro-denominated borrowings which act as a net investment hedge against our euro-investment in Britvic Ireland. The adjusted net debt (taking into account the foreign exchange movements on the derivatives hedging our US Private Placement debt) at 27 September 2009 is £366.4m.

CAPITAL EMPLOYED

Non-current assets increased in the year from £519.1m to £576.1m due in the main to the retranslation of euro-based intangible assets recognised on the acquisition of Britvic Ireland and the fair value of derivatives.

Depreciation decreased in the year by £5.3m to £30.1m. The reduction on the prior year reflects the level of disposals made in the year and older assets reaching the end of their economic life.

Current assets also increased from £216.3m to £272.3m.

At the same time current liabilities increased from £266.5m to £303.3m driven principally by an increase in trade and other payables.

ROIC, including Britvic Ireland, has improved to 17.9% from 16.3% in 2008 reflecting the continued focus on costs, cash flow and the proactive management of the group's asset base.

SHARE PRICE AND MARKET CAPITALISATION

At 27 September 2009, the closing share price for Britvic plc was 352p. The group is a member of the FTSE 250 index with a market capitalisation of approximately £764m 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 reviews. 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 and liquidity, currency risk and cash management.

The group uses financial instruments to hedge against interest rate and foreign currency exposures in line with policies set by the Treasury department and approved by the board of directors. No derivative is entered into for trading or speculative purposes.

At 27 September 2009, the group's net debt of £411.0m consisted of £180.2m drawn under the group's committed bank facility and £274.6m of private placement notes. This was netted off with around £39.7m of surplus cash and £4.1m of issue costs of loans.

In November 2009, the company reached agreement with a number of investors in the U.S. private placement market to raise an additional $250.0m of funding for terms of between 5-years and 10-years. This funding is subject to documentation and due diligence which is scheduled to be completed in December 2009. This dollar funding is hedged using cross currency interest rate swaps to meet the company's desired funding profile and to remove any associated foreign currency risk from the P&L.

PENSIONS

The principal group pension scheme, the Britvic Pension Plan (BPP), has both a defined benefit and a defined contribution section. 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 latest formal actuarial valuation for contribution purposes was carried out as at 31 March 2007. The amount recognised as an expense in relation to the BPP defined contribution scheme in the income statement for 2009 was £2.9m (2008: £2.0m).

As a result of the acquisition of Britvic Ireland on 29 August 2007, in Northern Ireland the group inherited a further pension scheme in which its employees participated, the C&C Pension Fund. The name of this scheme has subsequently been changed to the Britvic Northern Ireland Pension Plan (BNIPP), with employees of C&C Group transferring out on 30 June 2008. The BNIPP was closed to new members on 28 February 2006, and since this date new employees have been eligible to join a Stakeholder Plan with Legal & General. An actuarial valuation was carried out as at 31 December 2008, and is still being finalised.

In the Republic of Ireland (ROI), employees continued to participate in a number of C&C Group pension funds following the acquisition until transferring into two newly formed pension plans called the Britvic Ireland Defined Contribution Pension Plan and the Britvic Ireland Defined Benefit Pension Plan (BIPP) on 1 September 2008. Both Plans are held under trust and operated by Britvic Ireland Pension Trust Limited as trustee. The next actuarial valuation will be carried out as at 31 December 2009.

The amount recognised as an expense in relation to the Irish defined contribution schemes in the Income Statement for 2009 was £0.3m (2008: £0.1m).

CORPORATE RESPONSIBILITY

In May of this year, we published our second Corporate Responsibility Report demonstrating our achievements in 2008/09 and highlighting our future plans for 2009/10. We have continued to make good progress in the six months that have passed; testimony to the commitment of the business as a whole and our individual employees to drive forward on this important agenda.

OUR STRATEGY

Our vision for CR – progressive brands, responsible business, dedicated people – reflects our values as a business and is underpinned by four strategic goals, that reflect the most pressing sustainability issues facing Britvic.

OPTIMISING THE ENVIRONMENTAL PERFORMANCE OF OUR PACKAGING

We work hard to reduce the environmental impact of our packaging whilst maintaining stringent quality standards. Our packaging strategy focuses on minimising waste, using recycled materials and supporting recycling.

We have removed 11,000 tonnes per year from our total packaging waste. This year we have already beaten our target of reducing a further 5000 tonnes of packaging by December 2010, totaling 8000 tonnes reduced so far. This was achieved through removing 4000 tonnes of glass from our J_2O bottle – a 20g reduction in weight and the equivalent to 20 million bottles of J_2O a year. These reductions have also led to improvements in filling line efficiencies, energy savings of around 10% and the lighter bottles require less fuel to transport too. We will continue our important work in this area further reducing our impacts on the environment.

In May, we announced plans to complete an rPET trial using UK-only recycled content. Initial bottle-manufacturing trials have taken place and further refinement is required. Our target to achieve over 10% UK only rPET average content across all our GB manufactured brands by December 2012 is well under way and could be delivered as early as December 2010.

We are continuing to roll out the easy to understand ‘Recycle Now’ across all our packs, to help consumers improve their understanding of which packaging can be recycled and to encourage them to recycle more.

We were the first soft drinks company to sign up to WRAP and our post-2010 targets will focus on carbon footprint, for which rPET will have a significant impact.

INCREASING THE EFFICIENCY OF OUR OPERATIONS

In the past year, we have strengthened our commitments to the environment in a number of areas and our full environment policy is available via our corporate website.

We have continued to deliver a strong performance against our targets, continually driving improvements.

We are proud of these achievements and of the work that has gone in at our sites to ensure their success, including power factor correction at both our Rugby and Huddersfield sites, numerous lighting reduction projects, involving the removal of unnecessary lighting and installing movement sensors, and our drive on recycling found a solution for plastic cups meaning a reduction of one landfill skip collection per week.

We remain fully committed and on course to deliver our future goals, which include a 20% reduction in CO_2 emissions by 2010 compared to 1990 (by tonne of product) and a 20% water reduction by 2020 compared to 2007. By January 2010 all our single door chillers will be Hydrocarbon (HCO) and by mid-2010 our double door and the rest of our range will follow. We have also been trialling EMS (energy management system) plugs in pilot on-premise accounts and are expecting successful results.

SUPPORTING OUR LOCAL AND GLOBAL COMMUNITIES

We are committed to supporting the communities in which we operate and we do this locally via our community investment programme and globally by committing to high ethical standards throughout our supply chain. Both our community investment and our ethical trading policies are available via our website.

TARGETS	2009 Target	2009 Result	2008 Result
Energy – kWh per tonne produced	-2%	-9.2%	-1.5%
Effluent* – M^3 per tonne produced	-2%	+2.5%	-15.8%
Water – M^3 per tonne produced	-2%	-4.1%	-3.6%
Landfill solid waste – Kg per tonne produced	-7%	-23.5%	-19.5%
Accidents frequency rate – Per 100,000 hours worked	-10%	-44.5%	-23.2%

*Note:
Since reporting last year we have discovered a calibration issue with our meter readings, which over stated our 2008 result.
These figures are in line with the Climate Change Levy.

Our charitable giving has grown by 400% since 2006 when we joined the London Benchmarking Group. We are committed to increasing this investment over the next three years through relationships with a number of charitable partners as well as supporting employee fundraising and volunteering. In the past year we have donated the equivalent of £415,000* to charitable organisations, through a combination of funding and in-kind donations. Many of our employees donate via volunteering, giving up their time to their local communities and our IT department made a huge commitment recently at Shire Country Park in Solihull, constructing 286 metres of footpaths and helping the Rangers get the park fit for winter. Our brands too have invested in community projects such as Robinsons Be Natural support of the Woodland Trust offering a number of free memberships to the Woodland Trust Nature Detective Club and raising much needed awareness of their cause.

In terms of our global commitments, since reporting in May the percentage of direct suppliers (those that supply either ingredients or packaging) who have signed up to our ethical trading policy, has increased from 95% to 97% and we remain committed to achieving full compliance by December 2010.

We are also investigating and evaluating accreditation options for our fruit sourcing and conducting a number of audits in those countries we have identified as higher risk in order to make continuous improvements. We have also started work on our indirect supply chain (all other suppliers) in order to gain compliance with our ethical trading policy.

SUPPORTING HEALTHY LIFESTYLES AND EMPLOYEE WELLBEING

Health and wellbeing continues to be a significant public issue and we want to continue to support both our consumers and our employees to lead healthy, balanced lifestyles.

In the past year we have re-launched Fruit Shoot NAS as Low Sugar following consumer feedback and to help make the differences between the Fruit Shoot variants easier to understand. We launched Robinsons Be Natural containing only naturally sourced ingredients and free from artificial colours, flavours, sweeteners and preservatives. In addition we have promoted active and healthy lifestyle programmes through brand activity such as Gatorade's support for the triathlon and Robinsons' association with the Wimbledon Championships. Fruit Shoot launched a campaign encouraging eight year olds to learn and practice fun mental and physical new skills and brought this to life via a new factual entertainment programme for kids called 'Skillicious.' Our in-house Nutritionist has worked with Robinsons and NetMums to provide regular on line information on healthy drinking for young children.

Our employee policies are available via our website and are designed to support and develop employees and promote flexibility for all. Recognising that this is particularly important to those with parental and caring challenges this year we increased both our paternity leave and the number of additional holidays available via our benefits programme.

Going forward we have started exploring a range of healthy lifestyle initiatives through Business4Life – a coalition of industry partners supporting the government's Change4Life programme. We have already supported a 'Play4Life' initiative with the Play Providers Association and funded 30,000 frisbees encouraging children to get active via play. We have also funded research into MEND's (Mind, Exercise, Nutrition Do-it), new 5-7's programme working with families with children who have been identified as overweight or obese.

This year, two of our factory sites were recognised for health and safety by certification and awards. We beat our target to reduce accident frequency rates by 10% achieving a result of 44.5% accident reduction across the business. Our Huddersfield site obtained certification to OHSAS 18000 and our Rugby site achieved a British Safety Council International Safety Award and RoSPA Gold Award for Safety.

A STRONG PERFORMANCE

We have made great strides in many areas of our Corporate Responsibility Programme, but acknowledge there is still more work to be done. It was good to see our progress recognised in the FTSE4Good Index for the second time and we are committed to maintaining this momentum going forward.

* (March 2008 – April 2009)

BUSINESS RESOURCES

Britvic is one of the two leading branded soft drinks businesses in GB and Ireland. It is one of the top two branded soft drinks businesses in the GB take-home channel, is the leading branded soft drinks supplier to the GB licensed on-premise channel 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, J_2O and Fruit Shoot. 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. 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 2003 for a further 15 years, with an extension to 2023 on Admission to the London Stock Exchange. The EBA for Ireland lasts until 2015. 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. Britvic has added to its stills portfolio in 2008 with Gatorade and V Water, and in 2009 with Lipton Ice Tea
- A strong customer base. In take-home, Britvic's customers include the 'Big 4' supermarkets (Tesco, J Sainsbury, Asda and Wm Morrison) 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 90% of the points of sale of the GB licensed on-trade channels in 2009

RISKS AND UNCERTAINTIES

RISK MANAGEMENT PROCESS

There is in place an ongoing process for identifying, evaluating and managing the significant risks faced by the group, which has operated throughout the financial year. This process involves a quarterly assessment of functional risk registers, which is then reviewed and signed off by the group Risk Committee. The group's risk management framework is designed to support this process and is the responsibility of the group Risk Committee, chaired by the Group Finance Director. The risk framework governs the management and control of both financial and non-financial risks. The adoption of this policy throughout the group enables a consistent approach to the management of risk at both regional and business unit level. The internal audit function runs regular workshops throughout the group to ensure a consistent deployment of the framework and test compliance with the policy.

In addition, during the 52 weeks ended 27 September 2009, the Audit Committee this year received:

- Reports from the Head of Internal Audit and Risk on the work carried out under the annual internal audit plan
- Risk management reports, including the status of actions to mitigate major risks and the quantification of selected risks
- Reports from the external Auditors

Through the monitoring processes set out above, the board conducted a review of the effectiveness of the system of internal control during the 52 weeks ended 27 September 2009. 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.

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
- The relationship with Pepsi as the UK bottler is key to the long-term success of the business. If the contract is severed, then the business would be under severe financial difficulty
- A further consolidation in the customer base
- Credit risk from companies becoming insolvent with significant debt outstanding
- 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 raw materials or finished products
- Litigation, complaints or adverse publicity in relation to products
- Loss of key employees
- Any increase in the group's funding needs or obligations in respect of its pension scheme
- The Final Salary Pension schemes are inappropriately managed resulting in significant deficits; the company would need to fund these deficits
- Any failure or unavailability of the group's operational and IT infrastructure
- Loss or interruption of water supply to factory or part thereof effecting production
- Changes in accounting principles or standards
- An epidemic outbreak causes business interruption
- Any failure of a third party to provide contractual services
- Increased recessionary pressures impact negatively on the banking syndicate leading to reduced facilities and increased costs
- A bank defaulting may lead to inability to retrieve deposits. There may also be significant replacement cost of derivatives and foreign exchange contracts

RISKS RELATING TO THE MARKET

- A change in consumer preferences, perception and/or spending
- Poor economic conditions and weather
- Potential impact of regulatory developments
- Actions taken by competition authorities or private actions in respect of supply or customer arrangements
- Actions by the group's competitors
- Loss of Britvic's ability to promote either due to better terms offered by competitors or even other non-soft drink promotions

RISKS RELATING TO THE ORDINARY SHARES

- There are risks arising out of an investment in ordinary shares because of:
  - Actions by the group's competitors
  - 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

Half term is great! You can get up late, wear what you want and play games all day long. OK – so you have to go shopping with Mum occasionally, but at least when you do the unpacking you can enjoy a Fruit Shoot; on a school day you have to wait until 3.30pm!


3PM
AT HOME IN THE KITCHEN

GOVERNANCE

BOARD OF DIRECTORS

GERALD CORBETT (58)

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Gerald Corbett has been Non-Executive Chairman of the Company since 24 November 2005. He chairs the Nomination Committee and is a member of the Remuneration Committee. Gerald is also Chairman of SSL International plc and Moneysupermarket.com Group PLC and is a Non-Executive Director of Greencore Group plc (based in Dublin) and Numis Corporation Plc. He was Chairman of the Woolworths Group plc from 2001 to 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.

PAUL MOODY (52)

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.

JOHN GIBNEY (49)

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.

BEN GORDON (50)
INDEPENDENT NON-EXECUTIVE DIRECTOR
Ben Gordon was appointed a Non-Executive Director on 15 April 2008. He is also a member of the Audit, Nomination and Remuneration Committees. Ben is currently the Chief Executive of Mothercare plc and was formerly Senior Vice President and Managing Director, Disney Store, Europe and Asia Pacific. He has also held senior management positions with WH Smith group in the UK and the USA and L'Oreal S.A. in France. Ben has an MBA from INSEAD.

JOANNE AVERISS (46)
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.

MICHAEL SHALLOW (55)
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. Michael was Finance Director of Greene King plc from 1991 to 2005 and, prior to that, he was an associate partner with Accenture.

BOB IVELL (57)
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 chairs the Remuneration Committee and is a member of the Audit and Nomination Committees. Bob is currently the Chairman of David Lloyd Leisure. During the 1980s Bob was the Managing Director of Beefeater. He was also on the board of Scottish & Newcastle plc as Chairman of the Retail Division between 1999 and 2004 and was Executive Chairman of Regent Inns PLC between 2004 and 2008.

5PM

BUS STOP NEAR UNI

Experts in computer games, MP3 downloads, and able to recite every fast food restaurant menu within a five mile radius. Somewhere on the bedroom floor, amongst the debris, you can guarantee there'll be a can of Tango.

DIRECTORS' REPORT

For the 52 weeks ended 27 September 2009

The directors are pleased to present their report and the consolidated financial statements of the company and its subsidiaries for the 52 weeks ended 27 September 2009.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

A detailed review of the group's activities and of future plans is contained within the Chairman's Statement on page 12 and the Chief Executive's Review and Business Review on pages 13 to 29. The information contained in those sections fulfils the requirements of the Business Review, as required by Section 417 of the Companies Act 2006 and should be treated as forming part of this report.

RESULTS AND DIVIDENDS

The group's profit for the 52 weeks ended 27 September 2009 before taxation attributable to the equity shareholders amounted to £66.2 million (2008: £51.8 million) and the profit after taxation amounted to £46.8 million (2008: £31.8 million).

An interim dividend of 4.1p (2008: 3.8p) per ordinary share was paid on 3 July 2009.

The directors are proposing a final dividend for the 52 weeks ended 27 September 2009 of 10.9p (2008: 8.8p) per ordinary share. This will be paid on 12 February 2010 to shareholders on the register at close of business on 4 December 2009, subject to shareholder approval.

DIRECTORS

The following were directors of the company during the 52 weeks ended 27 September 2009: Gerald Corbett, Paul Moody, Joanne Averiss, John Gibney, Ben Gordon, Bob Ivell and Michael Shallow.

Subject to company law and the company's Articles of Association (the 'Articles'), the directors may exercise all of the powers of the company and may delegate their power and discretion to committees. The Executive Committee is responsible for the day-to-day management of the group.

The Articles give the directors power to appoint and replace directors. Under the terms of reference of the Nomination Committee, any appointment must be recommended by the Nomination Committee for approval by the board. The Articles also require directors to retire and submit themselves for election to the first Annual General Meeting following appointment and to retire at the Annual General Meeting held in the third calendar year after election or last re-election. In accordance with Article 77 of the company's Articles, Joanne Averiss, Gerald Corbett, John Gibney, Bob Ivell, Paul Moody and Michael Shallow, will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election. Their biographical details are set out on pages 32 and 33 of this report.

DIRECTORS' INTERESTS

The directors' interests in ordinary shares of the company are shown within the Directors' Remuneration Report on pages 43 to 49. 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 or her service contract, subsisting during or existing at the end of the 52 weeks ended 27 September 2009 which was significant in relation to the group's business. Further details of Joanne Averiss' appointment are set out on page 39 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 the extent permitted by law and the company's Articles of Association, to indemnify:

- The directors, 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 of companies which are corporate trustees of the group's pension schemes against liability incurred in connection with those companies' activities as trustees of such schemes

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 43 to 49.

ANNUAL GENERAL MEETING

Details of the company's forthcoming Annual General Meeting 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 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. The company organises quarterly formal 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 group 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. This covers a variety of topics including leadership and line management, employee wellbeing, career development, training, communications and corporate responsibility commitments.

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.

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.

In the opinion of the directors, all employee policies are deemed to be effective and in accordance with their intended aims.

SUPPLIER PAYMENT POLICY

It is group policy to agree terms and conditions for its business transactions with all 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 27 September 2009 was 49 (2008: 36). Supplier days are higher than the prior period, driven by higher trade payables as a result of the timing of the year end date.

POLITICAL CONTRIBUTIONS

During the 52 weeks ended 27 September 2009, the group and its subsidiaries made no political contributions.

CHARITABLE DONATIONS

The company is a member of the London Benchmarking group (LBG) whose benchmarking model is used to assess the company's GB total community investment and charitable contributions to local and global communities. During the 52 weeks ended 27 September 2009, the company's direct donations for charitable purposes (cash donations to charity) was £241,935 (2008: £83,032). The group invested a further £134,907 (2008:£49,532) in support of community programmes, including product donations and employee volunteering.

MAJOR SHAREHOLDERS

Information provided to the company pursuant to the Financial Services Authority (FSA) Disclosure and Transparency Rules (DTRs) is published on a Regulatory Information Service and on the company's website. As at 24 November 2009, the company has been notified under DTR 5 of the following significant holdings of voting rights in its ordinary shares:

	Number of ordinary shares	Percentage of voting rights	Nature of holding
Standard Life Investments Ltd.	17,326,712	7.99%	Direct & Indirect
AXA, S.A.	10,898,112	5.04%	Direct & Indirect
PepsiCo, Inc.	10,739,120	4.97 %	Direct
Newton Investment Management Limited	10,624,013	4.92%	Indirect
JP Morgan Asset Management Holdings Inc.*	10,409,762	4.80%	Indirect
Credit Suisse Group AG	8,822,498	4.06%	Indirect
Legal & General Group Plc	8,633,246	3.99%	Direct
Eton Park International LLP**	7,041,208	3.26%	Direct
Aviva plc & Subsidiaries	6,484,618	3.00%	Direct

* Holding includes 244,844 ordinary shares (representing 0.11% of the 4.80% of total voting rights shown in the above table) which would be held by JP Morgan Asset Management Holdings Inc. if all financial instruments notifiable under DTR 5.3.1(1)(b) were triggered in full.

** Holding includes 5,225,821 ordinary shares (representing 2.42% of the 3.26% of total voting rights shown in the above table) which would be held by Eton Park funds if all financial instruments notifiable under DTR 5.3.1(1)(b) were triggered in full.

SHARE CAPITAL

As at 27 September 2009, the company's issued share capital comprised a single class of shares referred to as ordinary shares. 705,000 ordinary shares were allotted and issued to the Trustee of the Britvic Employee Benefit Trust at par value on 25 September 2009 in order to enable the Trustee to meet its obligations under the Performance Share Plan. Full details of the ordinary share capital can be found in note 21 to the financial statements which should be treated as forming part of this report.

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 Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the Annual General Meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the Annual General Meeting 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 15, which will be proposed as a Special Resolution at the 2010 Annual General Meeting, will give the company authority to use its available cash resources to acquire up to 21,670,000 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 (the 'Trustee'), holds 0.60% of the issued share capital of the company, as at 24 November 2009, on trust for the benefit of the Executive Directors, senior executives and managers of the group. A dividend waiver is in place in respect of the Trustee's holding. The Trustee is not permitted to vote on any unvested shares held in the trust unless expressly directed to do so by 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 24 November 2009, Equiniti Share Plan Trustees Limited held 2.58% 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 28.

The company's Articles of Association may only be amended by a Special Resolution at a general meeting of shareholders. No amendments are proposed to be made to the existing Articles at the 2010 AGM.

FINANCIAL RISK MANAGEMENT

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 reported profitability and cash flows. The specific policies for managing each of the group's main financial risk areas are detailed in the Treasury Management section of the Business Review on page 24.

POST BALANCE SHEET EVENT

Details are set out in Note 34 of the Financial Statements.

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 2006) 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 audit 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.

GOING CONCERN

In presenting the financial statements on a going concern basis, the directors have considered both the business activities and principal risks and uncertainties as set out in the Overview and Business Review on pages 1 to 29. In addition, the directors have considered the following factors: the group's ability to generate cash flows, the financial resources available to it, headroom under bank covenants, and exposure to credit risk. Based on the group's cash flow forecasts and projections, the board is satisfied that the group will be able to operate within the level of its facilities for the foreseeable future. For this reason the group continues to apply the going concern basis in preparing its financial statements.

AUDITORS

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 Annual General Meeting and will be put to the shareholders at the Annual General Meeting.

By Order of the board

John Price
Company Secretary
24 November 2009

CORPORATE GOVERNANCE REPORT

COMBINED CODE COMPLIANCE

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 in June 2008 ('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 52 weeks ended 27 September 2009 and to the date of this report.

THE BOARD

The 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 were all appointed for an initial three-year term and, thereafter, subject to satisfactory performance, may serve one or two additional three-year terms, with a thorough review of their continued independence and suitability to continue as directors if they are to remain on the board for more than nine years.

THE CHAIRMAN AND CHIEF EXECUTIVE

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 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 (which comprises in addition to the Executive Directors, the Marketing Director, Customer Management Director, Supply Chain Director, Strategy Director, Human Resources Director, and the Managing Director, Britvic Ireland) 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.

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

The senior independent Non-Executive Director, Bob Ivell, is available to shareholders if they have concerns which are not resolved through the normal channels of Chairman, Chief Executive or Finance Director; or for which such contact is inappropriate.

THE DIRECTORS

The biographical details of the board members are set out on pages 32 and 33. 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. At all times there has been a majority of Non-Executive independent Directors on the board, in compliance with Code provision A.3.2. All directors must stand for election at the first AGM after they are appointed and the Articles of Association provide that all directors will stand for re-election at least every three years.

ROLE OF THE BOARD

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 responsibility for the overall management and performance of the group and the approval of its long-term objectives and commercial strategy, approval of annual and interim results, annual budgets, material acquisitions and disposals, material agreements and major capital commitments, approval of treasury policies, and assessment of its going concern position.

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. Senior executives below board level attend certain board meetings and make presentations on the results and strategies of their business units.

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.

The Company Secretary maintains a record of attendance at board meetings and committee meetings, further details of which are set out on page 41. During the year the Chairman met with the Non-Executive Directors without the Executive Directors present.

Directors' and Officers' insurance cover, is provided by the company, in line with normal market practice, for the benefit of directors in respect of claims arising in the performance of their duties.

BOARD PERFORMANCE EVALUATION

The formal annual evaluation of the performance of the board, its committees and individual directors was undertaken before the year end. This consisted of an internally run exercise led by the Chairman with the assistance of the Company Secretary. The appraisal questionnaire used in connection with the process was wide-ranging and based on questions outlined in the Code, covering both board and committee performance.

The appraisal output is used to identify strengths and development areas and confirmed that the board and its committees were operating effectively. Individual performance was also appraised, based on one-to-one interviews with the Chairman, or in the case of the Chairman, with the Senior Independent Director following consultation with both the other Non-Executive Directors and the Executive Directors.

INDEPENDENT PROFESSIONAL ADVICE

The board has approved a procedure for directors to take independent professional advice at the company's expense, if necessary. No such advice was sought by any director during the year. 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.

TRAINING AND DEVELOPMENT

The Company Secretary is responsible for preparing and co-ordinating an induction programme for newly-appointed directors, including presentations from senior management on different aspects of the business, as well as guidance on their duties, responsibilities and liabilities as a director of a listed company. Business familiarisation involves directors visiting sites in the UK and Ireland and the Non-Executive Directors are encouraged to visit group manufacturing sites to enable them to gain a greater understanding of the group's activities and to meet senior managers throughout the business. During the year under review the directors carried out a visit of the Beckton factory. Every director has access to appropriate training as required subsequent to appointment and is given the opportunity and encouraged to continue their development.

CONFLICTS OF INTEREST

The company's Articles of Association were amended at the 2008 AGM, in line with the Companies Act 2006, to allow the board to authorise potential conflicts of interest that may arise and to impose limits or conditions, as appropriate. Any decision of the board to authorise a conflict of interest is only effective if it is agreed without the conflicted directors voting or without their votes being counted and in making such a decision, as always, the directors must act in a way they consider in good faith will be most likely to promote the success of the company. The company has established a procedure whereby actual or potential conflicts of interest are regularly reviewed and for the appropriate authorisation to be sought prior to the appointment of any new director or if a new conflict arises. During the year under review this procedure was adhered to and operated effectively.

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 Ben Gordon, 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 Gerald Corbett, Ben Gordon and Michael Shallow, and is chaired by Bob Ivell. 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 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. 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 43 to 49. Those pages detail compliance with the legal requirements with regard to remuneration matters. The Chairman of the Remuneration Committee reports the outcome of meetings to the board.

The Audit Committee

The Audit Committee comprises Ben Gordon and Bob Ivell and is chaired by Michael Shallow. The board is satisfied that Michael Shallow, who is a Chartered Accountant and was formerly Finance Director of Greene King plc, has recent and relevant financial experience as required by the Code.

The role of the Committee is to monitor the financial reporting process, the integrity of the group's interim and annual financial statements prior to their submission to the board and the statutory audit of the annual and consolidated accounts. 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 it 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 rollout of the risk framework to Britvic Ireland and the formation of its Risk Committee. There was also a substantial amount of work completed on Britvic's business continuity plans, and its production capabilities in particular, and in relation to mitigating the potential impact arising from a pandemic. Outputs from 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 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. At each meeting the external auditors were able to meet with the Committee without management being present.

It is a specific responsibility of the 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.

ATTENDANCE AT MEETINGS

The attendance of directors at board and committee meetings during the 52 weeks ended 27 September 2009 was as follows:

	Board	Nomination Committee	Remuneration Committee	Audit Committee
Gerald Corbett	10	2	3	–
Paul Moody	10	–	–	–
Joanne Averiss	10	–	–	–
John Gibney	10	–	–	–
Bob Ivell	10	2	3	3
Michael Shallow	9	2	3	3
Ben Gordon	9	2	3	2
Total number of meetings	**10**	**2**	**3**	**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 Business Review set out on pages 12 to 29 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 27 January 2010. At the AGM, the Chairman will give a statement on current trading conditions. The Chairmen of the Nomination, Remuneration and Audit 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
- 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 have delegated the management of risk to the group Risk Committee, chaired by the group Finance Director, which reviews the group risk register on a quarterly basis, with the Audit Committee reviewing it on a semi-annual basis.

RISK MANAGEMENT PROCESS

There is in place an ongoing process for identifying, evaluating and managing the significant risks faced by the group, which has operated throughout the 52 weeks ended 27 September 2009. This process involves a quarterly assessment of functional risk registers, which is then reviewed and signed off by the group Risk Committee. The group's risk management framework is designed to support this process and is the responsibility of the group Risk Committee, chaired by the Finance Director. The risk framework governs the management and control of both financial and non-financial risks. The adoption of this policy throughout the group enables a consistent approach to the management of risk at both regional and business unit level. Internal Audit run regular workshops throughout the group to ensure a consistent deployment of the framework and test compliance with the policy.

In addition, during the 52 weeks ended 27 September 2009, the Audit Committee received:

- Reports from the Head of Internal Audit and Risk on the work carried out under the annual internal audit plan
- Risk management reports, including the status of actions to mitigate major risks and the quantification of selected risks
- Reports from the external Auditors

Through the monitoring processes set out above, the board conducted a review of the effectiveness of the system of internal control during the 52 weeks ended 27 September 2009. 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.

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, under English company law it is the directors' responsibility 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
- 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, IAS 1 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
- 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 group's financial position and financial performance
- State that the group has complied with IFRS

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act and Article 4 of the IAS Regulation. They are also responsible for the system of internal controls, for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE AND TRANSPARENCY RULES

The directors confirm that, to the best of their knowledge:

(a) The Financial Statements, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Commission, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole; and

(b) The Business Review includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Neither the company nor the directors accept any liability to any person in relation to the Annual Report and Financial Statements except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

The names and functions of the directors of the company are listed on pages 32 to 33 of this document.

DIRECTORS' REMUNERATION REPORT

For the year ended 27 September 2009

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 2006. 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 the company's policies and practices on executive remuneration to the company's major shareholders and relevant institutions.

In accordance with the Companies Acts 2006, 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:

Bob Ivell (Chairman)
Michael Shallow
Ben Gordon
Gerald Corbett

At the invitation of the Chairman of the Committee, 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 41.

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 Chairman of the board is a member of the Committee. However, he absents himself from discussions when his own remuneration is under discussion.

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 and takes into consideration the wider pay and employment conditions of the employees across the company.

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 other remuneration-related issues. The following individuals also provided material advice or services to the Committee during the year:

- Paul Moody (Chief Executive)
- John Gibney (Chief Financial Officer)
- Doug Frost (Human Resources Director)
- Michael Mountford (Head of Compensation & Benefits)

REMUNERATION POLICY

The remuneration policy with respect to Executive Directors has been designed to provide market competitive remuneration relative to appropriate peer groups for base salary and incentive opportunity, respectively. In the case of base salary, the Committee primarily considers mid-market data for a peer group of UK-listed companies of similar revenue size and scope to the company, in addition to consideration of pay levels at the few relevant companies in the UK food and beverage sector. The Committee's decisions are also informed by the performance of Executive Directors and the business and pay decisions elsewhere in the company.

The Committee believes that the remuneration of Executive Directors should comprise of an appropriate balance between base salary and performance-related pay elements with the predominant proportion of potential reward being linked to performance. In setting levels of incentive opportunity the Committee, therefore, also considers mid-market data on short and long-term incentive opportunity from a peer group of FMCG (fast moving consumer goods) and retail sector companies. As a result, approximately three quarters of total remuneration (excluding pension) is performance-related for superior performance and approximately three-fifths of total remuneration is performance-related for on target performance.

The Committee constantly reviews remuneration policy to ensure that it is sufficiently flexible to take account of future changes in the company's business operations and environment and recognises key developments in remuneration practice and alignment to shareholder interests. The Committee believes the pay policy described above, which also applied in 2008/09, remains appropriate and that it will continue for the time being.

REMUNERATION OBJECTIVES

The principal objective of the policy described above remains the same as in previous years and 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 plans of the company
- A reward structure that places an appropriate emphasis on short-term and long-term performance to support operating performance and to reward sustained longer-term performance
- Competitive incentive arrangements that are underpinned by a balance of operational and long-term performance metrics to provide both a focus on business performance and alignment with returns to the company's shareholders

COMPONENTS OF REMUNERATION FOR 2009/10

	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	• Provides focus on the delivery of the financial targets set out in the Annual Budget.	• Profit before tax ('PBT') (50%); net revenue (25%) and free cash flow (25%).
Executive Share Option Plan (Option Plan)	• 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 and long-term returns to shareholders.	• A three-year performance period based on an even split of relative TSR against a peer group of similar sector companies and average Return on Invested Capital ('ROIC').

REMUNERATION IN PRACTICE

Base Salary

Salaries are reviewed annually to take account of market movement, individual contribution and increases elsewhere in the company. Despite the strong continued performance of the business, the Committee has decided that due to the current uncertain economic climate there will be no salary increases for Executive Directors in January 2010.

Short-Term Incentive Plan

Targets were approved by the Committee at the beginning of the year and were aligned to internal targets and strategic business objectives for 2008/09. Up to 70% of salary for the Chief Executive and 60% of salary for the Finance Director is payable for the achievement of target PBT, net revenue growth and free cash flow performance. Up to a maximum of 140% and 120% of salary is payable for the achievement of exceptional performance targets for the Chief Executive and Finance Director, respectively. For 2008/09, a bonus of 106% of salary for the Chief Executive and 90.9% of salary for the Finance Director was earned for above target performance against PBT and free cash flow but below target performance in net revenue growth. Details of PBT and net revenue are shown on page 51 and free cash flow on page 53.

The Committee has decided that the key short-term operational drivers of the business for 2009/10 remain appropriate and therefore the same bonus structure as applied in 2008/09 should continue. Therefore bonuses will be paid for achievement of performance targets based on PBT, net revenue growth and free cash flow and will be set at appropriately stretching levels. The Committee has also decided to maintain the same target and maximum bonus opportunity for Executive Directors in 2009/10 as applied in 2008/09.

Executive Share Option Plan

Annual grants of options were made in 2008/09 at the discretion of the board over shares in Britvic plc at the market price at date of grant to senior executives (25 in total). The level of option grant and the performance conditions are determined and reviewed by the Committee annually. For 2008/09 the policy was to grant the options over shares worth 300% and 250% 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 25% 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.

For 2009/10, the Committee has decided to maintain the same focus on long-term EPS growth and believes the current performance range remains sufficiently stretching in the context of the current business outlook and growth strategy of the company.

Performance Share Plan

The annual grant of performance shares in 2008/09 was made at the discretion of the board to senior executives and managers (96 in total). The awards normally vest at the end of the three-year performance period, to the extent that the performance condition is achieved, and lapse to the extent it is not achieved.

For 2008/09 the policy was to grant the equivalent of 100% of annual salary to Executive Directors, calculated on the basis of the market price at the date of grant. In 2008/09, as detailed below, vesting of 50% of the award was subject to a TSR performance condition and vesting of the other 50% of the award was subject to a ROIC performance condition.

For the TSR element of the 2008/09 awards to vest in full under this plan, the company's relative TSR must rank in the top quartile of the peer group of the following 22 similar sector companies over the same period:

AG BARR
Associated British Foods
C&C Group
Cadbury Schweppes
Dairy Crest
Diageo
Fuller Smith & Turner
Glanbia
Greencore
Greene King
Marston's
Nichols
Northern Foods
Origin Enterprises
Premier Foods
Reckitt Benckiser
SABMiller
Smith & Nephew
SSL International
Tate and Lyle
Uniq
Wetherspoon

No awards will vest for performance below median, with 25% of the TSR element of awards vesting at median, rising to 100% at upper quartile on a straight-line basis.

For the ROIC element of the 2008/09 awards to vest in full under this plan, three-year average ROIC of 18.8% must be achieved or exceeded. For the purposes of the PSP ROIC will be defined as Operating Profit after Tax divided by Average Invested Capital including Goodwill, expressed as a percentage.

25% of the ROIC element of awards will vest at three-year average ROIC of 16.8% rising to full vesting on a straight-line basis at ROIC of 18.8%. No award will vest for three-year average ROIC below 16.8%.

For 2009/10, the Committee has also decided to maintain the focus on long-term relative TSR and ROIC. The Committee believes that maintaining the ROIC performance target provides closer alignment with underlying financial performance than relative TSR growth alone, as well as providing an appropriate balance with the EPS growth targets set under the Option Plan. In particular, the Committee believes that ROIC directly aligns pay with an appropriate balance between future investment and capital spending plans and the need to maintain appropriate margins in an uncertain trading environment over the next few years.

Following a review of the calibration of the performance conditions relating to the PSP, the Committee believes the TSR target detailed above remains appropriate. The ROIC range for 2009/10 will be increased such that threshold vesting occurs at three-year average ROIC of 21.9% and full vesting occurs at three year ROIC of 23.2%.

Shareholding Guidelines

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 incentive 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'). The normal 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 was originally designed broadly to provide a pension of two thirds of final salary at normal retirement age, along with life assurance, ill health and dependants' pensions. Following a strategic review of pension policy in 2007/08 the defined benefit rate of pension accrual for Executive Directors for service from 1 July 2008 onwards was reduced by one-third. The cap on the rate of annual increase to pension in payment was also reduced to 2.5%, instead of the previous 5%, for pension in payment resulting from the reduced rate of pension accrual.

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 dependants' pensions.

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 2008	24**	12	12
Joanne Averiss	14 December 2008	24**	3	3
Ben Gordon	15 April 2008	16	3	3
Bob Ivell	14 December 2008	24**	3	3
Michael Shallow	14 December 2008	24**	3	3

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

** The Non-Executive Directors' letters of appointment have been extended for a further three-year term to 14 December 2011.

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 32 and 33.

OTHER APPOINTMENTS

The Executive Directors do not have any engagement with any other company 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 an initial three-year term to 14 December 2008. This has been extended until 14 December 2011. From 14 December 2008 the Chairman's remuneration was increased to £183,750 per annum. In addition the company employed a chauffeur assigned to Mr Corbett.

In line with the approach for Executive Directors, there will be no increase in the Chairman's fee for 2009/10.

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. From 14 December 2008, their basic fee was increased from £40,000 per annum to £45,000 per annum. During the year an additional fee of £8,000 per annum was paid to the Senior Independent Director and to the Chairmen of the board committees.

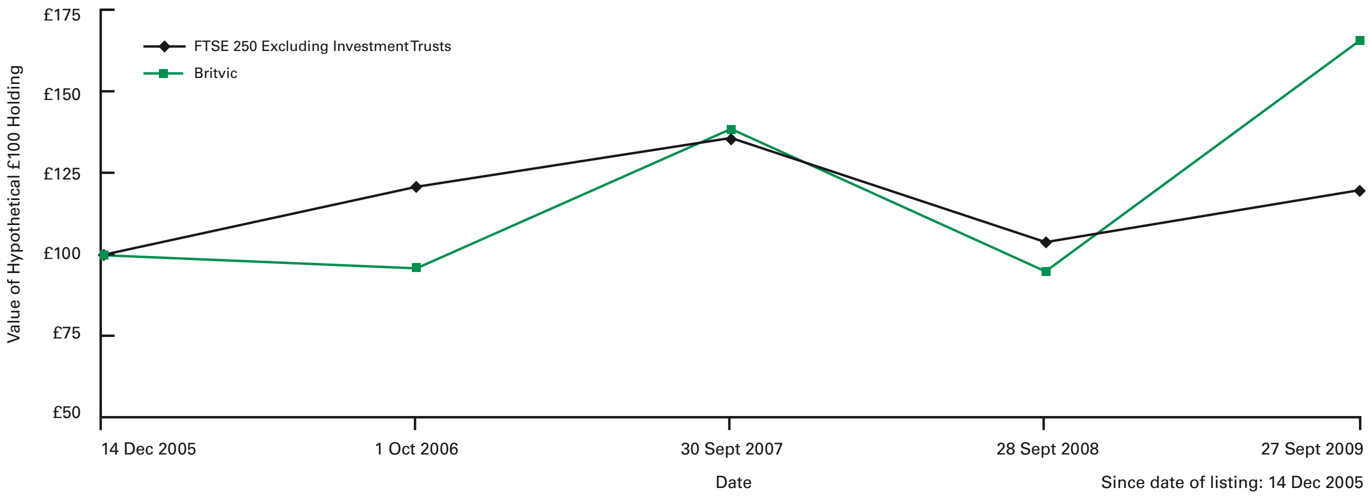
Non-Executive Directors' fees are reviewed by the board annually and they do not participate in any of the group's pension schemes or in any of the group's bonus, share option or other incentive schemes.

In line with the approach for Executive Directors and the company Chairman, there will be no increase in the Non-Executive Directors' fees for 2009/10.

PERFORMANCE GRAPH – TOTAL SHAREHOLDER RETURN

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.

Historical TSR Performance
Growth in the value of a hypothetical £100 holding since float FTSE 250 excluding Investment Trusts comparison based on spot values



DIRECTORS' INTERESTS IN SHARES

	Britvic plc ordinary shares of 20p each	
	27 September 2009	28 September 2008
Executive Directors		
Paul Moody	322,095	201,723
John Gibney	261,113	173,969
Non-Executive Directors:		
Gerald Corbett*	103,695	65,217
Joanne Averiss	8,696	8,696
Ben Gordon	11,393	11,393
Bob Ivell	10,870	10,870
Michael Shallow	21,739	21,739

* Under an agreement between the company and the Chairman, Mr Corbett was awarded 38,478 ordinary shares by the company, this being 65,217 ordinary shares net of tax (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). This award was conditional upon completion of three years' service as Chairman on 13 December 2008 and the continued retention of his original investment.

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 84.

In the period 27 September 2009 to 24 November 2009, 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 102 shares each.

AUDITED INFORMATION

The following information has been audited by the company's auditor, as required by Schedule 8 to the Large and Medium-sized Companies and groups (Accounts and Reports) Regulations 2008.

DIRECTORS' REMUNERATION

	Basic salary and fees £'000	Taxable benefits* £'000	Performance related bonuses £'000	Total 2009 £'000	Total 2008 £'000
Executive Directors					
Paul Moody	473	22	502	997	777
John Gibney	305	24	277	606	477
Non-Executive Directors					
Gerald Corbett	182	69	–	251	236
Joanne Averiss	44	–	–	44	39
Ben Gordon	44	–	–	44	18
Bob Ivell	60	–	–	60	49
Michael Shallow	52	–	–	52	45

* 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; the figure shown being the total gross amount before mitigation for business use.

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 84).

		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 to exercise price (pence)	Date from which exerciseable	Expiry date
Paul Moody	15/12/05*	338,776	–	–	53,527	285,249	245.0	15/12/08	15/12/15
	06/12/06*	338,776	–	–	–	338,776	245.0	06/12/09	06/12/16
	05/12/07*	246,369	–	–	–	246,369	347.0	05/12/10	05/12/17
	05/12/08**	–	615,068	–	–	615,068	221.0	05/12/11	05/12/18
Total		**923,921**	**615,068**		**53,527**	**1,485,462**			
John Gibney	15/12/05*	162,245	–	–	25,635	136,610	245.0	15/12/08	15/12/15
	06/12/06*	162,245	–	–	–	162,245	245.0	06/12/09	06/12/16
	05/12/07*	119,135	–	–	–	119,135	347.0	05/12/10	05/12/17
	05/12/08**	–	330,486	–	–	330,486	221.0	05/12/11	05/12/18
Total		**443,625**	**330,486**	**–**	**25,635**	**748,476**			

* Awards of share options from 2005 to 2007 vest 40% at threshold (EPS growth equal to RPI + 3% compound over three years) and 100% at maximum (EPS growth equal to RPI + 7% compound over three years).

** Awards of share options from 2008 vest 25% at threshold with the EPS performance condition calibrated as detailed above.

The market price of the company's shares on 27 September 2009 was 352.40p and the range of closing prices during the year was 165.50p to 357.30p.

DIRECTORS' INTERESTS IN THE PERFORMANCE SHARE PLAN

The Executive Directors participate in the Britvic Performance Share Plan (as described on page 85).

		Number of 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
Paul Moody	15/12/05*	90,217	–	55,574	34,643	–	242.0	15/12/08
	15/12/05**	144,928	–	144,928	–	–	242.0	15/12/06/07&08
	06/12/06*	84,694	–	–	–	84,694	245.0	06/12/09
	05/12/07*	61,592		–	–	61,592	339.0	05/12/10
	05/12/08***	–	205,024	–	–	205,024	224.0	05/12/11
Total		**381,431**	**205,024**	**200,502**	**34,643**	**351,310**		
John Gibney	15/12/05*	57,609	–	35,487	22,122	–	242.0	15/12/08
	15/12/05**	108,696	–	108,696	–	–	242.0	15/12/06/07&08
	06/12/06*	54,082	–	–	–	54,082	245.0	06/12/09
	05/12/07*	39,712		–	–	39,712	339.0	05/12/10
	05/12/08***	–	132,196	–	–	132,196	224.0	05/12/11
Total		**260,099**	**132,196**	**144,183**	**22,122**	**225,990**		

* Awards of performance shares from 2005 to 2007 vest 40% at threshold (TSR performance at median of comparator group of similar companies) and 100% at maximum (TSR at upper quartile of comparator group).

** A one-off transitional award was made in 2005 subject to the achievement of targets based on average ROIC. The purpose of this award was to compensate the company's executives for the loss of long-term incentive bonuses which were discontinued at IPO and to help retention. The award vested 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 2005/06, 2006/07 and 2007/08. 50% of each tranche vested at threshold performance of 15% average ROIC rising to maximum vesting at 17% average ROIC on a straight-line basis. In respect of the third tranche of the transitional award, 100% of the award vested after the 2007/08 year end as a result of ROIC performance in 2007/08. These shares are subject to the Shareholding Guidelines described above.

*** Awards of performance shares from 2008 vest 25% at threshold and 100% at maximum (with 50% of the award subject to the TSR performance condition detailed above and 50% of the award subject to threshold ROIC of 16.8% and maximum ROIC condition of 18.8%).

PENSIONS

The table below shows, amongst other items, 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 2006.

Name	Age at 27 September 2009	Accumulated accrued pension at 27 September 2009 £	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 27 September 2009 £	Transfer value of accrued benefits at 28 September 2008 £	Increase in transfer value, less directors' contributions £
Paul Moody	52	184,400	20,400	22,700	321,300	2,799,800	1,913,300	863,300
John Gibney	49	167,700	15,900	18,000	223,600	2,219,700	1,498,800	705,900

Due to the decrease in price inflation, as measured by the Retail Price Index in the year to September 2009, the increase in accrued pension, net of price inflation, is larger than the increase in the absolute accrued pension.

On behalf of the board

Bob Ivell
Chairman of the Remuneration Committee
24 November 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITVIC PLC

We have audited the group financial statements of Britvic plc for the 52 week period ended 27 September 2009 which comprise the consolidated income statement, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of recognised income and expense and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 42, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the group financial statements

- Give a true and fair view of the state of the group's affairs as at 27 September 2009 and of its profit for the 52 week period then ended
- Have been properly prepared in accordance with IFRSs as adopted by the European Union
- Have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the 52 week period for which the group financial statements are prepared is consistent with the group financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- Certain disclosures of directors' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

Under the Listing Rules we are required to review

- The directors' statement, set out on page 38, in relation to going concern
- The part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review

OTHER MATTER

We have reported separately on the parent company financial statements of Britvic plc for the 52 week period ended 27 September 2009 and on the information in the Directors' Remuneration Report that is described as having been audited.

Nigel Meredith (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
24 November 2009

CONSOLIDATED INCOME STATEMENT

For the 52 weeks ended 27 September 2009

		52 Weeks Ended 27 September 2009			52 Weeks Ended 28 September 2008		
	Note	Before exceptional items £m	Exceptional items* £m	Total £m	Before exceptional items £m	Exceptional items* £m	Total £m
Revenue		978.8	–	978.8	926.5	–	926.5
Cost of sales		(450.9)	–	(450.9)	(426.1)	–	(426.1)
Gross profit		**527.9**	**–**	**527.9**	**500.4**	**–**	**500.4**
Selling and distribution costs		(294.3)	–	(294.3)	(290.8)	–	(290.8)
Administration expenses		(123.5)	(20.3)	(143.8)	(112.9)	(18.3)	(131.2)
Operating profit/(loss)	6	**110.1**	**(20.3)**	**89.8**	**96.7**	**(18.3)**	**78.4**
Finance revenue	9	–	–	–	0.4	–	0.4
Finance costs	9	(23.6)	–	(23.6)	(27.0)	–	(27.0)
Profit/(loss) before tax		**86.5**	**(20.3)**	**66.2**	**70.1**	**(18.3)**	**51.8**
Taxation	10	(22.3)	2.9	(19.4)	(17.1)	(2.9)	(20.0)
Profit/(loss) for the period attributable to the equity shareholders		**64.2**	**(17.4)**	**46.8**	**53.0**	**(21.2)**	**31.8**
Earnings per share							
Basic earnings per share	11	29.9p	(8.1p)	21.8p	24.8p	(9.9p)	14.9p
Diluted earnings per share	11	29.1p	(7.9p)	21.2p	24.3p	(9.7p)	14.6p

* See note 5.

All activities relate to continuing operations.

CONSOLIDATED BALANCE SHEET

At 27 September 2009

	Note	2009 £m	2008 £m
Assets			
Non-current assets			
Property, plant and equipment	13	226.1	228.1
Intangible assets	14	293.1	263.8
Trade and other receivables	16	2.4	2.4
Other financial assets	27	51.9	22.2
Deferred tax assets	10d	2.6	2.6
		576.1	519.1
Current assets			
Trade and other receivables	18	177.9	152.7
Inventories	17	52.9	49.4
Other financial assets	27	1.8	0.3
Cash and cash equivalents	19	39.7	13.9
		272.3	216.3
Non-current assets held for sale	20	5.1	5.9
Total assets		**853.5**	**741.3**
Current liabilities			
Trade and other payables	25	(291.6)	(244.3)
Interest bearing loans and borrowings	23	–	(11.6)
Other financial liabilities	27	(0.4)	(1.0)
Current income tax payable		(11.3)	(9.6)
		(303.3)	**(266.5)**
Non-current liabilities			
Interest bearing loans and borrowings	23	(450.7)	(402.7)
Deferred tax liabilities	10d	(16.9)	(37.7)
Pension liability	24	(85.1)	(23.9)
Other non-current liabilities	28	–	(1.2)
		(552.7)	**(465.5)**
Total liabilities		**(856.0)**	**(732.0)**
Net (liabilities)/assets		**(2.5)**	**9.3**
Capital and reserves			
Issued share capital	21	43.4	43.2
Share premium	22	5.0	2.5
Own shares	22	(4.6)	(7.9)
Share scheme reserve	22	7.3	7.3
Hedging reserve	22	6.2	7.0
Translation reserve	22	34.3	17.2
Retained earnings	22	(94.1)	(60.0)
Total equity		**(2.5)**	**9.3**

The financial statements were approved by the board of directors and authorised for issue on 24 November 2009. 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 27 September 2009

	Note	2009 £m	2008 £m
Cash flows from operating activities			
Profit before tax		66.2	51.8
Net finance costs	9	23.6	26.6
Impairment of property, plant and equipment		4.2	4.8
Depreciation	13	30.1	35.4
Amortisation	14	8.6	7.2
Share-based payments		6.9	7.8
Net pension charge less contributions	24	(13.4)	(12.4)
Increase in inventory		(1.0)	(2.0)
Increase in trade and other receivables		(18.9)	(15.3)
Increase in trade and other payables		41.8	44.4
Loss on disposal of tangible assets		1.7	3.0
Income tax paid		(18.9)	(8.1)
Net cash flows from operating activities		**130.9**	**143.2**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		9.5	6.1
Interest received		–	0.3
Purchases of property, plant and equipment		(38.3)	(45.3)
Purchases of intangible assets		(11.9)	(5.9)
Acquisition of subsidiary net of cash acquired		–	(6.8)
Net cash flows used in investing activities		**(40.7)**	**(51.6)**
Cash flows from financing activities			
Finance costs		(4.3)	(0.2)
Interest paid		(20.9)	(26.7)
Net interest bearing loans repaid		(7.3)	(45.5)
Purchase of own shares		(3.3)	(8.1)
Dividends paid to equity shareholders	12	(27.8)	(24.7)
Net cash flows from financing activities		**(63.6)**	**(105.2)**
Net increase/(decrease) in cash and cash equivalents		26.6	(13.6)
Cash and cash equivalents at beginning of period		12.9	27.3
Exchange rate differences		0.2	(0.8)
Cash and cash equivalents at the end of the period	19	**39.7**	**12.9**

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the 52 weeks ended 27 September 2009

	Note	2009 £m	2008 £m
Actuarial losses on defined benefit pension scheme	24	(72.0)	(29.9)
Current tax on additional pension contributions	10	2.8	2.9
Deferred tax on movement in pension liabilities	10	16.9	3.6
Movement in cash flow hedges net of deferred tax		(0.8)	5.1
Deferred tax on share options granted to employees	10	1.4	(1.4)
Current tax on share options exercised	10	0.1	0.5
Exchange differences on translation of foreign operations		17.1	14.3
Net expense recognised directly in equity attributable to equity shareholders		**(34.5)**	**(4.9)**
Profit for the period attributable to equity shareholders		46.8	31.8
Total recognised income and expense for the period		**12.3**	**26.9**

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 2006. It is a public limited company domiciled in England & 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.

The financial statements were authorised for issue by board of directors on 24 November 2009.

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, as they apply to the financial statements of the group.

3. ACCOUNTING POLICIES

Basis of preparation

On conversion to IFRS on 3 October 2005, 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.

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 27 September 2009 in accordance with IAS 27 'Consolidated and Separate Financial Statements'.

While the original acquisition of Britannia Soft Drinks Limited was accounted for under the merger method, in subsequent financial periods 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 period as the parent company, using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue is the value of sales, excluding transactions with or between subsidiaries, and after deduction of sales related discounts and rebates, 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.

3. ACCOUNTING POLICIES continued

Property, plant and equipment

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

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

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

Goodwill

Business combinations on or after 4 October 2004 have been accounted for under IFRS 3 using the acquisition method. On acquisition, the assets, 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.

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

Goodwill is reviewed for impairment at least annually and whenever events or changes in circumstances indicate that their carrying value may be impaired. 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 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 are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation or impairment losses. An intangible asset acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, 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 also 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.

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.

3. ACCOUNTING POLICIES continued

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 senior management's estimate of the cost of capital. 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 assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

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 appropriate, 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.

For the purpose of hedge accounting, hedges are 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.

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:

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.

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

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.

3. ACCOUNTING POLICIES continued

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.

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 period, after any adjustments in respect of prior periods. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

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

The group operates a number of pension schemes. The Britvic Pension Plan ('BPP') 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.

As a result of the acquisition of Britvic Ireland on 29 August 2007, in Northern Ireland the group inherited a further pension scheme in which its employees (at the date of the transfer) participated, the C&C Pension Fund. The name of this scheme has subsequently been changed to the Britvic Northern Ireland Pension Plan ('BNIPP'). The BNIPP was closed to new members on 28 February 2006 and since this date new employees have been eligible to join a Stakeholder plan with Legal & General. Since 1 September 2008, employees in the Republic of Ireland have been able to participate in two newly formed pension plans called the Britvic Ireland DC Pension Plan and the Britvic Ireland DB Pension Plan ('BIPP').

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 period 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.

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

3. ACCOUNTING POLICIES continued

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

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Leases in which the group assumes substantially all the risks and rewards of ownership are classified as finance leases.

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 consolidated statement of cash flows, bank overdrafts repayable on demand are a component of cash and cash equivalents.

Trade and other receivables
Trade receivables, which generally have 30–90 day terms, are recognised at the lower of their original invoiced value and recoverable amount.

Provision 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
Interest bearing loans and borrowings are initially recognised in the balance sheet at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

Finance costs arising from the outstanding loan balance and finance charges are charged to the income statement using an effective interest rate method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

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 other than those differences relating to financial instruments treated as a net investment hedge.

These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit and loss.

Foreign operations
The income statement and statement of 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. Exchange differences arising on opening net assets and 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 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.

Own shares
The cost of own shares held in employee share trusts and in treasury are deducted from shareholders' equity until the shares are cancelled, reissued or disposed. Where such shares are subsequently sold or reissued, the fair value of any consideration received is also included in shareholders' equity.

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.

3. ACCOUNTING POLICIES continued

Key judgements and sources of estimation uncertainty

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

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. These key assumptions are disclosed in note 24.

Impairment of goodwill and intangible assets with indefinite lives

Determining whether goodwill and intangible assets with indefinite lives are impaired requires an estimation of the value in use of the cash generating units to which the goodwill/intangible asset 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. Further details, including sensitivity analysis of key assumptions, are given in note 15.

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 to the extent it is probable that the benefit will be realised.

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 relevant exchange 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.

Other

The group also makes estimations and judgements in the valuation of share-based payments. However, the value of this item is such that any variation in the estimates used is unlikely to have a significant effect on the amount recognised in the financial statements.

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 8	Operating Segments	1 January 2009
IFRS 2	Amendment to IFRS 2 – Vesting Conditions & Cancellation	1 January 2009
Annual Improvements	Improvements to IFRSs	1 January 2009
IFRS 3	Business Combinations (revised January 2008)	1 July 2009
IFRS 9	Financial Instruments – Classification and measurement	1 January 2013
International Accounting Standards ('IAS')		
IAS 1	Amendment – Presentation of Financial Statements (revised September 2007)	1 January 2009
IAS 23	Borrowing Costs (revised March 2007)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (revised January 2008)	1 July 2009
IAS 39	Amendment – Eligible Hedged Items	1 July 2009
IAS 24	Amendment to IAS 24 – Disclosure requirements for government related entities and definition of a related party	1 January 2011
International Financial Reporting Interpretations Committee ('IFRIC')		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008

IFRS 8 requires disclosure based on information presented to the board. Management has not yet determined the potential impact of this standard.

The amendment to IFRS 2 restricts the definition of vesting conditions to include only service conditions (requiring a specified period of service to be completed) and performance conditions (requiring the other party to achieve a personal goal or contribute to achieving a corporate target). All other features are not vesting conditions, and whereas failure to achieve such a condition was previously regarded as a forfeiture (giving rise to a reversal of amounts previously charged to profit) it must be reflected in the grant date fair value of the award and treated as a cancellation, which results in either an acceleration of the expected charge, or a continuation over the remaining vesting period, depending on whether the condition is under the control of the entity or counterparty. The amendment is mandatory for periods beginning on or after 1 January 2009 and the group is currently assessing its impact on the financial statements, although it is not expected to be material.

The group does not anticipate early adopting the revised IFRS 3 and so will apply it prospectively to all business combinations on or after 28 September 2009. Whilst it is not possible to estimate the outcome of adoption, the key features of the revised IFRS 3 include a requirement for acquisition-related costs to be expensed and not included in the purchase price; and for contingent consideration to be recognised at fair value on the acquisition date (with subsequent changes recognised in the income statement and not as a change to goodwill). The standard also changes the treatment of non-controlling interests (formerly minority interests) with an option to recognise these at full fair value as at the acquisition date and a requirement for previously held non-controlling interests to be fair valued as at the date control is obtained, with gains and losses recognised in the income statement.

3. ACCOUNTING POLICIES continued

Key judgements and sources of estimation uncertainty continued

New standards and interpretations not applied continued

Whilst the revised IAS 1 will have no impact on the measurement of the group's results or net assets it is likely to result in certain changes in the presentation of the group's financial statements from the 53 weeks ended 3 October 2010 onwards.

The remaining new standards, interpretations and amendments to published standards that have an effective date of after these financial statements detailed above have not been early adopted by the group and the directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the group's reported income or net assets in the period of adoption.

4. SEGMENTAL REPORTING

The directors 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 & Northern Ireland ('ROI & NI'). Britvic International is included within the GB segment.

Analysis by geography:

			2009			2008
	GB £m	ROI & NI £m	Total £m	GB £m	ROI & NI £m	Total £m
Gross revenue	793.5	190.6	984.1	729.5	200.7	930.2
Inter-segment revenue*	(4.2)	(1.1)	(5.3)	(3.7)	–	(3.7)
Segment revenue	**789.3**	**189.5**	**978.8**	**725.8**	**200.7**	**926.5**
Segment result						
Gross profit	450.2	77.7	527.9	425.5	74.9	500.4
Operating profit before exceptional items	99.0	11.1	110.1	83.7	13.0	96.7
Operating profit after exceptional items	93.6	(3.8)	89.8	75.5	2.9	78.4
Other non-cash expenses						
Depreciation of property, plant and equipment	26.2	3.9	30.1	29.5	5.9	35.4
Amortisation of intangible assets	6.9	1.7	8.6	5.7	1.5	7.2
Impairment of property, plant and equipment	–	4.2	4.2	3.3	1.5	4.8
Share-based payments	7.7	–	7.7	8.4	–	8.4
Segment assets						
Gross assets	516.6	624.9	1,141.5	474.3	569.2	1,043.5
Inter-segment assets	(18.1)	(312.2)	(330.3)	(15.7)	(302.9)	(318.6)
Unallocated assets			42.3			16.4
Total segment assets			853.5			741.3
Segment liabilities						
Gross liabilities	604.8	102.5	707.3	504.2	83.8	588.0
Inter-segment liabilities	(312.2)	(18.1)	(330.3)	(302.9)	(15.7)	(318.6)
Unallocated liabilities			479.0			462.6
Total segment liabilities			856.0			732.0
Capital expenditure						
Capital expenditure	39.3	7.1	46.4	36.5	15.5	52.0

* Inter-segment transactions are performed using arm's length prices.

5. EXCEPTIONAL ITEMS

	Note	2009 £m	2008 £m
Cost of incentive schemes directly associated with the flotation	(a)	(0.8)	(2.8)
Restructuring costs	(b)	(16.6)	(11.6)
Costs in relation to the purchase of Britvic Ireland	(c)	(0.5)	(2.1)
Onerous leases	(d)	(2.4)	–
Returnable bottle line closure and associated costs	(e)	–	(0.7)
IT equipment impairment	(f)	–	(1.1)
		(20.3)	**(18.3)**

a) Cost of incentive schemes directly associated with the flotation include all-employee share schemes and management incentives. The cost 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.

b) Restructuring costs includes the costs of major restructuring programmes undertaken. In the current year these are principally:

- Redundancy costs arising in both the GB and Ireland segments;
- Other costs associated with delivering the synergies within the Ireland segment; and
- Impairments of property, plant and equipment relating to the closure of three sites in the Britvic Ireland business. Impairments amount to £4.2m.

c) Costs in relation to 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. In the current year costs relate to professional fees incurred in respect of establishing new pension schemes in the Britvic Ireland business. The 2008 number principally relates to compensation paid to a distributor formerly used in Ireland prior to the acquisition of Britvic Ireland.

d) The onerous leases relate to two sites within the business where future lease commitments have been accrued for. These are the closure of depot space as a result of the project to deliver the synergies in the Ireland segment and the rationalisation of office space in the GB segment.

e) Returnable bottle line closure and associated costs in the prior year related primarily to a write-down of inventories for returnable glass bottle stocks which became redundant due to the move to non-returnable bottles in the GB segment.

f) The IT equipment impairment in the prior year related to the write down of servers which have now been replaced to accommodate increased business requirements following the acquisition of Britvic Ireland.

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

All impairments have been calculated based on fair value less costs to sell, where the fair value is determined by reference to an active market.

6. OPERATING PROFIT

This is stated after charging:

	2009 £m	2008 £m
Cost of inventories recognised as an expense	450.9	426.1
Write-down of inventories to net realisable value*	2.6	2.6
Research and development expenditure written off	1.5	2.0
Net foreign currency differences	3.4	0.1
Depreciation of property, plant and equipment	30.1	35.4
Amortisation of intangible assets	8.6	7.2
Operating lease payments – minimum lease payments	16.3	15.7

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

7. AUDITOR'S REMUNERATION

	2009 £m	2008 £m
Auditor's remuneration – audit of the group financial statements	0.3	0.2
Other fees to auditors		
Local statutory audits for subsidiaries	0.1	0.1

8. STAFF COSTS

	2009 £m	2008 £m
Wages and salaries*	126.8	108.6
Social security costs	11.2	9.5
Pension costs (note 24)	9.5	9.0
Expense of share-based compensation**	7.7	8.4
	155.2	135.5

* £8.8m (2008: £5.4m) of this is included within 'restructuring costs' in exceptional items (note 5).

** £0.8m (2008: £2.8m) of this is included within exceptional items (see note 5 and note 29).

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

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

	2009	2008
Distribution	525	533
Production	1,107	1,177
Sales and marketing	899	958
Administration	505	485
	3,036	3,153

9. FINANCE REVENUE/(COSTS)

	2009 £m	2008 £m
Finance revenue		
Bank interest receivable	–	0.3
Other interest receivable	–	0.1
Total finance income	–	0.4
Finance costs		
Bank loans, overdrafts and loan notes	(23.6)	(27.0)
Total finance costs	(23.6)	(27.0)

10. TAXATION

a) Tax on profit on ordinary activities

	Before exceptional items £m	Exceptional items £m	2009 Total £m
Income statement			
Current income tax			
Current income tax (charge)/credit	(24.3)	2.9	(21.4)
Amounts underprovided in previous years	(1.5)	–	(1.5)
Total current income tax (charge)/credit	**(25.8)**	**2.9**	**(22.9)**
Deferred income tax			
Origination and reversal of temporary differences	0.8	–	0.8
Amounts overprovided in previous years	2.7	–	2.7
Total deferred tax credit	**3.5**	**–**	**3.5**
Total tax (charge)/credit in the income statement	**(22.3)**	**2.9**	**(19.4)**
Statement of recognised income and expense			
Current tax on additional pension contributions			2.8
Current tax on share options exercised			0.1
Deferred tax on movement in pension liabilities			16.9
Deferred tax on share options granted to employees			1.4
Net tax benefit reported in equity			**21.2**

	Before exceptional items £m	Exceptional items £m	2008 Total £m
Income statement			
Current income tax			
Current income tax (charge)/credit	(17.0)	2.7	(14.3)
Amounts underprovided in previous years	(0.1)	–	(0.1)
Total current income tax (charge)/credit	**(17.1)**	**2.7**	**(14.4)**
Deferred income tax			
Origination and reversal of temporary differences	–	(5.6)	(5.6)
Total deferred tax charge	**–**	**(5.6)**	**(5.6)**
Total tax charge in the income statement	**(17.1)**	**(2.9)**	**(20.0)**
Statement of recognised income and expense			
Current tax on additional pension contributions			2.9
Deferred tax on movement in pension liabilities			3.6
Deferred tax on movement in cash flow hedges			(1.6)
Deferred tax on share options granted to employees			(1.4)
Current tax on share options exercised			0.5
Net tax expense reported in equity			**4.0**

10. TAXATION continued

b) Reconciliation of the total tax charge

The tax expense in the income statement is higher (2008: higher) than the standard rate of corporation tax in the UK of 28% (2008: 29%). The differences are reconciled below:

2009	Before exceptional items £m	Exceptional items £m	Total £m
Profit/(loss) before tax	**86.5**	**(20.3)**	**66.2**
Profit multiplied by the UK average rate of corporation tax of 28%	(24.2)	5.7	(18.5)
Expenditure not deductible for income tax purposes	(1.8)	(0.1)	(1.9)
Tax relief on share-based payments	0.2	(0.2)	–
Tax overprovided in previous years	1.2	–	1.2
Overseas tax rates	2.3	(2.5)	(0.2)
	(22.3)	**2.9**	**(19.4)**
Effective income tax rate	**25.8%**		**29.3%**

2008	Before exceptional items £m	Exceptional items £m	Total £m
Profit/(loss) before tax	**70.1**	**(18.3)**	**51.8**
Profit multiplied by the UK average rate of corporation tax of 29%	(20.3)	5.3	(15.0)
Expenditure not deductible for income tax purposes	(0.7)	(0.1)	(0.8)
Abolition of UK industrial buildings allowance	–	(5.9)	(5.9)
Tax relief on share-based payments	–	0.8	0.8
Accounting charge for share-based payments	(0.4)	(1.1)	(1.5)
Tax underprovided in previous years	(0.1)	–	(0.1)
Tax relief on intra-group transactions eliminated on consolidation	1.6	–	1.6
Overseas tax rates	2.7	(1.9)	0.8
Impact of foreign exchange translation	0.1	–	0.1
	(17.1)	**(2.9)**	**(20.0)**
Effective income tax rate	**24.4%**		**38.6%**

c) Unrecognised tax items

The temporary differences associated with investments in subsidiaries for which a deferred tax liability has not been recognised aggregates to £11.7m (2008: £27.5m).

10. TAXATION continued

d) Deferred tax

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

	2009 £m	2008 £m
Deferred tax liability		
Accelerated capital allowances	(20.3)	(25.1)
Acquisition fair value adjustments	(13.3)	(13.1)
Other temporary differences	(4.1)	(3.5)
Employee incentive plan	(0.2)	–
Impact of retranslation of opening balance	–	(0.2)
Deferred tax liability	(37.9)	(41.9)
Deferred tax asset		
Employee incentive plan	4.0	2.4
Post employment benefits	19.6	4.1
Other temporary differences	–	0.3
Deferred tax asset	23.6	6.8
Net deferred tax liability	**(14.3)**	**(35.1)**

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

	2009 £m	2008 £m
Net deferred tax assets – Overseas	2.6	2.6
Net deferred tax liabilities – UK	(16.9)	(37.7)
	(14.3)	**(35.1)**

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

	2009 £m	2008 £m
Employee incentive plan	0.2	(0.1)
Accelerated capital allowances	3.9	(4.1)
Post employment benefits	(0.6)	(1.4)
Deferred tax credit/(charge)	**3.5**	**(5.6)**

None of the deferred tax credit in the current period relates to exceptional items (2008: all of the deferred tax charge in the prior period related to exceptional items).

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 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:

	2009 £m	2008 £m
Basic earnings per share		
Profit for the period attributable to equity shareholders	46.8	31.8
Weighted average number of ordinary shares in issue for basic earnings per share	214.9	214.0
Basic earnings per share	21.8p	14.9p
Diluted earnings per share		
Profit for the period attributable to equity shareholders	46.8	31.8
Weighted average number of ordinary shares in issue for diluted earnings per share	220.9	218.0
Diluted earnings per share	21.2p	14.6p

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 period, 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 are also presented on this basis using the weighted average number of ordinary shares for both basic and diluted amounts as per the table below:

	2009 £m	2008 £m
Basic earnings per share before exceptional items		
Profit for the period attributable to equity shareholders	46.8	31.8
Add: net impact of exceptional items	17.4	21.2
Profit for the period attributable to ordinary shareholders before exceptional items	64.2	53.0
Weighted average number of ordinary shares in issue for basic earnings per share	214.9	214.0
Basic earnings per share before exceptional items	29.9p	24.8p
Diluted earnings per share before exceptional items		
Profit for the period attributable to equity shareholders before exceptional items	64.2	53.0
Weighted average number of ordinary shares in issue for diluted earnings per share	220.9	218.0
Diluted earnings per share before exceptional items	29.1p	24.3p

12. DIVIDENDS PAID AND PROPOSED

	2009 £m	2008 £m
Declared and paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2007: 7.70p per share	–	16.6
Interim dividend for 2008: 3.80p per share	–	8.1
Final dividend for 2008: 8.80p per share	19.0	–
Interim dividend for 2009: 4.10p per share	8.8	–
Dividends paid	**27.8**	**24.7**
Proposed for approval by the shareholders at the AGM		
Final dividend for 2008: 8.80p per share	–	18.8
Final dividend for 2009: 10.90p per share	23.5	–

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 30 September 2007, net of accumulated depreciation	52.9	28.9	81.5	64.1	227.4
Exchange differences	1.7	1.0	1.7	0.3	4.7
Additions	1.3	1.7	28.2	15.3	46.5
Disposals at cost	–	–	(6.4)	(22.9)	(29.3)
Depreciation eliminated on disposals	–	–	4.7	20.2	24.9
Assets classified as held for sale – cost**	(6.0)	–	–	–	(6.0)
Assets classified as held for sale – depreciation**	0.1	–	–	–	0.1
Depreciation charge for the year	(0.9)	(0.6)	(17.0)	(16.9)	(35.4)
Impairment*	–	–	(3.0)	(1.8)	(4.8)
At 28 September 2008, net of accumulated depreciation and impairment	**49.1**	**31.0**	**89.7**	**58.3**	**228.1**
Reclassifications	–	–	0.8	(0.8)	–
Exchange differences	1.3	1.7	3.0	0.8	6.8
Additions	0.5	3.1	17.2	14.4	35.2
Disposals at cost	–	–	(23.5)	(12.8)	(36.3)
Depreciation eliminated on disposals	–	–	13.8	11.1	24.9
Assets classified as held for sale – cost**	(1.5)	–	–	–	(1.5)
Assets classified as held for sale – depreciation**	0.1	–	–	–	0.1
Depreciation charge for the year	(0.4)	(0.8)	(14.4)	(14.5)	(30.1)
Impairment*	(1.1)	–	–	–	(1.1)
At 27 September 2009, net of accumulated depreciation and impairment	**48.0**	**35.0**	**86.6**	**56.5**	**226.1**
At 27 September 2009					
Cost (gross carrying amount)	55.4	39.9	234.3	182.8	512.4
Accumulated depreciation and impairment	(7.4)	(4.9)	(147.7)	(126.3)	(286.3)
Net carrying amount	**48.0**	**35.0**	**86.6**	**56.5**	**226.1**
At 28 September 2008					
Cost (gross carrying amount)	55.1	35.1	236.8	181.2	508.2
Accumulated depreciation and impairment	(6.0)	(4.1)	(147.1)	(122.9)	(280.1)
Net carrying amount	**49.1**	**31.0**	**89.7**	**58.3**	**228.1**

* The impairment in the current period relates to the write down of land and buildings following the closure of two sites in the Ireland segment. This impairment is included in exceptional items (see note 5). Of the prior period impairment, £4.2m is included within exceptional items. The remaining impairment in the prior period of £0.6m relates to a write down of commercial asset equipment. These impairments have been calculated based on fair value less costs to sell, where the fair value has been determined by reference to an active market.

** Further details are given in note 20.

14. INTANGIBLE ASSETS

	Trademarks £m	Franchise rights £m	Customer lists £m	Software costs £m	Goodwill £m	Total £m
Cost as at 30 September 2007, net of accumulated amortisation	**55.6**	**20.7**	**12.8**	**23.2**	**133.8**	**246.1**
Exchange differences	7.5	2.7	1.8	–	7.4	19.4
Additions	–	–	–	5.3	0.2	5.5
Amortisation charge for the year	–	(0.7)	(0.8)	(5.7)	–	(7.2)
Cost as at 28 September 2008, net of accumulated amortisation	**63.1**	**22.7**	**13.8**	**22.8**	**141.4**	**263.8**
Exchange differences	10.3	3.6	2.2	–	10.7	26.8
Additions	–	–	–	11.2	–	11.2
Disposals at cost	–	–	–	(0.3)	–	(0.3)
Amortisation eliminated on disposals	–	–	–	0.2	–	0.2
Amortisation charge for the year	(0.1)	(0.7)	(0.9)	(6.9)	–	(8.6)
At 27 September 2009	**73.3**	**25.6**	**15.1**	**27.0**	**152.1**	**293.1**
At 27 September 2009						
Cost (gross carrying amount)	73.4	27.0	16.9	54.3	152.1	323.7
Accumulated amortisation	(0.1)	(1.4)	(1.8)	(27.3)	–	(30.6)
Net carrying amount	**73.3**	**25.6**	**15.1**	**27.0**	**152.1**	**293.1**
At 28 September 2008						
Cost (gross carrying amount)	63.1	23.4	14.7	43.4	141.4	286.0
Accumulated amortisation	–	(0.7)	(0.9)	(20.6)	–	(22.2)
Net carrying amount	**63.1**	**22.7**	**13.8**	**22.8**	**141.4**	**263.8**

Goodwill

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

Trademarks, franchise rights and customer lists

These are the intangible assets recognised as a result of the acquisition of Britvic Ireland. They are valued in euros and translated at the reporting date.

Trademarks represent those trade names acquired which the group plans to maintain. All trademarks have been allocated an indefinite life by management with the exception of a minor brand that is amortised over five years (net carrying value of £0.1m). A list of the trademarks acquired is shown in note 15. It is expected, and in line with existing well-established trademarks within the group, that the trademarks with indefinite lives will be held and supported for an indefinite period of time and are expected to generate economic benefits for an indefinite period of time. The group is committed to supporting its trademarks by investing in significant consumer marketing promotional spend.

Franchise rights represent the franchise agreements acquired which provide the long-term right to distribute certain soft drinks. These agreements have been allocated a 35 year useful economic life. As at 27 September 2009 these intangible assets have a remaining useful life of 33 years. The franchise agreement itself has a contract life less than the useful economic life. The useful economic life has been determined on the basis that the renewal of the contract is highly probable.

Customer lists represent those customer relationships acquired which are valued in respect of the grocery and wholesale businesses. These customer lists have been allocated useful economic lives of between 10 and 20 years. At 27 September 2009 these intangible assets have a remaining useful life of between 8 and 18 years.

Software costs

Software is capitalised at cost. These intangible assets have been assessed as having finite lives and are amortised using the straight-line method over a period of 3 to 7 years. These assets are tested for impairment where an indicator of impairment arises. As at 27 September 2009 these intangible assets have a remaining useful life of up to 7 years.

15. IMPAIRMENT TESTING OF GOODWILL AND TRADEMARKS WITH INDEFINITE LIVES

Goodwill

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

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

Carrying amount of goodwill

	Red Devil £m	Orchid £m	Tango £m	Robinsons £m	BSD £m	Water £m	Britvic Ireland £m	Total £m
At 27 September 2009	5.1	12.4	8.9	38.6	7.8	1.7	77.6	**152.1**
At 28 September 2008	5.1	12.4	8.9	38.6	7.8	1.7	66.9	**141.4**

The Britvic Ireland goodwill is valued in euros and translated at the reporting date.

Intangible assets with indefinite lives

As part of the fair value exercise regarding the acquisition of Britvic Ireland, certain trademarks with indefinite lives were recognised. These trademarks have been allocated by senior management to six individual cash-generating units for impairment testing as follows:

- Britvic;
- Cidona;
- Mi-Wadi;
- Ballygowan;
- Club; and
- TK.

Carrying amount of intangible assets with indefinite lives

	Britvic £m	Cidona £m	Mi-Wadi £m	Ballygowan £m	Club £m	TK £m
At 27 September 2009	10.8	8.7	9.4	28.1	15.6	0.6
At 28 September 2008	9.3	7.5	8.1	24.2	13.4	0.5

The trademarks are valued in euros and translated at the reporting date. The movement in the carrying amount from the prior year relates to translation movements.

The recoverable amount of the goodwill and intangible assets allocated to the cash-generating units detailed above has been determined based on a value in use calculation. To calculate this, 20 year cash flow projections are based on financial budgets prepared by senior management and approved by the board of directors. A 20 year cash flow period has been used to reflect the considered longevity of the cash-generating units. The pre-tax discount rate applied to pre-tax cash flow projections for the cash-generating units associated with the goodwill excluding Britvic Ireland is 11% (2008: 11%) and for the Britvic Ireland goodwill and intangible assets recognised on the acquisition of Britvic Ireland is 9% (2008: 9%). Cash flows beyond the one year period are extrapolated based on forecast growth rates in line with senior management expectations of growth. No growth in real terms is assumed beyond five years. Senior management expectations are formed in line with historical performance and experience as well as available external market data.

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 based on historical growth, current strategy and expected market trends.

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

Marginal contribution – being revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Marginal contribution is based on financial budgets approved by senior management. Key assumptions are made within these budgets about pricing, discounts and costs based on historical data, current strategy and expected market trends.

Advertising and promotional spend – financial budgets approved by senior management are used to determine the value assigned to advertising and promotional spend. This is based on the planned spend for year one and strategic intent thereafter.

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 3.0% (2008: 2.5%).

15. IMPAIRMENT TESTING OF GOODWILL AND TRADEMARKS WITH INDEFINITE LIVES continued

Sensitivity to changes in assumptions

Management consider that whilst the expectation is that the Irish economy will begin to show some recovery over the medium term, it is possible that the Irish economy could continue to decline. In that circumstance, assumptions used in the value in use calculation could change and give rise to an impairment of the Britvic Ireland goodwill. The table below shows the sensitivity of the goodwill to each of the applicable assumptions separately:

Assumption	Assumption used in value in use calculation	Assumption causing impairment
Discount rate	9.0%	11.4%
Inflation rate	3.0%	0.6%
Growth rate	0.0%	(6.3%)

There are no further reasonable possible changes in key assumptions which would cause the value of the goodwill or any of the intangibles with indefinite lives to materially fall short of their carrying value.

16. TRADE AND OTHER RECEIVABLES (NON CURRENT)

	2009 £m	2008 £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.

17. INVENTORIES

	2009 £m	2008 £m
Raw materials	13.4	13.0
Finished goods	29.3	27.7
Consumable stores	5.3	5.7
Returnable packaging	4.9	3.0
Total inventories at lower of cost and net realisable value	**52.9**	**49.4**

18. TRADE AND OTHER RECEIVABLES (CURRENT)

	2009 £m	2008 £m
Trade receivables	145.5	132.2
Other receivables	8.1	2.9
Prepayments	24.3	17.6
	177.9	**152.7**

Trade receivables are non-interest bearing and are generally on credit terms usual for the business in which the group operates. As at 27 September 2009, trade receivables at nominal value of £1.3m (2008: £1.4m) were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

	Total £m
At 30 September 2007	1.2
Exchange differences	0.1
Charge for year	0.7
Utilised	(0.1)
Unused amounts reversed	(0.5)
At 28 September 2008	1.4
Exchange differences	0.1
Charge for year	1.1
Utilised	(0.9)
Unused amounts reversed	(0.4)
At 27 September 2009	**1.3**

The group takes the following factors into account when considering whether a provision for impairment should be made for trade receivables:

- Payment performance history; and
- External information available regarding credit ratings.

As at 27 September 2009, the ageing analysis of trade receivables is as follows:

			Past due but not impaired				
	Total £m	Neither past due nor impaired £m	<30 days £m	30–60 days £m	60–90 days £m	90–120 days £m	>120 days £m
2009	**145.5**	134.1	8.2	1.6	0.8	0.8	–
2008	**132.2**	121.4	7.4	1.3	1.3	0.6	0.2

The credit quality of trade receivables that are neither past due nor impaired is considered good. The group does however monitor the credit quality of trade receivables by reference to credit ratings available externally.

19. CASH AND CASH EQUIVALENTS

	2009 £m	2008 £m
Cash at bank and in hand	**39.7**	**13.9**

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 equal to the book value.

At 27 September 2009, the group had available £154.7m (2008: £139.5m) 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:

	2009 £m	2008 £m
Cash at bank and in hand	39.7	13.9
Bank overdraft included in financial liabilities (see note 27)	–	(1.0)
	39.7	**12.9**

Where available, the group operates cash pooling arrangements whereby the net cash position across a number of accounts is recognised for interest purposes.

20. NON-CURRENT ASSETS HELD FOR SALE

	2009 £m	2008 £m
Net transfer from property, plant and equipment	5.1	5.9

Non-current assets held for sale relates to three sites within the Britvic Ireland business which are being disposed of as a result of the ongoing restructuring programme in that business segment. One of the sites included in the current period as held for sale was also classified as such in the prior period. Deterioration of the economy in the Republic of Ireland made conditions for a successful sale in the period very challenging. This site has been impaired in the current period to its fair value less costs to sell and the impairment is included within exceptional items (see note 5). The fair value has been determined by reference to current market values. All three sites are currently being actively marketed for sale and it is expected that they will be sold in the forthcoming year.

21. ISSUED SHARE CAPITAL

The issued share capital as at 27 September 2009 comprised 216,779,996 ordinary shares of £0.20 each (2008: 216,037,795 ordinary shares), totalling £43,355,999 (2008: £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.

	2009 £m	2008 £m
Authorised		
327,500,000 ordinary shares of £0.20 each	65.5	65.5
Called up, issued and fully paid ordinary shares		
216,779,996 (2008: 216,037,795) ordinary shares of £0.20 each	43.4	43.2

There have been several share issues during the period relating to incentive schemes for employees. These are detailed below:

	No. of shares issued	Value £
14 July 2009	29,333	5,867
1 September 2009	7,868	1,574
25 September 2009	705,000	141,000
	742,201	**148,441**

Of the issued and fully paid ordinary shares, 1,410,338 shares (2008: 2,376,138 shares) are own shares. This equates to £282,068 (2008: £475,228) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes detailed in note 29.

An explanation of the group's capital management process and objectives is set out in note 26.

22. RECONCILIATION OF MOVEMENTS IN EQUITY

	Issued share capital £m	Share premium account £m	Own shares £m	Share scheme reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	**Total £m**
At 30 September 2007	43.2	2.5	(10.3)	5.3	1.9	2.9	(41.2)	**4.3**
Total recognised income for the year	–	–	–	–	5.1	14.3	7.5	**26.9**
Own shares purchased for share schemes	–	–	(5.0)	–	–	–	–	**(5.0)**
Own shares issued for share schemes	–	–	7.4	(5.8)	–	–	(1.6)	**–**
Movement in share-based schemes	–	–	–	7.8	–	–	–	**7.8**
Payment of dividend	–	–	–	–	–	–	(24.7)	**(24.7)**
At 28 September 2008	43.2	2.5	(7.9)	7.3	7.0	17.2	(60.0)	**9.3**
Total recognised income for the year	–	–	–	–	(0.8)	17.1	(4.0)	**12.3**
Issue of shares	0.2	2.5	(2.6)	–	–	–	–	**0.1**
Own shares purchased for share schemes	–	–	(3.3)	–	–	–	–	**(3.3)**
Own shares issued for share schemes	–	–	9.2	(6.9)	–	–	(2.3)	**–**
Movement in share-based schemes	–	–	–	6.9	–	–	–	**6.9**
Payment of dividend	–	–	–	–	–	–	(27.8)	**(27.8)**
At 27 September 2009	**43.4**	**5.0**	**(4.6)**	**7.3**	**6.2**	**34.3**	**(94.1)**	**(2.5)**

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 the presentational currency (sterling) of items recorded in group entities with a non-sterling functional currency net of amounts accounted for as net investment hedges.

23. INTEREST BEARING LOANS AND BORROWINGS

	2009 £m	2008 £m
Current		
Unsecured bank loans	–	(11.6)
Non-current		
Unsecured bank loans	(180.2)	(160.7)
Private placement notes	(274.6)	(243.0)
Less unamortised issue costs	4.1	1.0
Total non-current	(450.7)	(402.7)

Bank loans

On 9 April 2009, the refinancing of the group's committed facility was successfully completed. The new six bank £283.3m revolving multi-currency facility will be effective from May 2010 and will mature in May 2012. An additional £33.3m bilateral bank facility was also entered into on 9 April 2009 increasing the committed bank facilities available to the group to £333.3m until May 2010.

The unsecured bank loans classified as non-current are repayable in May 2012 (2008: May 2010) and attract interest at an average rate of 1.50% for sterling denominated loans (2008: 6.32%) and 1.52% for euro denominated loans (2008: 5.18%). Interest on bank loans is re-priced at regular intervals. For further details, please refer to note 26.

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
A	7 year	20 February 2014	US$87m	US$ fixed at 5.80%	UK£ fixed at 6.10%
B	7 year	20 February 2014	US$15m	US$ LIBOR + 0.5%	UK£ fixed at 6.07%
C	7 year	20 February 2014	£25m	UK£ fixed at 6.11%	n/a
D	10 year	20 February 2017	US$147m	US$ fixed at 5.90%	UK£ fixed at 5.98%
E	12 year	20 February 2019	US$126m	US$ fixed at 6.00%	UK£ fixed at 5.98%
F	12 year	20 February 2019	£13m	UK£ fixed at 5.94%	n/a

Britvic plc makes quarterly and semi-annual interest payments in the currency of issue. 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 and are considered to be effective.

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 which results in a credit rating downwards as defined in the Note purchase agreement.

Analysis of changes in interest-bearing loans and borrowings

	2009 £m	2008 £m
Current liabilities	(11.6)	(13.1)
Non-current liabilities	(402.7)	(417.8)
At the beginning of the period	(414.3)	(430.9)
Issue costs of new loans	4.1	–
Amortisation of issue costs	(1.0)	(0.2)
Net new unsecured loans	7.3	45.5
Net translation loss	(45.4)	(28.8)
Accrued interest	(1.4)	0.1
At the end of the period	(450.7)	(414.3)
Derivatives hedging balance sheet debt*	44.6	13.0
Debt translated at contracted rate	**(406.1)**	**(401.3)**

* Represents the element of the fair value of interest rate currency swaps hedging the balance sheet value of the Notes. This amount has been disclosed separately to demonstrate the impact of foreign exchange movements which are included in interest bearing loans and borrowings.

24. PENSIONS

The group principal pension scheme, the Britvic Pension Plan ('BPP'), has both a defined benefit and a defined contribution section. 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.

Contributions are paid into the Plan in accordance with the recommendations of an independent actuary and as outlined in the Schedule of Contributions. The latest formal actuarial valuation for contribution purposes was carried out as at 31 March 2007 under the Scheme Specific Requirements and as a result, annual contributions of £10.0m in respect of the funding shortfall outlined in the Recovery Plan will continue to be made by 31 December in each of the years 2009 and 2010 in order to eliminate the funding deficit in the Plan.

The amount recognised as an expense in relation to the BPP defined contribution scheme in the income statement for 2009 was £2.9m (2008: £2.0m).

As a result of the acquisition of Britvic Ireland on 29 August 2007, in Northern Ireland the group inherited a further pension scheme in which its employees participated, the C&C Pension Fund. The name of this scheme has subsequently been changed to the Britvic Northern Ireland Pension Plan ('BNIPP'), with employees of C&C Group transferring out on 30 June 2008. Shortfall correction additional contributions of at least £90,000 per month from April 2007 to December 2015 inclusive are being paid in accordance with the Recovery Plan dated March 2007. An actuarial valuation was carried out at 31 December 2008, and is still being finalised. At present, the bulk transfer out of assets for the C&C employees has also to be finalised.

The BNIPP was closed to new members on 28 February 2006, and since this date new employees have been eligible to join a Stakeholder plan with Legal & General.

In the Republic of Ireland ('ROI'), employees continued to participate in a number of C&C Group pension funds following the acquisition until transferring into two newly formed pension plans called the Britvic Ireland Defined Contribution Pension Plan and the Britvic Ireland Defined Benefit Pension Plan ('BIPP') on 1 September 2008. Both Plans are held under trust and operated by Britvic Ireland Pension Trust Limited as trustee. Since 1 March 2006 under the previous C&C arrangements, and continuing under the new BIPP arrangements, new employees are offered membership of the defined contribution plan in the first instance, with the ability to transfer into the defined benefit plan after a period of 5 years. The company continues to pay instalments of €200,000 for each monthly pay period relating to the supplementary cost of the reorganisation programme that took place at the end of 2008. The next actuarial valuation will be carried out at 31 December 2009.

The amount recognised as an expense in relation to the Irish defined contribution schemes in the income statement for 2009 was £0.3m (2008: £0.1m).

All group pension funds are administered by trustees who are independent of the group's finances.

The assets and liabilities of the pension schemes were valued on an IAS 19 basis at 27 September 2009 by Watson Wyatt (BPP) and Mercer (BIPP and BNIPP).

Principal Assumptions

Financial Assumptions

			2009			2008
	% ROI	% NI	% GB	% ROI	% NI	% GB
Discount rate	5.75	5.50	5.65	6.00	6.70	6.70
Rate of compensation increase	3.30–3.80	4.50	4.40	4.50	5.10	5.10
Expected long-term return on plan assets	7.00	7.32	6.75	7.00	7.32	6.60
Pension increases (LPI)	3.00	2.30–3.40	2.25–3.30	3.00	2.50–3.60	2.30–3.45
Inflation assumption	2.30	3.50	3.40	2.50	3.60	3.60

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 also been included. The following life expectancy assumptions have been used:

			2009			2008
	Years ROI	Years NI	Years GB	Years ROI	Years NI	Years GB
Current pensioners (at age 65) – males	20.7	20.8	20.0	20.7	20.8	19.9
Current pensioners (at age 65) – females	23.8	23.6	23.0	23.8	23.6	22.8
Future pensioners currently aged 45 (at age 65) – males	21.8	22.6	21.2	21.8	22.6	21.1
Future pensioners currently aged 45 (at age 65) – females	24.8	25.1	24.0	24.8	25.1	24.0

The mortality assumptions used to calculate the GB pension obligation were 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. They were reviewed by the actuary during the year and updated in light of the improvements experienced.

24. PENSIONS continued

Sensitivities

The value of plan assets is sensitive to market conditions, particularly equity values. Changes in assumptions used for determining retirement benefit costs and obligations may have a material impact on the income statement and balance sheet. The main assumptions are the discount rate, the rate of inflation and the assumed mortality rate. The following table provides an estimate of the potential impact of each of these variables on the principal pension plans.

Assumption	Change in assumption	Impact on ROI plan liabilities	Impact on NI plan liabilities	Impact on GB plan liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £1.2m	Decrease/increase by £0.5m	Decrease/increase by £9.8m
Inflation rate	Increase/decrease by 0.1%	Increase/decrease by £0.7m	Increase/decrease by £0.3m	Increase/decrease by £10.2m
Mortality rate	Increase in life expectancy by one year	Increase by £1.2m	Increase by £0.5m	Increase by £14.8m

Net benefit expense

	BIPP £m	BNIPP £m	BPP £m	2009 Total £m
Current service cost	(2.2)	(0.3)	(3.5)	(6.0)
Interest cost on benefit obligation	(3.0)	(1.3)	(25.5)	(29.8)
Expected return on plan assets	2.3	1.0	26.2	29.5
Net expense	**(2.9)**	**(0.6)**	**(2.8)**	**(6.3)**

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
Current service cost	(2.6)	(0.3)	(8.1)	(11.0)
Interest cost on benefit obligation	(2.4)	(1.4)	(24.8)	(28.6)
Expected return on plan assets	2.9	1.0	28.8	32.7
Net expense	**(2.1)**	**(0.7)**	**(4.1)**	**(6.9)**

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 in the prior year was triggered by the transfer of group employees under the outsourcing arrangements of the secondary distribution network. Those employees that are members of the BPP no longer accrued future entitlement, which gave rise to the curtailment gain.

Taken to the statement of recognised income and expense

	BIPP £m	BNIPP £m	BPP £m	2009 Total £m
Actual return on scheme assets	(1.9)	2.2	26.4	26.7
Less: Expected return on scheme assets	(2.3)	(1.0)	(26.2)	(29.5)
	(4.2)	1.2	0.2	(2.8)
Other actuarial gains/(losses)	2.3	(2.8)	(68.7)	(69.2)
Actuarial losses taken to the statement of recognised income and expense	**(1.9)**	**(1.6)**	**(68.5)**	**(72.0)**

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
Actual return on scheme assets	(14.2)	(1.6)	(50.4)	(66.2)
Less: Expected return on scheme assets	(2.9)	(1.0)	(28.8)	(32.7)
	(17.1)	(2.6)	(79.2)	(98.9)
Other actuarial gains	8.2	4.3	56.5	69.0
Actuarial (losses)/gains taken to the statement of recognised income and expense	**(8.9)**	**1.7**	**(22.7)**	**(29.9)**

24. PENSIONS continued

Net (liability)/surplus

	BIPP £m	BNIPP £m	BPP £m	2009 Total £m
Present value of benefit obligation	(52.4)	(23.8)	(470.8)	(547.0)
Fair value of plan assets	34.0	16.2	411.7	461.9
Net liability	**(18.4)**	**(7.6)**	**(59.1)**	**(85.1)**

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
Present value of benefit obligation	(42.5)	(20.0)	(385.9)	(448.4)
Fair value of plan assets	27.2	13.0	384.3	424.5
Net liability	**(15.3)**	**(7.0)**	**(1.6)**	**(23.9)**

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

	BIPP £m	BNIPP £m	BPP £m	2009 Total £m
At 28 September 2008	(42.5)	(20.0)	(385.9)	(448.4)
Exchange differences	(7.2)	–	–	(7.2)
Current service cost	(2.2)	(0.3)	(3.5)	(6.0)
Member contributions	(0.7)	–	(1.6)	(2.3)
Interest cost on benefit obligation	(3.0)	(1.3)	(25.5)	(29.8)
Benefits paid	0.9	0.6	14.4	15.9
Actuarial gains/(losses)	2.3	(2.8)	(68.7)	(69.2)
At 27 September 2009	**(52.4)**	**(23.8)**	**(470.8)**	**(547.0)**

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
At 30 September 2007	(39.7)	(23.0)	(422.2)	(484.9)
Exchange differences	(5.3)	–	–	(5.3)
Current service cost	(2.6)	(0.3)	(8.1)	(11.0)
Member contributions	(0.7)	–	(1.7)	(2.4)
Interest cost on benefit obligation	(2.4)	(1.4)	(24.8)	(28.6)
Benefits paid	–	0.4	14.4	14.8
Actuarial gains	8.2	4.3	56.5	69.0
At 28 September 2008	**(42.5)**	**(20.0)**	**(385.9)**	**(448.4)**

The current service cost excludes contributions made by employees of £2.3m (2008: £2.4m).

24. PENSIONS continued

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

	BIPP £m	BNIPP £m	BPP £m	2009 Total £m
At 28 September 2008	27.2	13.0	384.3	424.5
Exchange differences	4.6	–	–	4.6
Expected return on plan assets	2.3	1.0	26.2	29.5
Actuarial (losses)/gains	(4.2)	1.2	0.2	(2.8)
Employer contributions	4.3	1.6	13.8	19.7
Member contributions	0.7	–	1.6	2.3
Benefits paid	(0.9)	(0.6)	(14.4)	(15.9)
At 27 September 2009	**34.0**	**16.2**	**411.7**	**461.9**

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
At 30 September 2007	34.3	13.7	431.3	479.3
Currency movement	4.5	–	–	4.5
Expected return on plan assets	2.9	1.0	28.8	32.7
Actuarial losses	(17.1)	(2.6)	(79.2)	(98.9)
Employer contributions	1.9	1.3	16.1	19.3
Member contributions	0.7	–	1.7	2.4
Benefits paid	–	(0.4)	(14.4)	(14.8)
At 28 September 2008	**27.2**	**13.0**	**384.3**	**424.5**

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

	BIPP £m	BNIPP £m	BPP £m	Total £m	2009 Total %
Equities	24.2	12.5	236.8	273.5	59
Bonds and gilts	9.5	2.1	174.1	185.7	40
Cash	0.3	1.6	0.8	2.7	1
Total	**34.0**	**16.2**	**411.7**	**461.9**	**100**

	BIPP £m	BNIPP £m	BPP £m	Total £m	2008 Total %
Equities	20.4	10.0	202.5	232.9	55
Bonds and gilts	3.0	1.7	181.0	185.7	44
Cash	3.8	1.3	0.8	5.9	1
Total	**27.2**	**13.0**	**384.3**	**424.5**	**100**

24. PENSIONS continued

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

	BIPP £m	BNIPP £m	BPP £m	Total £m	2009 Total %
Equities	1.9	0.9	16.2	19.0	64
Bonds and gilts	0.2	0.1	10.0	10.3	35
Cash	0.2	–	–	0.2	1
Total	**2.3**	**1.0**	**26.2**	**29.5**	**100**

	BIPP £m	BNIPP £m	BPP £m	Total £m	2008 Total %
Equities	2.7	0.9	19.0	22.6	69
Bonds and gilts	0.2	0.1	9.7	10.0	31
Cash	–	–	0.1	0.1	–
Total	**2.9**	**1.0**	**28.8**	**32.7**	**100**

History of experience gains and losses

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Fair value of schemes assets	461.9	424.5	479.3	388.7	327.6
Present value of defined benefit obligations	(547.0)	(448.4)	(484.9)	(454.5)	(412.2)
Deficit in the schemes	(85.1)	(23.9)	(5.6)	(65.8)	(84.6)
Experience adjustments arising on plan liabilities	2.0	3.3	(17.2)	(2.0)	–
Experience adjustments arising on plan assets	(2.7)	(98.9)	13.6	10.0	32.6

The cumulative amount of actuarial gains and losses recognised since 4 October 2004 in the group statement of recognised income and expense is an overall loss of £54.5m (2008: gain of £17.5m). The directors are unable to determine how much of the pension scheme deficit recognised on transition to IFRS and taken direct to equity of £1.3m is attributable to actuarial gains and losses since the inception of those pension schemes. Consequently, the directors are unable to determine the amount of actuarial gains and losses that would have been recognised in the group statement of recognised income and expense before 4 October 2004.

Normal contributions of £6.5m and additional contributions of £13.4m are expected to be paid into the pension schemes during the 2010 financial year.

25. TRADE AND OTHER PAYABLES (CURRENT)

	2009 £m	2008 £m
Trade payables	187.0	143.7
Other payables	19.9	9.7
Accruals and deferred income	68.6	72.6
Other taxes and social security	16.1	18.3
	291.6	244.3

Trade payables are non-interest bearing and are normally settled on 60–90 day terms.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The group's principal financial instruments comprise derivatives, borrowings and overdrafts, cash and cash equivalents. These financial instruments are used to manage interest rate and currency exposures, funding and liquidity requirements. Other financial instruments which arise directly from the group's operations include trade receivables and payables (see notes 18 and 25 respectively).

It is, and has always been, the group's policy that no derivative is entered into for trading or speculative purposes.

The main risks arising from the group's financial instruments are commodity price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors review and agree policies for managing these risks as summarised below.

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's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group's policy is to manage its interest cost by maintaining a mix of fixed and variable debt. The group's policy is to keep between 25% and 70% of its borrowings at fixed rates of interest over a three year time horizon. To manage this, the group enters into interest rate and cross currency swaps which are designated to hedge underlying debt obligations. At 27 September 2009, after taking into account the effect of interest rate swaps, approximately 62% of the group's borrowings are at a fixed rate of interest (2008: 57%).

Interest rate risk table

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the group's profit before tax (through the impact on floating rate borrowings).

	Increase/(decrease) in basis points	Effect on profit before tax £m
2009		
Sterling	200	(2.1)
	(200)	2.1
Euro	200	(2.1)
	(200)	2.1
2008		
Sterling	200	(2.6)
	(200)	2.6
Euro	200	(1.6)
	(200)	1.6

Foreign currency risk

Foreign currency risk is primarily in respect of exposure to fluctuations to the sterling-euro and sterling-US dollar rates of exchange. The group has operations in euro-denominated countries and finances these partly through the use of foreign currency borrowings which hedge the net investment in foreign operations. Additionally cash generation from euro-denominated operations can be utilised to meet euro payment obligations in sterling denominated companies, providing a natural hedge.

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. As at 27 September 2009, the group has hedged 48% (2008: 71%) 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.

The following table demonstrates the sensitivity to a reasonable possible change in the US dollar and euro exchange rates, with all other variables held constant, of the group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the group's equity (due to changes in fair value of forward exchange contracts).

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

	Increase/(decrease) in currency rate %	Effect on profit before tax £m	Effect on equity £m
2009			
Euro	10	(1.7)	2.4
	(10)	1.4	(2.2)
US dollar	10	–	1.0
	(10)	–	(0.8)
2008			
Euro	10	–	0.3
	(10)	–	(0.2)
US dollar	10	–	0.8
	(10)	–	(0.6)

Credit risk

The group trades only with recognised creditworthy third parties. It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. The maximum exposure is the carrying amount disclosed in note 18. For transactions that do not occur in the country of the relevant operating unit, the group does not offer credit terms without the approval of the Head of Finance Shared Services. There are no significant concentrations of credit risk within the group.

The group maintains a policy on counterparty credit exposures with banks and financial institutions arising from the use of derivatives and financial instruments. This policy restricts the investment of surplus funds and entering into derivatives to counterparties with a minimum credit rating maintained by either Moody's, Standard & Poors or Fitch. The level of exposure with counterparties at various ratings levels is also restricted under this policy. The level of exposure and the credit worthiness of the group's banking counterparties is reviewed regularly to ensure compliance with this policy.

Liquidity risk

The group monitors its risk of a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (eg accounts receivable, other financial assets) and projected cash flows from operations.

The objective of the group's liquidity policy is to maintain a balance between continuity of funds and flexibility through the use of bank loans and overdrafts and long-term private placement issuance. The bank loans entered into by the group are unsecured. At 27 September 2009, none of the group's debt will mature in less than one year (2008: 3%) based on the carrying value of borrowings reflected in the financial statements.

The table below summarises the maturity profile of the group's financial liabilities at 27 September 2009 based on contractual undiscounted payments:

2009	Less than 1 year £m	1 to 5 years £m	>5 years £m	**Total £m**
Unsecured bank loans	2.8	183.0	–	**185.8**
Private placement notes	15.7	149.5	222.5	**387.7**
Derivatives hedging private placement notes – payments	11.5	96.1	167.1	**274.7**
Derivatives hedging private placement notes – receipts	(13.4)	(116.0)	(206.1)	**(335.5)**
	13.8	129.6	183.5	**326.9**
Trade and other payables	284.4	–	–	**284.4**
Other financial liabilities	0.4	–	–	**0.4**
	301.4	312.6	183.5	**797.5**

2008	Less than 1 year £m	1 to 5 years £m	>5 years £m	**Total £m**
Unsecured bank loans	21.4	169.8	–	**191.2**
Private placement notes	14.1	56.5	287.0	**357.6**
Derivatives hedging private placement notes – payments	11.5	45.8	207.7	**265.0**
Derivatives hedging private placement notes – receipts	(11.8)	(47.3)	(218.7)	**(277.8)**
	13.8	55.0	276.0	**344.8**
Other non-current liabilities	–	1.2	–	**1.2**
Trade and other payables	226.0	–	–	**226.0**
Other financial liabilities	1.0	–	–	**1.0**
	262.2	226.0	276.0	**764.2**

Details with regard to derivative contracts are included in note 27.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Capital management

The group defines 'capital' as being net debt plus equity.

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern and maintain an appropriate capital structure to balance the needs of the group to grow, whilst operating with sufficient headroom within its bank covenants.

The group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group has a number of options available to it including modifying dividend payments to shareholders, returning capital to shareholders or issuing new shares. In this way, the group balances returns to shareholders between long-term growth and current returns whilst maintaining capital discipline in relation to investing activities and taking any necessary action on costs to respond to the current environment.

The group monitors capital on the basis of the net debt/EBITDA ratio. Net debt is calculated as being the net of cash and cash equivalents, interest bearing loans and borrowings and the element of the fair value of interest rate currency swaps hedging the balance sheet value of the US private placement Notes. Net debt is shown in note 30. The net debt/EBITDA ratio enables the group to plan its capital requirements in the medium term. The group uses this measure to provide useful information to financial institutions and investors. The group believes that a net debt/EBITDA ratio in the range of 2.0–3.0 provides an efficient capital structure and an appropriate level of financial flexibility. At 27 September 2009 the net debt/EBITDA ratio was 2.4 (2008: 2.7).

27. FINANCIAL INSTRUMENTS

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 2009 £m	Fair value 2009 £m	Book value 2008 £m	Fair value 2008 £m
Financial assets				
Cash	39.7	39.7	13.9	13.9
Forward currency contracts	1.8	1.8	0.3	0.3
Cross currency interest rate swaps	51.9	51.9	22.2	22.2
	93.4	93.4	36.4	36.4
Financial liabilities				
Interest-bearing loans and borrowings (bank loans and private placement notes):				
Fixed rate borrowings	(264.6)	(272.7)	(234.1)	(202.6)
Floating rate borrowings	(186.1)	(186.1)	(180.2)	(180.2)
Bank overdraft	–	–	(1.0)	(1.0)
Forward currency contracts	(0.4)	(0.4)	–	–
	(451.1)	(459.2)	(415.3)	(383.8)

Non-derivative financial assets are categorised as loans and receivables as defined in IAS 39. Non-derivative financial liabilities are all carried at amortised cost.

The fair value of derivatives 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.

The fair value of fixed rate borrowings has been derived from the sum of future cash flows to maturity discounted back to present values at a market rate.

27. FINANCIAL INSTRUMENTS continued

Hedging activities

Cash flow hedges

At 27 September 2009, the group held 44 (2008: 32) US dollar and 67 (2008: 8) 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		
2009		
US$14,085,000	September 09 to August 10	£/US$1.57
€26,515,000	September 09 to August 10	£/€1.17
2008		
US$13,003,417	October 08 to September 09	£/US$1.89
€3,045,235	October 08 to March 09	£/€1.27

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 in the period to August 2010 have been assessed to be effective and a net unrealised gain of £1.3m (2008: unrealised gain of £0.3m), with a related deferred tax liability of £0.4m (2008: related deferred tax liability of £0.1m), has been included in equity in respect of these contracts. During the period a gain of £3.0m (2008: £0.3m) was removed from equity and included in the group income statement.

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 23.

Hedge of net investments in foreign operations

Included in unsecured bank loans at 27 September 2009 was a borrowing of €100.0m (2008: €100.0m) which has been designated as a hedge of the net investment in Britvic Ireland and is being used to hedge the group's exposure to foreign exchange risk on this investment. Gains or losses on the retranslation of this borrowing are transferred to equity to offset any gains or losses on translation of the net investment in Britvic Ireland.

28. OTHER NON-CURRENT LIABILITIES

	2009 £m	2008 £m
Deferred consideration	–	1.2

The prior period amount relates to the element of additional deferred consideration due to the vendors of Red Devil payable after one year. This deferred consideration is held within current trade and other payables in the current period.

29. SHARE-BASED PAYMENTS

The expense recognised for share-based payments in respect of employee services received during the 52 weeks ended 27 September 2009, including national insurance, is £7.7m (2008: £8.4m). 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 period are shown in the table below. The fair value of these awards is equivalent to the intrinsic value of the shares.

		No. of shares
	2009	2008
Annual free shares award	675,573	477,862
Matching shares award – 1 free share for every ordinary share purchased	464,205	422,225

The Britvic Executive Share Option Plan ('Option Plan')

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

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, 25% (2008: 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 period.

	Number of share options	Weighted average exercise price (pence)
Outstanding as at 30 September 2007	3,115,132	245.0
Granted during the period	1,169,621	347.0
Forfeited during the period	(127,211)	245.0
Outstanding as at 28 September 2008	4,157,542	273.7
Granted during the period	2,978,518	221.0
Exercised during the period	(37,201)	245.0
Forfeited during the period	(534,329)	250.7
Outstanding at 27 September 2009	**6,564,530**	**251.8**
Exercisable at 27 September 2009	**1,201,539**	**245.0**

There were no options exercisable at 28 September 2008.

The weighted average share price at the date of exercise for share options exercised during the period was 317.1p.

The share options outstanding as at 27 September 2009 had a weighted average remaining contractual life of 8.0 years (2008: 8.1 years) and the range of exercise prices was 221.0p–347.0p (2008: 245.0p–347.0p).

The weighted average fair value of options granted during the period was 52.3p (2008: 67.1p).

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 52 weeks ended 27 September 2009.

	2009	2008
Dividend yield (%)	4.3	2.9
Expected volatility (%)	33.1	23.0
Risk-free interest rate (%)	2.9	4.5
Expected life of option (years)	5.0	5.0
Share price at date of grant (pence)	224.0	339.0
Exercise price (pence)	221.0	347.0

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

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.

The total number of awards granted to members of the senior leadership team during the current period is divided equally between the total shareholder return ('TSR') and return on invested capital ('ROIC') performance conditions described below. In prior years, all of the awards granted to this group were subject to the TSR condition.

Awards granted to members of the senior leadership team are subject to a performance condition which measures the company's TSR relative to the TSR of a comparator group (consisting of 22 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 25% (2008: 40%) will vest, rising on a straight-line basis to 100% vesting at upper quartile.

Awards granted to members of the senior leadership team are subject to a performance condition which requires the company's ROIC to be at least 18.8% over the three year performance period for the award to vest in full. If ROIC is 16.8% over the performance period, 25% 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.

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, 25% (2008: 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 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.

29. SHARE-BASED PAYMENTS continued

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

	Number of shares subject to TSR condition	Number of shares subject to EPS condition	Number of shares subject to ROIC condition
Outstanding as at 30 September 2007	1,322,034	1,160,635	2,138,466
Granted during the period	522,013	579,125	–
Vested during the period*	–	–	(1,244,804)
Lapsed during the period	(42,050)	(115,309)	(33,557)
Outstanding as at 28 September 2008	1,801,997	1,624,451	860,105
Granted during the period	680,874	1,389,503	680,873
Vested during the period*	(391,887)	(445,730)	(860,105)
Lapsed during the period	(374,360)	(231,363)	(60,282)
Outstanding at 27 September 2009	**1,716,624**	**2,336,861**	**620,591**
Weighted average fair value of shares granted during the period	121.6p	197.7p	197.7p

* The share price on the date of vesting was 228.0p (2008: 346.5p).

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.

The following table lists the inputs to the models used for the 52 weeks ended 27 September 2009.

	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	Share price at date of grant adjusted for dividends not received during vesting period
Dividend yield (%)	4.3	4.3	4.3
Expected volatility (%)	33.1	N/A	N/A
Share price at date of grant (pence)	224.0	224.0	224.0

The following table lists the inputs to the models used for the 52 weeks ended 28 September 2008.

	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 (%)	23.0	N/A
Share price at date of grant (pence)	339.0	339.0

Share agreement

In addition to the above schemes, the company's Chairman entered into a share agreement with the company. Further details are set out in the Directors' Remuneration Report.

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Analysis of net debt

	2008 £m	Cash flows £m	Exchange differences £m	Other movement £m	**2009 £m**
Cash at bank and in hand	13.9	25.6	0.2	–	**39.7**
Bank overdraft	(1.0)	1.0	–	–	**–**
Net cash	12.9	26.6	0.2	–	**39.7**
Debt due within one year	(11.6)	11.6	–	–	**–**
Debt due after more than one year	(402.7)	(0.2)	(45.4)	(2.4)	**(450.7)**
Debt	(414.3)	11.4**	(45.4)	(2.4)	**(450.7)**
Derivatives hedging the balance sheet debt*	13.0	–	31.6	–	**44.6**
Net debt	(388.4)	38.0	(13.6)	(2.4)	**(366.4)**

	2007 £m	Cash flows £m	Exchange differences £m	Other movement £m	**2008 £m**
Cash at bank and in hand	27.3	(12.6)	(0.8)	–	**13.9**
Bank overdraft	–	(1.0)	–	–	**(1.0)**
Net cash	27.3	(13.6)	(0.8)	–	**12.9**
Debt due within one year	(13.1)	1.5	–	–	**(11.6)**
Debt due after more than one year	(417.8)	44.0	(28.8)	(0.1)	**(402.7)**
Debt	(430.9)	45.5	(28.8)	(0.1)	**(414.3)**
Derivatives hedging the balance sheet debt*	(6.4)	–	19.4	–	**13.0**
Net debt	(410.0)	31.9	(10.2)	(0.1)	**(388.4)**

* Represents the element of the fair value of interest rate currency swaps hedging the balance sheet value of the Notes. This amount has been disclosed separately to demonstrate the impact of foreign exchange movements which are included in debt due after more than one year.

** This includes issue costs on new loans paid during the period of £4.1m. This has been included in the 'Finance costs' in the consolidated statement of cash flows.

31. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

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

	Land and buildings £m	Other £m	**Total £m**
			2009
Within one year	2.3	8.5	**10.8**
After one year but not more than five years	6.0	17.0	**23.0**
More than five years	33.0	2.9	**35.9**
	41.3	28.4	**69.7**

	Land and buildings £m	Other £m	**Total £m**
			2008
Within one year	4.3	8.1	**12.4**
After one year but not more than five years	11.6	15.5	**27.1**
More than five years	32.0	1.4	**33.4**
	47.9	25.0	**72.9**

Capital commitments

At 27 September 2009, the group has commitments of £3.2m (2008: £0.8m) relating to the acquisition of new plant and machinery.

Contingent liabilities

As reported in the 2008 Annual Report, on 28 April 2008 Britvic plc received a request for information from the Office of Fair Trading ('OFT') in connection with the OFT's investigation into potential co-ordination of retail prices between the UK's major supermarkets in breach of competition law. Britvic provided the information requested within a timeframe agreed with the OFT and will continue to cooperate with the OFT. No assumption should be made that there has been a breach of law. Britvic's policy is to comply with all laws and regulations including competition law.

The group had no material contingent liabilities at 27 September 2009.

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	Country of incorporation	% equity interest
Directly held		
Britannia Soft Drinks Limited	England & Wales	100
Indirectly held		
Britvic Holdings Limited	England & Wales	100
Britvic International Limited	England & Wales	100
Britvic Soft Drinks Limited	England & Wales	100
Robinsons Soft Drinks Limited	England & Wales	100
Orchid Drinks Limited	England & Wales	100
Red Devil Energy Drinks Limited	England & Wales	100
Britvic Irish Holdings Limited	Republic of Ireland	100
Robinsons (Finance) Limited	Republic of Ireland	100
Britvic Ireland Limited	Republic of Ireland	100
Britvic Northern Ireland Limited	Republic of Ireland	100
Britvic Licensed Wholesale Limited	Republic of Ireland	100
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 and Non-Executive Directors of the company and members of the Executive Committee. The compensation payable to key management in the year is detailed below.

	2009 £m	2008 £m
Short-term employee benefits	4.6	3.2
Post-employment benefits	0.5	0.4
Share-based payment	1.6	2.3
	6.7	**5.9**

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

33. GOING CONCERN

The directors are confident that it is appropriate for the going concern basis to be adopted in preparing the financial statements despite the fact that, as at 27 September 2009, the consolidated balance sheet is showing a net liabilities position of £2.5m (28 September 2008: net assets of £9.3m).

Group reserves are low due to the capital restructuring undertaken at the time of flotation. This does not impact on Britvic plc's ability to make dividend payments.

The liquidity of the group remains strong in particular in light of the refinancing of the group's committed facility during the period as well as the additional funding proposed in note 34.

34. POST BALANCE SHEET EVENT

In November 2009, the company reached agreement with a number of investors in the US private placement market to raise an additional $250m of funding for terms between 5 and 10 years. The funding is subject to documentation and due diligence which is scheduled to be completed in December 2009. This dollar funding is hedged using cross currency interest rate swaps to meet the company's desired funding profile and to remove any associated foreign currency risk from the income statement.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITVIC PLC

We have audited the parent company financial statements of Britvic plc for the 52 week period ended 27 September 2009 which comprise the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 42, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the parent company financial statements

- Give a true and fair view of the state of the company's affairs as at 27 September 2009
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- The part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- The information given in the Directors' Report for the 52 week period for which the financial statements are prepared is consistent with the parent company financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us
- The parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns
- Certain disclosures of directors' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

OTHER MATTER

We have reported separately on the group financial statements of Britvic plc for the 52 week period ended 27 September 2009.

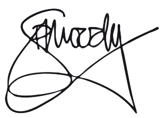
Nigel Meredith (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
24 November 2009

COMPANY BALANCE SHEET

At 27 September 2009

	Note	2009 £m	2008 £m
Fixed assets			
Investments in group undertakings	6	633.8	626.1
Current assets			
Trade and other receivables	7	95.5	41.0
Other financial assets	9	51.9	22.2
		147.4	63.2
Current liabilities			
Trade and other payables	8	(18.2)	(30.7)
Interest bearing loans and borrowings	9	(38.4)	(17.8)
		(56.6)	(48.5)
Net current assets		**90.8**	**14.7**
Total assets less current liabilities		**724.6**	**640.8**
Non-current liabilities			
Interest bearing loans and borrowings	9	(415.5)	(397.7)
Net assets		**309.1**	**243.1**
Capital and reserves			
Issued share capital	10	43.4	43.2
Share premium account	11	5.0	2.5
Own shares	11	(4.6)	(7.9)
Share scheme reserve	11	7.3	7.3
Hedging reserve	11	7.3	9.2
Retained earnings	11	250.7	188.8
Equity shareholders' funds		**309.1**	**243.1**

The financial statements were approved by the board of directors and authorised for issue on 24 November 2009. 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 under the historical cost convention. They have been drawn up to comply with applicable accounting standards in accordance with the Companies Act 2006.

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 permitted by section 408 of the Companies Act 2006 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.

In respect of FRS 20 'Share-based payment', the company records an increase in its investment in subsidiaries to reflect the share-based compensation expense recorded by its subsidiaries. This reflects current best practice following the issue of UITF 44.

Interest bearing loans and borrowings

Interest bearing loans and borrowings are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

Finance costs arising from the outstanding loan balance and finance charges are charged to the profit and loss account using an effective interest rate method.

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.

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.

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. If the related transaction is not expected to occur, the amount is taken to the profit and loss account.

3. AUDITOR'S REMUNERATION

Auditor's remuneration has been borne by another group undertaking. For further details, refer to note 7 to the consolidated financial statements.

4. PROFIT OF THE COMPANY

The company made a profit of £92.0m in the period (2008: loss £29.0m).

5. DIRECTORS' 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

	2009 £m	2008 £m
Cost and net book value at the beginning of the period	626.1	617.6
Acquisitions	–	181.0
Disposals	–	(181.0)
Capital contribution	7.7	8.5
Cost and net book value at the end of the period	**633.8**	**626.1**

On 21 August 2008 the company subscribed for 169,462,800 shares of no par value in Britvic Finance Limited for £181.0m.

On 21 August 2008 the company disposed of its holding of 169,462,800 shares in Britvic Finance Limited for a consideration of £181.0m.

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	Principal activity	Country of incorporation	% equity interest
Directly held			
Britannia Soft Drinks Limited	Investment holding company	England and Wales	100
Indirectly held			
Britvic Finance Limited	Financing company	Jersey	100
Britvic Holdings Limited	Holding company	England and Wales	100
Britvic International Limited	Manufacture and sale of soft drinks	England and Wales	100
Britvic Soft Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Robinsons Soft Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Orchid Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Red Devil Energy Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Britvic Irish Holdings Limited	Investment holding company	Republic of Ireland	100
Robinsons (Finance) Limited	Financing company	Republic of Ireland	100
Britvic Ireland Limited	Manufacture and marketing of soft drinks	Republic of Ireland	100
Britvic Northern Ireland Limited	Marketing and distribution of soft drinks	Republic of Ireland	100
Britvic Licensed Wholesale Limited	Wholesale of soft drinks to the licensed trade	Republic of Ireland	100
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

	2009 £m	2008 £m
Amounts due from subsidiary undertakings	**95.5**	**41.0**

8. TRADE AND OTHER PAYABLES

	2009 £m	2008 £m
Amounts due to subsidiary undertakings	16.2	29.6
Accruals and deferred income	2.0	1.1
	18.2	**30.7**

9. INTEREST BEARING LOANS AND BORROWINGS

	2009 £m	2008 £m
Current		
Bank overdrafts	(38.4)	(17.8)
Non-current		
Unsecured bank loans	(145.0)	(155.5)
Private placement notes	(274.6)	(242.9)
Less unamortised issue costs	4.1	0.7
Total non-current	**(415.5)**	**(397.7)**

As a result of applying hedge accounting, the above figures include a translation loss of £44.6m (2008: loss of £13.0m) which 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 27 September 2009 is £51.9m asset (28 September 2008: £22.2m asset).

For further details, refer to notes 23 and 27 to the consolidated financial statements.

Unsecured bank loans

These loans attract interest at an average rate of 1.43% for sterling denominated loans (2008: 6.33%) and 1.51% for euro denominated loans (2008: 5.18%). Interest on bank loans is re-priced at regular intervals.

10. ISSUED SHARE CAPITAL

The issued share capital as at 27 September 2009 comprised 216,779,996 ordinary shares of £0.20 each (2008: 216,037,795), totalling £43,355,999 (2008: £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.

	2009 £m	2008 £m
Authorised		
327,500,000 ordinary shares of £0.20 each	65.5	65.5
Called up, issued and fully paid		
216,779,996 (2008: 216,037,795) ordinary shares of £0.20 each	43.4	43.2

There have been several share issues during the period relating to incentive schemes for employees. These are detailed below:

	No. of shares issued	Nominal value £
14 July 2009	29,333	5,867
1 September 2009	7,868	1,574
25 September 2009	705,000	141,000
	742,201	**148,441**

Of the issued and fully paid ordinary shares, 1,410,338 shares (2008: 2,376,138 shares) are treasury shares. This equates to £282,068 (2008: £475,228) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes detailed in note 29 to the consolidated financial statements.

11. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Issued share capital £m	Share premium account £m	Own shares £m	Share scheme reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
At 28 September 2008	43.2	2.5	(7.9)	7.3	9.2	188.8	243.1
Issue of shares	0.2	2.5	(2.6)	–	–	–	0.1
Own shares purchased for share schemes	–	–	(3.3)	–	–	–	(3.3)
Own shares issued for share schemes	–	–	9.2	(6.9)	–	(2.3)	–
Movement in share-based schemes	–	–	–	6.9	–	–	6.9
Movement in cash flow hedges	–	–	–	–	(1.9)	–	(1.9)
Profit for the year	–	–	–	–	–	92.0	92.0
Payment of dividends	–	–	–	–	–	(27.8)	(27.8)
At 27 September 2009	**43.4**	**5.0**	**(4.6)**	**7.3**	**7.3**	**250.7**	**309.1**

12. DIVIDENDS PAID AND PROPOSED

	2009 £m	2008 £m
Declared and paid during the year		
Final dividend for 2007: 7.70p per share	–	16.6
Interim dividend for 2008: 3.80p per share	–	8.1
Final dividend for 2008: 8.80p per share	19.0	–
Interim dividend for 2009: 4.10p per share	8.8	–
Dividends paid	**27.8**	**24.7**
Proposed for approval by the shareholders at the AGM		
Final dividend for 2008: 8.80p per share	–	18.8
Final dividend for 2009: 10.90p per share	23.5	–

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 its wholly owned subsidiaries within its financial statements.

15. POST BALANCE SHEET EVENT

In November 2009, the company reached agreement with a number of investors in the US private placement market to raise an additional US$250m of funding for terms of between 5 and 10 years. This funding is subject to documentation and due diligence which is scheduled to be completed in December 2009. This dollar funding is hedged using cross currency interest rate swaps to meet the company's desired funding profile and to remove any associated foreign currency risk from the profit and loss account.

SHAREHOLDER INFORMATION

SHAREHOLDER PROFILE AS AT 27 SEPTEMBER 2009

Range of holdings	Number of shareholders	Percentage of total shareholders	Ordinary shares (million)	Percentage of issued share capital
1 – 199	110	5.24	8,251	0.00
200 – 499	196	9.33	63,916	0.03
500 – 999	321	15.28	224,525	0.10
1,000 – 4,999	905	43.10	1,940,497	0.90
5,000 – 9,999	123	5.86	839,101	0.39
10,000 – 49,999	169	8.05	3,970,381	1.83
50,000 – 99,999	64	3.05	4,435,405	2.05
100,000 – 499,999	133	6.32	29,684,040	13.69
500,000 – 999,999	35	1.67	24,804,101	11.44
1,000,000 Plus	44	2.10	150,809,779	69.57
	2,100	**100**	**216,779,996**	**100**

Category	Number of shareholders	Percentage of total shareholders	Ordinary shares (million)	Percentage of issued share capital
Private Individuals	1271	60.53	3,984,295	1.84
Nominee Companies	779	37.09	201,219,416	92.82
Limited and Public Limited Companies	25	1.19	10,885,653	5.02
Other Corporate Bodies	20	0.95	555,731	0.26
Pension Funds, Insurance Companies and Banks	5	0.24	134,901	0.06
	2,100	**100**	**216,779,996**	**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 or the form can be downloaded from the company's website http://ir.britvic.com/shareholder-centre/dividends.aspx

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.

DIVIDEND REINVESTMENT PLAN (DRIP)

Shareholders can choose to reinvest dividends received to purchase further shares in the company through a DRIP. A DRIP application form is available via the Registrar or for download from the company's website http://ir.britvic.com/shareholder-centre/dividends.aspx

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 0845 603 7037 between 8.00am 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 0845 300 0430.

FINANCIAL CALENDAR

Ex-dividend date	2 December 2009	Payment of final dividend	12 February 2010
Record date	4 December 2009	Interim results announcement	May 2010
Annual general meeting	27 January 2010		

ELECTRONIC COMMUNICATIONS

Shareholders can elect to receive shareholder documents electronically by registering with Shareview at www.shareview.co.uk This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent an email notification to say when shareholder documents are available on our website and you will be provided with a link to that information. When registering, you will need your shareholder reference number which can be found on your share certificate or proxy form. Please contact Equiniti if you require any assistance or further information.

CONTACTS

The Company Secretary is John Price. The registered office is Britvic House, Broomfield Road, Chelmsford CM1 1TU, telephone 01245 261871, fax 01245 504386, website www.britvic.com

This report is available to download via the company's website http://ir.britvic.com/results-presentations/2009.aspx

If you do not have access to the internet and would like a printed copy of any of our reports, please call our Consumer Care team on 0800 032 1767 or write to Consumer Care Department, Drayton House, Drayton Road, Shirley, Solihull B90 4NA.

The company's Registrar is Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone 0871 384 2550* (UK callers), +44 121 415 7018 (non-UK callers).

*For those with hearing difficulties, a textphone is available on 0870 600 3950 for UK callers with compatible equipment. Calls to 0871 numbers are charged at 8p per minute from a BT landline. Other telephony provider costs may vary.

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.

Definitions

1. EBITDA is defined as operating profit before exceptional items, depreciation, amortisation and any impairment of or gain/loss on disposal of fixed assets.
2. Adjusted net debt is defined as net group debt, adding back the foreign exchange impact of derivatives hedging the balance sheet debt.
3. Earnings Per Share is based on the number of issued shares excluding any own shares held by Britvic that are used to satisfy various employee share-based incentive programmes. For the financial year 2009, this number of available shares was 214.9m. For the financial year 2008, this number of shares was 214.0m shares.
4. Free cashflow is defined as net cashflow excluding movements in borrowings, dividend payments and exceptional items.
5. 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 and effective hedges relating to interest-bearing liabilities. Our previous definition of ROIC included within assets the impact of cross currency interest rate swaps. This has now been adjusted to align with our adjusted net debt definition, giving a more accurate reflection of the true position. This change does not significantly impact on the trends we have seen previously.

All numbers in this announcement other than where stated or included within the financial statements are disclosed before exceptional items.

The auditors have reported on the 2009 and 2008 accounts. Their reports for both years were unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985 or section 498 (2) or (3) of the Companies Act 2006.

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