annual report 2014

making life's everyday moments more enjoyable

BRITVIC plc

Welcome to Britvic's 2014 Annual Report for the financial year ended 28 September 2014.

In this report you can read about our business and what we do, find information on our strategy and how we deliver it, how we have performed in the financial year and how we govern our business.

01 Strategic report

02 Governance

03 Financial statements

04 Other information

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 group 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.

Performance at a glance

GROUP REVENUE

2013	£1,321.9m
2014	**£1,344.4m**

+2.4%

GROUP EBITA

2013	£137.9m
2014	**£161.0m**

+17.3%

EBITA MARGIN

2013	10.4%
2014	**12.0%**

+150bps

UNDERLYING ROIC

2013	21.3%
2014	**24.9%**

+360bps

ADJUSTED EARNINGS PER SHARE

2013	35.2p
2014	**41.8p**

+18.8%

DIVIDEND PER SHARE

2013	18.4p
2014	**20.9p**

+13.6%

FREE CASH FLOW

2013	£103.5m
2014	**£88.9m**

-14.1%

All numbers, other than where stated or included within the financial statements, are disclosed before exceptional and other items and are presented on a constant currency basis. A list of definitions can be found on page 20 of the annual report.

RECONCILIATION FROM ACTUAL EXCHANGE RATE TO CONSTANT EXCHANGE RATE

	2013 actual exchange rate £m	Change £m	2013 constant exchange rate £m
Group revenue	1,321.9	(9.4)	1,312.5
Group EBIT	135.0	(0.6)	134.4
Group profit before tax	108.1	(0.5)	107.6
Group profit after tax (PAT)	82.6	-	82.6
Group PAT, after exceptional and other items	61.9	-	61.9
Group EBITA	137.9	(0.6)	137.3
Adjusted earnings per share	35.2p	-	35.2p

making life’s everyday moments more enjoyable

a spot of lunch

Introduction from the Chairman

The last year has been a year of record profits for Britvic, up 17.6% to £158.1m, and earnings per share up 18.8% to 41.8p. The board has proposed an increase in the final dividend of 13.8%, to 14.8p per share, making a full year dividend of 20.9p per share, up 13.6% on the previous year. We remain committed to a progressive dividend policy and plan to pay out 50% of earnings in dividends in the coming years.

Performance review

The year was our Chief Executive's, Simon Litherland, first full year in charge. He, and his new team, have re-invigorated the company and significantly enhanced the organisation's capability to execute. We had identified the degree of change proposed in Simon's plan as a challenge for the company to manage. They swept through in fine style, delivering on the cost savings and supply chain rationalisation ahead of target. You only realise how far you have gone and what you have achieved when you look back. The new Irish team delivered an improved result, and France, in spite of a tough summer, posted record profits. The Fruit Shoot expansion in the USA, a key part of our growth strategy going forwards, remains on track and our new Indian operation has begun trading.

Innovation has always been a key part of Britvic's success. The last year saw the launch of Robinsons 'Squash'd', a pocket size version of the concentrate. We also launched a new pack for Teisseire, with a pump, and the new Club Zero no sugar range in Ireland. Each of these innovations has started well and we are confident of their future success.

The future for our company is bright. We have a more efficient operating platform in the UK for our brands, which will support us in meeting the trading challenges presented by all the changes that are happening to our supermarket customer base. There are finally signs of some green shoots in Ireland and we are confident of continued growth in France, where Fruit Shoot is now well established. Our core markets provide a cash flow and profit base to fund our brand's growth internationally, where again further growth in the USA is a top priority.

Our people

Our employees are our key asset and their passion and commitment is pivotal to the success of Britvic. We have seen a number of people leave the business as a result of the infrastructure changes that we have made. During this period of uncertainty their commitment has been unwavering and I thank each and every one of them for this. In recognition of the key role that they play we have continued to encourage employees to participate, where possible, in the share incentive schemes available. These offer significant rewards for much appreciated hard work and allow our people to share in the success of the business.

The board

Last year I highlighted the board's desire to support the company in executing the new strategy and possible changes to the composition of the board, as a result of tenures as an independent Non-Executive Director coming to an end. This year we bid farewell to Michael Shallow who has been with us since flotation in 2005. His commitment to the business has been unwavering and on behalf of the rest of the board I wish him well for the future.

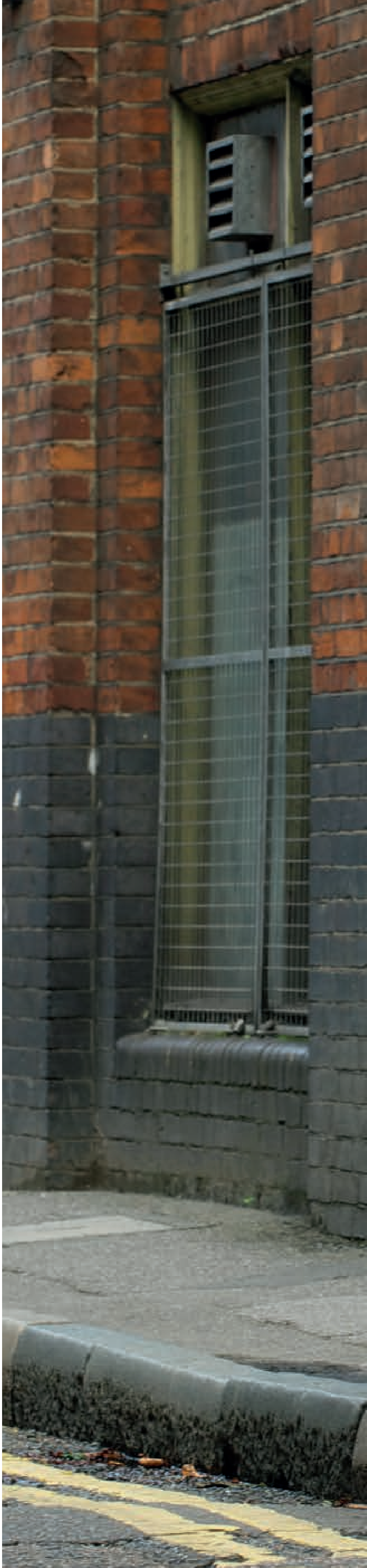
This year we have appointed two new Non-Executive Directors to the board. Ian McHoul has joined us and chairs the Audit committee. Ian is currently Chief Financial Officer of Amec Foster Wheeler plc, a FTSE100-listed company, and brings with him a wealth of knowledge and experience. Silvia Lagnado has also joined the board. Silvia's career is one of international marketing where she has been a senior executive at companies such as Unilever and Bacardi. Ian and Silvia strengthen the board and bring to Britvic invaluable insight and experience to support the strategy and in particular the international expansion of the business.

I am confident that the strategy being executed by the Executive Team will deliver sustainable profit growth and long-term value for our shareholders.

The AGM will be held at 11am on Tuesday 27 January 2015 at the offices of Nomura, 1 Angel Lane, London EC4R 3AB and I look forward to seeing you there.

Gerald Corbett
Chairman

Our business



Our purpose is to make life's everyday moments more enjoyable. We offer a wide range of soft drinks to meet the many and varied needs of our consumers; at home or out and about, there is a great tasting, high quality Britvic brand for every occasion.

The Britvic of today has come a long way from its mid-19th century origins in a chemist's shop in Essex. The British Vitamin Product Company set the standard in the 1930s when it started bottling fruit juice to provide an easy and affordable source of vitamins to the local community.

Today Britvic is a leading international soft drinks company, with a strong heritage. We have operations in GB, Ireland and France and have been taking our brands around the world, exporting to over 50 countries and working with carefully chosen partners to franchise our brands, including the USA and India.

We have an enviable portfolio of leading brands and strong market positions. In GB and Ireland, we are the number one supplier of still soft drinks and the number two supplier of carbonates. Robinsons has long been the UK's number one squash brand and J_2O is the number one premium juice brand. Other brands like Tango, R Whites Lemonade as well as Britvic juices and mixers, are staples in UK shopping baskets or on a trip to the pub. Fruit Shoot is the number one kids' soft drinks brand in the UK and is at the heart of our international expansion. In France we have the leading syrup brand, Teisseire, and Teisseire Fruit Shoot is now the number one kids' juice drink. In Ireland, Ballygowan is the number one water brand, while MiWadi squash and the Club range are leaders in their categories.

We are proud of our partnership with PepsiCo, which began in 1987, and we make and sell a number of their brands, including Pepsi and 7UP in GB and Ireland. We are delighted to be partnering with PepsiCo as we roll out Fruit Shoot in the USA.

We are equally proud of our people who are critical to our success. We are committed to building a great place to work and making Britvic an inspiring place to be for our employees.

Britvic is listed on the London Stock Exchange under the code BVIC. Its market capitalisation at 28 September 2014 was £1.7 billion.

making life’s everyday moments more enjoyable

hanging out

Our business model

Britvic is set apart from its competitors by our unrivalled combination of market leading brands and track record in innovation, our expert knowledge of the soft drinks market, long standing and sustainable relationships with our partners, including PepsiCo, and a highly talented and committed workforce.

We manufacture, market and sell both Britvic and PepsiCo brands in GB and Ireland, supported by dedicated commercial teams in both countries. In France, we manufacture, market and sell our own category leading brands, as well as supplying private label juice and syrups.

Internationally, we work primarily in partnership with local companies through franchise, distribution or licensing arrangements to exploit the global potential of our kids, family and adult brands. In the USA, we have agreements with a number of Pepsi bottlers and in India we are partnering with the Narang Group. We also export Britvic products around the world and are a significant player in the travel sector.

Our brands and innovations are built on the quality of our insight and understanding of the soft drinks markets in which we operate. We are committed to building sustainable relationships with all our partners, from suppliers of raw materials through to the customers who sell our brands.

We have developed an operating model which is based on the principles of simplicity, focus and accountability, to ensure we are cost efficient and effective and can invest in the growth opportunities.

All of this allows us to deliver value to our shareholders, our customers and partners, the consumers who buy our brands, the communities in which we operate and to our employees.

Our strategy

We have a clear strategy that is designed to realise our ambition to become the most dynamic, creative and admired soft drinks company in the world.

Leverage our portfolio in GB & Ireland and innovate to meet changing consumer needs

- We have well established operations in these countries and a portfolio of leading brands. We will continue to build a company that is acknowledged for commercial excellence, the strength and breadth of its brands which are widely available in all channels, and for its cost effectiveness and efficiency
- We will continue to partner with PepsiCo to manufacture, market and sell its range of brands including Pepsi, 7UP, Lipton Ice Tea and Mountain Dew. The combination of the Britvic and PepsiCo brands gives us the most balanced portfolio in these markets and will continue to be a key aspect of our growth plans
- Innovation is at the heart of our business and we will bring to market new products that offers consumers drinks for their changing needs

(Key performance indicator – GB and Ireland revenue and brand contribution growth)

Exploit global opportunities in kids, family and adult categories

- We will build on the global potential of our own brands in these categories, primarily working with local partners through franchise, distribution or licensing agreements

(Key performance indicator – International revenue growth)

Embed a winning culture and improve operating margin

- This will allow us to be a lower cost and more efficient business, with resource focused to deliver against the growth opportunities

(Key performance indicator – EBITA margin growth)

Build trust and respect in our communities

- We will deliver a strong performance with integrity, acknowledging the responsibility we have to contribute to our local economies and society more broadly.

(Key performance indicator – Business In The Community CR Index)

Risk management

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

There are five stages to this process:

Risk identification, analysis and mitigation planning is undertaken at all levels of the business through functional and operational teams. Each risk is assigned an owner at management level who has responsibility for ensuring that appropriate actions are taken to manage the risk. A dedicated Risk and Insurance Manager manages and supports this process and owns the group-wide risk register.

Risks are regularly reviewed and monitored by Business Unit or functional management teams. The Executive Team review the major risks across the group on a quarterly basis to ensure that the management of these risks has appropriate focus. The board reviews these at least twice a year.

See page 28 for Britvic's principle risks.

Our people

We recognise that our people are central to our success and to achieving our future ambitions. We have a talented and dedicated workforce which demonstrates commitment and passion for our business on a daily basis. In return we continue to invest in our people to help them perform and grow, as well as share in our success.

Purpose, vision and values

Each and every employee is guided by a common purpose, vision and values, which have been reviewed and refreshed in the past year.

Our leaders have played a pivotal role in bringing our purpose to life, inspiring all our people towards achieving our vision, helping them to understand how they contribute to achieving our goals and sharing a new set of values. We are currently integrating our values into our people processes and programmes, including performance management and reward. As we expand into new territories our global workforce is encouraged to live them every day.

Our purpose

Making life's everyday moments more enjoyable

Our vision

The most dynamic, creative and admired soft drinks company in the world

Building iconic brands loved by **consumers**	Being the most valued by our **customers & partners**	An inspiring place to be for our **employees**	Delivering consistently superior returns for **shareholders**	Trusted and respected in our **communities**

Our values

Be proud • Be bold • Be disciplined • Act with pace • Be open • Win together

Our workforce

We currently employ over 3000 people around the world. We want Britvic to be an inspiring place to be and our ambition is to be the employer of choice for the world's most dynamic and creative people in the fast moving consumer goods (FMCG) sector. We want our people to realise their ambitions and encourage them to own and grow their career goals within Britvic. We will continue to invest in and develop our people and, through expansion, create career development opportunities, including increased mobility across teams and geographies.

As part of our new operating model, we have established a dedicated international business unit in the past year, bringing together the right structure and processes to deliver our ambitions with pace and simplicity. To do this we have expanded the international teams in GB, as well as USA, Holland and Singapore and have recruited a new team in India. We have developed local policies and practices for all our markets so we can make Britvic an inspiring place to be anywhere in the world.

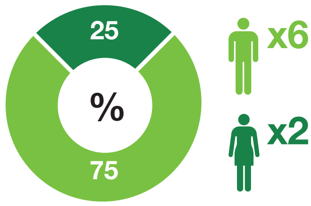
Diversity

Our 2020 gender diversity goal is to have at least 40% female representation within senior management levels. With the changes to the board composition last year, we now have 25% (2) female representation on the board. In addition 35% (161) of our senior managers are female and below this level, females make up 28% (845) of our workforce.

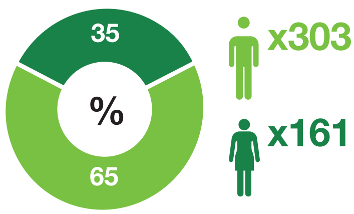
At Britvic, we consider diversity to be broader than gender, ethnicity, disability or sexual orientation. We are committed to encouraging an environment where we celebrate individual genius through the promotion of diversity of thought.

Gender diversity

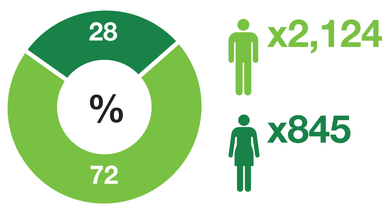
Board
(including non-executives)



Senior managers



All employees



Learning & development

We are committed to nurturing and growing our employees at all levels, enabling them to lead Britvic into the future.

In the past year we have recruited a number of senior leaders from outside our industry to infuse fresh thinking and bring new capabilities to our team. We have implemented new leadership development initiatives to enable our senior leaders to adopt new ways to lead, coach and support their teams.

We continue to run an extensive learning and development curriculum, which offers all employees the chance to improve their core business skills and managers the opportunity to enhance their line management skills. We also run programmes tailored to the needs of specific areas of the business.

Communication and engagement

We participated in the Great Place to Work survey for the first time last year and the results provided valuable feedback on how our people are feeling about the business in a time of significant change.

The findings were varied and highlighted areas of strength as well as areas where we need to do more. The outputs from the survey have been analysed in depth and workshops were held throughout the business to communicate the findings and to identify where changes and improvements can be made. These will be put into place in the coming year.

Communication with all our employees is a priority for us and we keep people informed about our business, its performance and things that affect them through a variety of channels. These include our intranet, Teamlink, our monthly digital update, and Teamtalk, our regular face to face engagement meetings. In the past year we have extended our quarterly magazine, Britvic Life, to all employees and it now available digitally and in English and French. We have well established Employee Involvement Forums in GB and Ireland as well as a Britvic Group Forum, with nominated employee representatives who ensure that employees' views are taken into account regarding issues that are likely to affect them. Where the group has entered into a recognition agreement with a trade union, it fulfils its obligations to consult and negotiate accordingly.

Health, safety and wellbeing

The health, safety and wellbeing of our employees is paramount to the company and in the past year we have made significant improvements against our targets.

We have introduced a Health, Safety and Wellbeing Committee that is chaired by our General Counsel, has cross functional representation from all business units and central functions, and is supported by health and safety specialists from across the group.

We have also introduced a new e-learning platform that enables us to deliver health and safety training to everyone within the business, regardless of where they work.

The primary health and safety focus for Britvic in 2014 was to address the issue of aging workplace equipment to ensure it is compliant with the present day EU Machinery Safety Directive and EN ISO Machine Safety Standards.

We have run a Wellness@work programme in GB for some years. This supports our commitment to the UK government's Responsibility Deal and encourages our employees to take active measures to improve their wellbeing, in line with the Change4Life principles of 'eat well, move more, live healthier longer'. This programme will be rolled out in Ireland in the coming year. We have also initiated a group occupational health programme review, to determine future strategy and 2015 action plans.

Pay & benefits

We proactively monitor our total pay and benefits offering as part of our reward philosophy which is based on delivering competitive salaries and benefits, performance related bonus opportunities and wide-spread share ownership opportunities.

In a number of our markets pay for large populations of our employees is determined with trade union representatives on the basis of fair terms and conditions for all members.

Management pay and bonuses are linked to business performance and their personal contribution. Selected senior executives also receive annual awards of long-term incentives to directly align their packages with sustainable shareholder creation. Pay outs under these plans depends on Britvic's performance over a three-year period.

We also provide competitive pension and healthcare benefits in addition to statutory arrangements.

Sharing in success

Our remuneration philosophy places great emphasis on providing the opportunity for our employees to share in the success of Britvic. In particular share ownership is at the heart of our employee offering with average shareholdings for GB-based employees currently at £16,000 as a result of their participation in our long-standing Share Incentive Plan (SIP).

The SIP provides free share awards to participants each year, subject to company performance, which they then hold for a minimum of three years. The SIP also provides participants with the opportunity to purchase additional shares in Britvic as well as receive further matching awards.

Profit sharing plans also operate in Ireland and France to allow participants to share in the success of Britvic and similar arrangements will be extended to other countries in the near future.


Mi
Wadi
Orange

making life's everyday moments more enjoyable

family dinner

Chief Executive Officer’s review

We have reported another strong set of results for our financial year ended 28 September 2014 and have made excellent progress in delivering our strategic initiatives. I am incredibly proud of our company and its portfolio of leading brands and it is a privilege to lead an organisation with such a passionate and talented team.

Our aspirational vision is to be the most dynamic, creative and admired soft drinks company in the world and we have made great progress in the last twelve months, in what were challenging market conditions.

Embed a winning culture and improve operating margin

This has been a year of exceptional change as we continued to implement our new strategy. We completed the re-design of our organisation, matching our resource to the growth opportunities and created a business that is simple, focused and accountable. We have a new Executive Team in place, which includes all our business unit Managing Directors for the first time. As an Executive Team we have created and shared an exciting new vision for our business and set some ambitious targets for ourselves. We have also created a new set of values to guide our behaviours and facilitate effective engagement and ways of working across the business.

As planned we have closed two factories in GB, a depot and a call centre in Ireland, and consolidated back office functions in GB and Ireland. Where possible we have found new roles for those employees willing to relocate and supported those leaving the business in finding alternative employment. I would like to personally thank all affected employees for their commitment and support during this time of change.

During the year we also set up an international business unit to support our ambitious growth plans in the kids, family and adult categories. It now operates as a fully resourced, standalone business unit, with over one hundred employees, and is focused on providing the necessary support to our in-market partners to develop our brands locally, as well as market specific innovation and the creation of relevant marketing campaigns. We have come a long way in the last twelve months and have successfully managed our way through a period of organisational change.

We have made strong progress this year despite challenging trading conditions in each of our markets. Revenue and margins have increased and profits are well ahead of last year. We are on-track to deliver the £30m cost saving programme by 2016. The overwhelming majority will have been delivered in the 2014/15 financial year. Our focus on generating cash has allowed us to reduce net debt and increase the full year dividend by 13.6%.

Leverage our portfolio in GB & Ireland and innovate to meet changing consumer needs

In GB our carbonates portfolio has continued to outperform the market. We successfully grew volumes whilst the category was in decline and increased market share. Pepsi has been the key driver of this growth, led by Pepsi Max and its “no sugar, maximum taste” proposition. Throughout the year we have executed a number of exciting and impactful marketing campaigns, including the “Unbelievable” campaign, which saw extensive, ground-breaking advertising for the brand across the country and on-line. The Pepsi Max YouTube channel was a focal point for our digital marketing and we achieved over 50 million views across all platforms. Throughout the summer Pepsi leveraged its connection with key football personalities with limited edition packs on-shelf and the chance to win some great prizes. We also launched an exciting new dispense proposition for the leisure channel, allowing consumers to personalise their soft drink experience, with added flavours.

The GB stills category has been challenged with only minor volume growth, driven by plain water, which is not a scale category for us. Growth in our stills portfolio is crucial to our future success and is a priority for us. Whilst our overall performance has been below what we wanted to achieve this year, there have been positive highlights. Robinsons continued to lead the squash category, and although we have seen increased competition from private-label which impacted our volume, our focus has been to protect price and maintain our brand equity. We have continued to invest in the brand, as demonstrated by the launch of Robinsons Squash’d, which has led the growth of the new water enhancer sub-category. The launch was supported by an extensive marketing campaign, including TV advertising, and we have been delighted with its performance to date.

Fruit Shoot performed well, gaining value and volume share in the market. During the year, we stopped selling the full sugar version of Fruit Shoot, as part of our commitment to address public health issues, and we continued to encourage children to get active with our 'skills' campaign. Lipton Ice Tea drove growth in the emerging cold/hot drinks category, which grew its market value by over 40%, over the year. As consumers continued to focus on value, both when shopping for home and on nights out, the premium juice drinks category has been challenged. J_2O, which is a premium priced brand, has seen some share decline, as a result of this trend.

In Ireland, we have a branded soft drinks business and a licensed wholesale operation, called Counterpoint. The soft drinks market was down, both in volume and value and we did lose some market share. The carbonates category in particular was very competitive and saw a significant amount of price-led promotions. A highlight of our innovation programme in Ireland this year was the introduction of a new Club Zero range with no added sugar, which is proving popular with consumers. In November, we launched Counterpoint as a standalone licensed wholesaler to supply the pub and club trade across both the Republic of Ireland and Northern Ireland. Since its launch it has added new categories, such as snacks and wine to its range, allowing it to compete far more effectively.

Exploit global opportunities in kids, family and adult categories

The international business has continued to grow and we are seeing the benefits of our investment in the establishment of a standalone business unit. In the USA we have made great progress with Fruit Shoot achieving national distribution in the convenience and leisure channels. We signed a 15 year franchise for Fruit Shoot with PepsiCo who started to manufacture Fruit Shoot in the USA. Having signed an agreement with the Narang Group in May 2013, we launched Fruit Shoot in India in the summer. Narang is a well-established sales and marketing business who distribute a range of leading brands across India. With a dedicated production line in market we launched four flavours that were developed specifically for the Indian consumer. Distribution was achieved in the ten major cities that we targeted and a consumer awareness campaign was launched in time for the Diwali festival, including TV advertising.

In France, Fruit Shoot continued to grow, with the brand establishing itself as the number one in the children's juice drinks category. We also transferred a production line from GB to France to supply Fruit Shoot both to the French market and into Spain. We continued to invest in Teisseire, the number one syrups brand in France. This year we extended the pack range with the introduction of the PET "pump" pack to drive greater usage of syrups. The early signs are very good as it brings new households into the brand.

Build trust and respect in our communities

The past year has seen a surge of interest in health and sugar levels in soft drinks. We strongly believe that all our drinks can be enjoyed as part of a balanced diet and healthy lifestyle. We offer a wide range of low calorie drinks and lead our marketing with these drinks. We have continued to play an active role to help address the challenge and in the last year we have launched a new health strategy across all business units, which will build on our achievements to date and continue to provide great tasting drinks, while further reducing the average calorie content of our portfolio.

Read more about our health strategy and our approach to sustainability on page 22.

Our future prospects are very exciting. We have transformed our business and created the conditions for success with a new culture. We have a clear purpose and aspirational vision. Despite the challenging market place everyone in the business is focused on the delivery of our strategy. We continue to invest and have the plans in place to ensure we can continue to grow the business and create value for all of our stakeholders.

Simon Litherland
Chief Executive Officer

making life’s everyday moments more enjoyable

a night out with friends

Chief Financial Officer's review

Strategic report
Governance
Financial statements
Other information

In the period the group sold over 2 billion litres of soft drinks, an increase of 1.5% on the previous year, with Average Realised Price (ARP) of 63.0p, increasing by 1.0%. The group's revenue was £1,344.4m, up 2.4% compared to last year, on a constant currency basis.

The following is based on Britvic's results for the 52 weeks ended 28 September 2014.

All numbers quoted are on a constant currency basis and are pre-exceptional and other items, unless otherwise stated.

The focus has remained on building sustainable profit and margin improvement. Both revenue growth and the delivery of the strategic cost initiatives have contributed to the 17.3% growth in adjusted EBITA, to £161m, and the resulting 150 basis points (bps) improvement in operating margin to 12.0%. The strategic cost initiative benefits have been realised in both brand contribution and in fixed costs. In brand contribution we have seen the benefit of our disciplined revenue management principles and the realisation of our procurement strategy. In fixed costs we have seen the benefit from the closure of a number of facilities and the consolidation of back office functions.

Whilst the poorer summer weather in each of our European markets did not help our cause, we were able to deliver EBIT of £158.1m, marginally ahead of the previous guidance, by achieving a higher in-year benefit from the cost savings.

A full list of definitions can be found on page 20.

GB Stills	52 weeks ended 28 September 2014 £m	52 weeks ended 29 September 2013 £m	% change actual exchange rate
Volume (millions litres)	378.9	398.7	(5.0)
ARP per litre	88.5p	85.3p	3.8
Revenue	335.2	340.1	(1.4)
Brand contribution	159.4	154.5	3.2
Brand contribution margin	47.6%	45.4%	220bps

The GB stills category volume, as measured by Nielsen, was marginally up this year. The driver of growth was plain water which was up nearly 10%, a category which is not currently material for us. Excluding water category volume was down 4%. Our volume decline of 5% was primarily driven by two brands, J_20 and Robinsons. J_20 continued to be impacted by consumers seeking value, both at home and dining out, whilst Robinsons lost volume share to own-label squash.

As part of our commercial change programme we have continued to benefit from stronger revenue management disciplines this year. We launched Robinsons Squash'd in the first half of the year, which had a positive impact on ARP reflecting its price point and small 66ml bottle size. Overall ARP increased by 3.8%, limiting the revenue decline to 1.4%. Brand contribution increased by 3.2% whilst margin improved by 220 bps.

GB Carbonates	52 weeks ended 28 September 2014 £m	52 weeks ended 29 September 2013 £m	% change actual exchange rate
Volume (millions litres)	1,204.7	1,153.9	4.4
ARP per litre	47.1p	46.5p	1.3
Revenue	567.8	536.4	5.9
Brand contribution	222.4	200.1	11.1
Brand contribution margin	39.2%	37.3%	190bps

Whilst the GB carbonates category volume was down, we increased volume by 4.4% with an increase in ARP of 1.3% as a result of disciplined revenue management. This led to an impressive revenue increase of 5.9%. Pepsi, led by Pepsi Max, was the key driver of growth, and we saw revenue growth across all major pack formats, including cans, PET and dispense in the leisure trade.

This was supported by the successful execution of some exciting marketing campaigns including the sponsorship of football personalities and the Max "Unbelievable" campaign. Brand contribution was up 11.1% and margin improved by 190bps.

France	52 weeks ended 28 September 2014 £m	52 weeks ended 29 September 2013 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	273.6	272.1	0.6	0.6
ARP per litre	93.2p	94.9p	(1.8)	0.6
Revenue	254.9	258.2	(1.3)	1.2
Brand contribution	67.1	63.2	6.2	8.9
Brand contribution margin	26.3%	24.5%	180bps	180bps

In France soft drink market volumes were marginally up and our volume increase was slightly ahead of the market. The poorer weather in the summer had a particularly negative impact on the syrups category. With both volume and ARP up 0.6%, revenue increased 1.2%. The major success story of the year was Fruit Shoot which established itself as the number one brand in the category. We also transferred a Fruit Shoot production line from GB to France.

Supply was limited whilst the line was commissioned, impacting both France and other European markets. The line is now fully operational, supplying France and Spain. Brand contribution was up 8.9% and margin improved by 180bps.

Ireland	52 weeks ended 28 September 2014 £m	52 weeks ended 29 September 2013 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	197.0	199.0	(1.0)	(1.0)
ARP per litre	54.1p	56.8p	(4.8)	(2.9)
Revenue	128.3	136.9	(6.3)	(4.5)
Brand contribution	47.0	49.0	(4.1)	(1.7)
Brand contribution margin	36.6%	35.8%	80bps	100bps

Note: Volumes and ARP include own-brand soft drinks sales and do not include factored product sales included within total revenue and brand contribution.

Market conditions in Ireland remained difficult with consumers continuing to seek value amid a competitive trading environment. In our branded business volume declined by 1.0% and ARP declined by 2.9%, resulting in revenue down 4.5%, on a constant currency basis. This includes the impact of a revenue decline for our licensed wholesale business, Counterpoint, primarily due to consumers switching from packaged to draught beer, which we do not currently sell. The brand contribution decline was limited to 1.7% with a 100bps improvement in margin. During the year as part of the strategic cost initiatives, we consolidated back office functions into GB as well as closing a depot and a call centre. The benefit of these is realised in fixed costs rather than brand contribution.

International	52 weeks ended 28 September 2014 £m	52 weeks ended 29 September 2013 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	44.3	43.2	2.5	2.5
ARP per litre	131.4p	116.4p	12.9	14.0
Revenue	58.2	50.3	15.7	16.9
Brand contribution	21.0	18.8	11.7	12.3
Brand contribution margin	36.1%	37.4%	(130)bps	(150)bps

Note: Concentrate sales are included in both revenue and ARP but do not have any associated volume.

International is now a fully established business unit, with responsibility for both our export markets and our franchise markets. In the Netherlands and Spain Fruit Shoot has continued to grow revenue. There has been significant progress in our franchise markets of the USA and India. In the USA we signed a 15 year distribution agreement for Fruit Shoot with PepsiCo Americas Beverages (PAB) and in India we launched Fruit Shoot this summer with our partner, the Narang Group. Revenue was up 16.9%, with brand contribution up 12.3%. Margin declined 150bps, reflecting the increased A&P spend as we increased investment behind the USA and India.

Fixed Costs	52 weeks ended 28 September 2014 £m	52 weeks ended 29 September 2013 £m	% change actual exchange rate
Non-brand A&P	(9.9)	(7.3)	(35.6)
Fixed supply chain	(101.8)	(100.7)	(1.1)
Selling costs	(120.7)	(124.5)	3.1
Overheads and other	(126.4)	(118.1)	(7.0)
Total	**(358.8)**	**(350.6)**	**(2.3)**
Total A&P investment	*(72.0)*	*(70.3)*	*(2.4)*
A&P as a % of own-brand revenue	*5.4%*	*5.4%*	-

Fixed costs increased by 2.3% to £358.8m. During the year the benefit of the strategic cost initiatives, such as the factory closures in GB and the consolidation of GB and Ireland back office functions, was realised in fixed costs. We have invested in the establishment of both the international business unit and the strategic marketing and innovation function. In addition we have increased both trade marketing spend, which is reported in overheads, and non-brand A&P. This increased investment is focused behind our strategic growth drivers, primarily in the kids, family and adult categories. A&P spend increased by 2.4% to £72.0m, with the percentage of revenue measure flat at 5.4%.

Exceptional and other items

In the period, we accounted for a net charge of £12.8m of pre-tax (£10.2m post tax) exceptional and other costs. These include:

- Corporate exceptional items of £14.1m, relating to the implementation of the strategic cost initiatives announced at interims in May 2013. This is slightly lower than the previous guidance of £17m. The balance will be realised in 2015.
- Other fair value movements gain of £2.3m. Within exceptional and other items we include the fair value movement of financial instruments where hedge accounting could not be applied. This was made up of two items, a number of share swaps to satisfy our employee incentive share schemes and interest-rate swaps.
- Write-off of unamortised finance fees of £1.0m related to the early refinancing of the revolving credit facility.

The cash costs of exceptional and other items in the period were £18.9m.

Interest

The net finance charge before exceptional and other items for the 52 week period for the group was £25.2m compared with £26.9m in the same period in the prior year, reflecting the lower debt profile of the group and the benefit of the free cash flow generation.

Taxation

The tax charge before exceptional and other items was £33.0m which equates to an effective tax rate of 24.8% (52 weeks ended 29 September 2013: 23.6%). The increase in the effective tax rate reflects the increase in the French corporate tax rate during the period and start-up losses incurred in some of the group's International expansion for which no tax relief is currently available. In 2013 the group's effective tax rate had benefited from the retranslation of its deferred tax liability on the phased reduction in the UK corporate tax rate. A comparable benefit is not available for 2014.

Earnings per share

Adjusted basic EPS for the period, excluding exceptional and other items and acquisition related amortisation, was 41.8p, up 18.8% on the same period last year (35.2p). Basic EPS (after exceptional and other items charges post-tax) for the period was 36.5p compared with 25.5p for the same period last year.

Dividends

The board is recommending a final dividend of 14.8p per share, an increase of 13.8% on the dividend declared last year, with a total value of £36.3m. The final dividend will be paid on 6 February 2015 to shareholders on record as at 5 December 2014. The ex-dividend date is 4 December 2014.

Cash flow and net debt

Underlying free cash flow was a £88.9m inflow, compared to a £103.5m inflow the previous year. Capital expenditure was £22.4m higher than last year, largely as a result of the implementation of the strategic initiatives. The increase in pension contributions was due to the planned additional contributions in GB from the previous 2010 triennial valuation funding agreement. Overall adjusted net debt reduced by over £21m and took our leverage to 1.9x EBITDA from 2.2x last year. The adjusted net debt (taking into account the foreign exchange movements on the derivatives hedging our US Private Placement debt) at 28 September 2014 was £380.9m, compared to £402.3m at the end of last year.

Treasury management

The financial risks faced by the group are identified and managed by a central treasury department, whose activities are carried out in accordance with board approved policies and subject to regular Audit and Treasury Committee reviews. The department does not operate as a profit centre and no transaction is entered into for trading or speculative purposes. Key financial risks managed by the treasury department include exposures to movements in interest rates and foreign exchange whilst managing the group's debt and liquidity, currency risk, interest rate risk and cash management. The group uses financial instruments to hedge against interest rate and foreign currency exposures.

On 20 February 2014, Britvic plc repaid US$102m and £25m of notes in the United States private placement market (USPP). These notes were repaid using funds received from the issuance of 2014 notes (see below). The 2007 cross currency interest rate swap instruments which had been designated as part of a cash flow hedge relationship against the future cash flows associated with this maturing portion of the 2007 notes, also matured on 20 February 2014.

On 20 February 2014, Britvic plc issued US$114m and £35m of senior notes with maturities between 7 and 12 years in the United States private placement market (the '2014 notes'). The proceeds from the 2014 notes were principally used to repay amounts due in relation to the maturity of certain tranches of the 2007 notes.

At 28 September 2014 the group has £920m of committed debt facilities consisting of a £400m bank facility maturing in 2016 and a series of private placement notes with maturities between 2014 and 2026. As part of securing the group's medium term funding platform, the £400m bank facility has been successfully refinanced with improved terms, with a revised maturity of November 2019.

At 28 September 2014, the group's unadjusted net debt of £419.0m (excluding derivative hedges) consisted of £1.4m drawn under the group's committed bank facilities, £558.3m of private placement notes, £3.6m of accrued interest and £0.3m of finance leases, offset by net cash and cash equivalents of £143.3m and unamortised loan issue costs of £1.3m. After taking into account the element of the fair value of interest rate currency swaps hedging the balance sheet value of the private placement notes, the group's adjusted net debt was £380.9m which compares to £402.3m at 29 September 2013.

Pensions

At 28 September 2014, the IAS 19 (Revised) pension deficit in respect of the group defined benefit pension schemes was £8.4m (29 September 2013: net deficit of £19.3m). The reduction in the deficit was mainly due to better than expected investment performance and employer contributions, which was partly offset by the higher liabilities due to changes in the financial assumptions.

The defined benefit section of the GB plan was closed to new members on 1 August 2002, and closed to future accrual for active members from 10 April 2011, with new members being invited to join the defined contribution scheme. The actuarial valuation of this scheme as at 31 March 2013 has been completed without committing additional employer contributions as the funding level has improved since the 2010 actuarial valuation. In addition to the valuation, Britvic has reached agreement with the trustees to move the Plan's assets towards an immunised portfolio by investing in debt instruments. This will lead to the removal of equity risk from the Plan's assets and a reduction in the volatility of the funding level as a result of having investments that better match the Plan's liabilities.

John Gibney
Chief Financial Officer

Glossary

Key performance indicators

- Volume is defined as number of litres sold, excluding factored brands sold by Counterpoint in Ireland. No volume is recorded in respect of international concentrate sales.
- ARP is defined as average revenue per litre sold, excluding factored brands and concentrate sales.
- Group revenue is defined as sales achieved by the group net of price promotional investment and retailer discounts.
- Brand contribution is defined as revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials, and marginal production and distribution costs.
- Brand contribution margin is a percentage measure calculated as brand contribution, divided by revenue. Each business unit's performance is reported down to the brand contribution level.
- Group EBITA is defined as operating profit before exceptional and other items and amortisation. Only amortisation attributable to intangibles related to acquisitions is added back, in the period this is £2.9m (2013: £2.9m as reported last year). EBITA margin is EBITA as a proportion of group revenues.
- Group EBIT is defined as operating profit before exceptional and other items. EBIT margin is EBIT as a proportion of group revenues.
- Adjusted earnings per share amounts are calculated by dividing adjusted earnings by the average number of shares during the period. Adjusted earnings is defined as the profit/(loss) attributable to ordinary equity shareholders before exceptional and other items adjusted for the adding back of acquisition related amortisation. Average number of shares during the period is defined as the weighted average number of ordinary shares outstanding during the period excluding any own shares held by Britvic that are used to satisfy various employee share-based incentive programmes. The weighted average number of ordinary shares in issue for adjusted earnings per share for the period was 245.8m (2013: 243.2m).
- Underlying free cash flow is defined as net cash flow excluding movements in borrowings, dividend payments and exceptional and other items.
- Group adjusted net debt is defined as group net debt, adding back the impact of derivatives hedging the balance sheet debt.
- Return on invested capital (ROIC) is defined as operating profit after applying the tax rate for the period, stated before exceptional and other 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.

Others

- Where appropriate, comparisons are quoted using constant exchange rates. Constant currency change removes the impact of exchange rate movements during the period by retranslating prior year foreign currency denominated results of the group at current period exchange rates to aid comparability.
- All numbers quoted are pre-exceptional and other items, unless otherwise stated.

making life's everyday moments more enjoyable

keeping fit

Our sustainablity performance

Sustainability is at the heart of our business. We balance the need to remain commercially successful, with the need to make a positive contribution to society and limit our impact on natural resources.

We measure our performance annually through the Business in the Community CR Index. We are proud of the progress we are making but there is more to do. Last year we achieved a one star rating as a result of our BITC CR Index submission. Our ambition is to achieve four stars by 2020.

Find out more about our sustainable business programme at **www.britvic.com**

If you would like a copy of our sustainable business report write to:

Director of Corporate Affairs
Britvic plc
Breakspear Park
Breakspear Way
Hemel Hempstead
HP2 4TZ

Our sustainability priorities

Consumer health

Consumer health is an issue in many of the markets in which we operate. We believe that all of our drinks can be enjoyed as part of a balanced diet and healthy lifestyle however we have continued to support key voluntary initiatives, including the UK government's Public Health Responsibility Deal. In the past year we have withdrawn full sugar Fruit Shoot from the UK market and we have continued to promote our low calorie variants. In Ireland we launched Club Zero. In addition we have continued to encourage active lifestyles through our marketing campaigns, including our sponsorships of the Tour de France and Wimbledon tennis championships and our Fruit Shoot skills campaign for children.

We recognise that we can do more and in the past year have launched a new health strategy across the business. Moving forward we intend to take a leading role in the soft drinks industry in inspiring and encouraging people to make informed choices to live healthier and more active lives.

Among our future commitments, we intend to reduce the average calories per serve across our portfolio by a further 20% by 2020. We will use the power of our brands to inspire 20 million people to actively play together and we will clearly label the calorie content on pack anywhere in the world. We are also reviewing our marketing to children policy and will be launching a new responsible marketing code in the coming year.

Supporting our communities

This year our charitable donations totalled over £900,000 in cash, our people's time and product donations. We continued to partner Cancer Research UK, our corporate partner chosen by our employees and have raised funds for them via our monthly company charity lottery, via donation stations and have run a number of site fundraising days and events. We have also partnered young people's charity, Street League and sponsored a number of employability academies with them. In Ireland, Ballygowan featured a cause related marketing campaign for the Irish Cancer Society.

Our employees have made a significant contribution to local communities by volunteering and supporting deserving causes. Our community volunteering policy aims to support local communities by encouraging employees to take two hours per month or up to three paid days leave to volunteer. Our current employee participation rate is 18%, and we are continually looking at developing new and exciting ways to encourage more of our workforce to make a difference in this way, including supporting our award winning educational initiatives at our Britvic Learning Zones.

Creating a great place to work for our employees

Our people are key to the success of our business and we are committed to making Britvic an inspiring place to be. All business units took part in the Great Place to Work survey for the first time this year and have plans in place to drive improvements.

Our employees are an important 'community' to us and we recognise that a key component in maintaining work-life-balance is that employees feel they have both the time and opportunity to take part in activities that are outside of their daily role and that support them in enjoying life's everyday moments.

This year we created an Employee Community Fund to support community and healthy lifestyle activities at each of Britvic's GB sites. The fund has been used for charity fundraising days, site family events and onsite exercise classes or facilities. Our Beckton event proved a big hit with employees and their families and succeeded in raising more than £1,400 for our charity partner Cancer Research UK.

We also launched our Sustainable Business Awards to recognise and reward those employees making a special effort to help us achieve our goal of making a real difference to our communities and/or helping us reduce our environmental impacts.

Encouraging disadvantaged young people to develop new skills

Our long standing commitment to helping disadvantaged young people remained a key focus of our sustainable business strategy in 2014.

Through our Learning Zone programmes we continued to support work-related learning with an award winning teacher training course in enterprise, and a dedicated student course focusing on employability skills for the 14+ age group. Since 2009 these have trained over 400 teachers and 12,000 students across our five Learning Zones.

Water stewardship

Responsible water use is a growing concern across the world with increasing numbers of people without access to clean water. We recognise we have a responsibility to manage our water use prudently and have set long term water reduction targets. By 2020 we aim to reach a water intensity ratio of 1.4, meaning for every litre of soft drink we produce we use 1.4 litres of water. This year we have successfully reduced our water intensity by 17.8% on last year, achieving 1.93 across the group. This achievement was a result of a renewed focus on the importance of water conservation with numerous sites investing in technology and monitoring equipment to better understand our water use profile.

Climate change

The threat of climate change is ever present and this year we have witnessed numerous unprecedented extreme weather events across the globe, including the winter floods in the UK and extended heatwaves in Australia and Brazil. These events act as a reminder of how unpredictable our climate can be and how important it is to minimise our contribution to climate change.

We are delighted to have achieved CarbonNeutral® business travel certification provided by The CarbonNeutral Company. This year we have successfully offset our GB business travel emissions (4,790 tonnes of CO_2), through two environmental projects which would not happen without vital funding. Our emission reduction projects include a methane capture project in China and a conservation project in the Amazon rainforest.

We are committed to continuous emissions reductions and have set ourselves a 20% reduction in direct greenhouse gas emissions ratio by 2020. This year we successfully achieved a 9% absolute reduction in Scope 1 and 2 carbon emissions and nearly a 7% reduction relative to our production.

The table below sets out the quantities of greenhouse gas emissions in tonnes of carbon dioxide equivalent (CO_2e) for the 52 weeks ended 28 September 2014. The table also contains last year's emissions to demonstrate our progress. Please note these figures have changed since our last Annual Report disclosure as we have been through a validation process.

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our consolidated financial statement. We do not have responsibility for any emission sources that are not included in our consolidated statement. Emissions outside of our responsibility, including shared office locations and those originating from our franchise partners, have been omitted from our disclosure. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from UK Government's GHG Conversion Factors for Company Reporting 2014.

Packaging/waste

Packaging, its use and ultimate disposal, is an important focus of our sustainable business programme. We strive to reduce the environmental impact of our packaging whilst ensuring our packaging protects our products effectively.

We continue to support the Courtauld Commitment and adopt a zero waste mindset at our sites. This year we have reduced the amount of waste produced by 10% within our GB manufacturing sites and have achieved a recycling rate of 90%. We continued to send zero waste to landfill within GB.

	2013-2014 Emissions (Tonnes CO_2e)	**2012-2013 Emissions (Tonnes CO_2e)**
Total Scope 1 & 2 CO_2e emissions	60,669	66,756
Emissions from:		
Scope 1: Combustion of fuel & operation of facilities	17,965	22,402
Scope 2: Electricity, heat, steam and cooling purchased for our own use	42,704	44,354
Scope 3: Downstream transportation & distribution, business travel, downstream leased assets (refrigeration portfolio)	111,431* **Excludes business travel for Ireland and downstream transportation in France*	112,618* **Excludes business travel for Ireland & France and downstream transportation in France*
Intensity measure:		
Scope 1 & 2 emissions reported above normalised to per thousand tonne of product output	32.5 Tonnes CO_2e/1000 Tonne produced	34.9 Tonnes CO_2e/1000 Tonne produced

Notes: 1. Emissions relate to those generated by our manufacturing and distribution sites in GB, Ireland and France.
2. Emissions outside of our responsibility and under the control of a third party have also been excluded.

Responsible sourcing

Our responsible sourcing programme has been in place since 2011 and continues to ensure our products are sourced and manufactured in a fair, ethical and environmentally responsible manner.

This year we have successfully embedded our responsible sourcing programme within the procurement team, with buyers having clear objectives for its delivery and have begun the process of extending the programme through our supply chain. This year we successfully achieved our target of 30% of high risk GB/Ireland direct suppliers having ethical assessments completed.

Human rights

Our human rights policy is set out in our Ethical Business Policy. This applies to our employees, our suppliers and partners and anyone working on behalf of our business. It covers avoiding bribery and corruption, conducting business with respect, integrity and equality and managing personal activities and interests. It also covers responsible trading and sets out our standards regarding human rights, health & safety and environmental responsibilities and what we expect of our suppliers and other trading partners, which are monitored through our responsible sourcing programme.

We run a confidential whistle blowing hotline for anyone who is concerned about a breach of the policy.

All our employees from the board down are trained and required to complete an on-line test to ensure compliance to the policy.

Read our Ethical Business Policy at **http://www.britvic.co.uk/en/Sustainable-business/Policies-and-Reports/Ethical-Trading-policy.aspx**

Our sustainable business performance

Focus	FY14 Target		FY14 Performance
Consumer Health	Launch and embed our health strategy across the business.	✓	Health strategy successfully deployed across the business. All business units have health strategy targets embedded into FY15 activity plans.
	Deliver our public commitments to support government's voluntary initiatives.	✓	UK Government's Responsibility Deal pledges all delivered and updated for FY14 and new pledges around front of pack labelling put in place.
Great place to work	Embed our new purpose, vision and values across the business to support our Great Place to Work ambitions.	✓	New purpose, vision and values successfully cascaded throughout the business with all employees involved
Community relations	Train 200 teachers and 300 young people through our Learning Zone programmes and partnerships.	✓	131 teachers reached (200+ had signed up to attend but failed to show). These 131 teachers reached 3930 students with our resources. We directly reached 397 students with our programmes.
Water stewardship	Achieve a water intensity ratio of 1:9.	✓	Achieved a 17.8% reduction, achieving 1.93 water intensity ratio across our manufacturing sites
Climate change	5% reduction in carbon ratio against FY13.	✓	7% reduction achieved in Scope 1 & 2 carbon emissions relative to tonnage produced. More information can be found within the Sustainable Business Report
Responsible sourcing	30% of high risk GB/IRL direct suppliers have assessment conducted.	✓	39% of high risk suppliers have a fully completed the Sedex self-assessment.

making life’s everyday moments more enjoyable

sightseeing


Teisseire
Facile à doser
SIROP DE
Grenadine
RICHE EN GOÛT
SANS COLORANT
75cl

making life’s everyday moments more enjoyable

cooling down

Our risks

Risk management

Refer to page 7 for Britvic's risk management process.

Principal risks

The principal risks that could potentially have a significant impact on our business in the future are set out below, together with the actions we are taking to mitigate these.

	Risk	Mitigation
Soft drinks market		
A change in consumer preferences or the economic environment could reduce sales of our brands	Consumer preferences evolve over time and in the FMCG environment it is necessary to keep up with consumer requirements and tastes and develop our products to meet these. It is also necessary to understand the impact that the economic environment has on our consumers as, whilst our products are relatively low value goods, they are non-essential items. This could be particularly the case where we are expanding into new international markets where the soft drinks market dynamics and general economy are different to those we are already operating in. Failure to anticipate changing consumer needs could result in consumers switching away from Britvic products.	We offer a range from everyday value to premium products across a range of sub-categories and operate in a number of different markets, therefore we are not reliant on the preferences of one set of consumers. We closely monitor consumer trends in order to anticipate changes in preferences and match our offerings to these trends across our diversified portfolio and markets. We regularly develop our current products and aim to offer innovative new products to create new sub-categories and generate consumer needs. The soft drinks category has proven to be reasonably resilient and we offer a range of everyday value products to meet the consumer need for reduced spending. We match our soft drinks offerings to the markets in which they are being sold.
Health and obesity debate could reduce sales of our products	There is currently a high level of media and government scrutiny on health and obesity in our core markets; GB, Ireland and France. 'Sugary drinks' are often cited as one of the issues affecting national obesity levels in media reports. Despite the fact that many of our products are low calorie, negative reporting and lack of understanding could result in consumers switching away from our products or spending less on soft drinks.	We already offer a range of soft drinks, many of which are low calorie products containing no sugar. Nutrition information is shown on our products and, in GB, we have signed up to the government's front of pack labelling scheme. We continue to actively consider the consumer health debate as part of our strategy development and ensure that our product development provides a range of lower calorie choices. We believe that this will remain a risk for a business for the foreseeable future but we are confident that we have the appropriate strategies to manage this, including our commitment to continue to reduce calories in our products and encourage active lifestyles through our marketing activities. With our broad portfolio and track record in innovation, we equally consider this to be an opportunity for our business, as we are well placed to meet consumers' health needs, with both our current portfolio and future innovations.
A change in the retailer landscape could impact on our sales or margins	Whilst we have a wide range of customers in all channels in our core markets, changes in shopper behaviour and retailers could impact our sales or margins.	We operate across many different channels in our core markets and continuously monitor consumer behaviour to understand changing trends. We are adopting strategies that will provide the flexibility to respond to the changing landscape and consumer needs.
A termination or variation of the bottling and distribution arrangements with PepsiCo could significantly reduce our business in GB and Ireland	Our partnership with PepsiCo is an important part of our business and our strategy going forward; we currently bottle a number of Pepsico products in GB and Ireland, including Pepsi and 7UP which make up a significant proportion of our carbonated drinks portfolio in these markets. At the end of the bottling agreements (or earlier in specific circumstances) PepsiCo can terminate our right to sell their brands.	We place significant emphasis on developing our relationship with PepsiCo, which includes maintaining an appropriate level of communication between the two businesses to deal with on-going operational issues. This is further strengthening through the development of the Fruit Shoot franchise in the US with PepsiCo and the independent Pepsi bottlers. The addition of more PepsiCo products to the Britvic portfolio in recent years demonstrates the strength of this relationship. The bottling agreement for Ireland is due for renewal in December 2015 and initial conversations have already begun around the terms of this renewal.

	Risk	Mitigation
Supply risks		
Increasing commodity demand and pricing could impact our profitability	We utilise a wide variety of commodities in our products, many of which are subject to crop availability and increasing demand from around the world. As a result of this, there is a risk that we are not able to source the products that we require when we would like to, or we have to pay more than we planned to for them. In addition, the market commodity prices could fluctuate significantly which could impact on the profitability of our products going forward.	We manage the risk associated with availability of supply through a robust programme of understanding future requirements, developing new sources and strategic partnerships through our Procurement Transformation programme. In addition, we ensure that sustainability of prime materials is a key consideration in our product development process. We aim to manage the impact of market price fluctuations through sourcing much of our planned requirements through forward contracts and hedging arrangements.
A product quality issue leads to a recall and significant cost	Our products are generally of very high quality and are not high risk products for causing harm, however there is a risk that a faulty or contaminated product is supplied to the market. This could result in a costly product recall and claims against the company if injury or damage is caused.	We have robust quality control measures and processes in place to maintain the high quality of our products supplied at all times. These were further strengthened in response to the Fruit Shoot recall in 2012.
Loss of a key operational site could reduce product availability and therefore sales	A severe event could lead to the loss of use of a key site of production or distribution.	We seek to maintain multiple sources of supply for our products wherever possible. In addition, we review and manage the resilience of our sites to significant events and put protection in place where practical and beneficial to the business to do so.
Regulatory risks		
Future regulations that affect the sale of soft drinks may impact our profitability	There is a wide range of regulations that we are required to comply with, ranging from controlling the content, labelling and packaging of our products to the marketing of them. Changes in these regulations in the markets in which we operate could result in direct additional taxation on our products, increased cost to produce our brands or changes to the nature of the product such that is not as desirable to the consumer, therefore reducing sales. In addition, regulations may impact our ability to market or sell certain products or engage with specific consumers.	We proactively engage with the relevant authorities both directly and through a number of trade organisations to ensure we can fully participate in the future development of legislation. We also continuously develop our product portfolio and develop new products in anticipation of likely regulatory requirements.
Macro economic environment		
Macro economic factors could adversely impact the business	We have a number of exposures as a result of changes in the macro economic environment, particularly counterparty credit risk through our banking relationships and currency fluctuations. Whilst we are not directly exposed to any high risk areas in the Eurozone, we would be indirectly affected through the impact on those that we deal with and the on the wider economy.	We closely monitor and manage our exposure to wider economic factors to the extent that it is possible or beneficial to do so, in particular, hedging our currency requirements. As we grow our business through international expansion we will be better protected from regional economic factors affecting our European markets.
IT risks		
A systems issue could result in significant disruption to the business over a prolonged period or permanent loss of records and data if the IT disaster recovery plans are not adequate	As Britvic has grown, both through acquisition and organically, so has its reliance on IT systems to function, a failure of which could halt production or the ability to deliver goods. There are disaster recovery plans in place should a catastrophic failure occur, however should these prove to be inadequate this would result in permanent loss of records and data that would have a significant impact on our ability to operate.	The management of our data centre has been outsourced to a professional provider with both robust disaster recovery and business continuity plans capable of meeting both our current and future needs.
Inadequate security over the IT network could result in data loss or corruption	All IT networks are at risk of unwanted access which can have adverse consequences in terms of data leakage or loss, or systems failures.	Much of system is now hosted by a professional provider who is well set up to maintain robust cyber security. We review our security processes at least annually and conduct penetration tests to identify weaknesses and take corrective action.

The Strategic Report was approved by the board of directors on 25 November 2014 and signed on its behalf by:

Simon Litherland Chief Executive Officer

making life's everyday moments more enjoyable

sharing secrets

02 Governance

making life's everyday moments more enjoyable

skateboarding

Corporate governance report

Dear Shareholder,

As I mentioned in my Chairman's statement earlier in this report, this has been a year of significant activity under the leadership of Simon Litherland, our Chief Executive Officer. The board has been busy supporting the business in ensuring that the appropriate structures are in place to position the business to achieve its strategic plan.

This includes ensuring good governance, managing risk and adding value to our business. As such, the board continues to be committed to high standards of corporate governance and supports the principles laid down in the UK Corporate Governance Code published in September 2012 by the Financial Reporting Council ('the Code'). The Corporate Governance Report which follows sets out the activities of the board and its committees and how we conduct our operations in line with the Code's provisions and other accepted principles of good corporate governance.

Changes to board composition

As part of the succession plans I shared with you last year, we welcomed Ian McHoul and Silvia Lagnado as Non-Executive Directors to the board on 10 March and 2 June 2014, respectively.

Ian is the Chief Financial Officer of Amec Foster Wheeler plc, a FTSE 100-listed company, a position he has held since 2008. Ian replaced Michael Shallow, who stepped down on 1 July 2014 as a Non-Executive Director and Chairman of the Audit Committee after almost 8 years service since he was first elected by shareholders. The board would like to thank Michael for his significant contribution and support to the company during this time.

Silvia is a Non-Executive Director of NASDAQ-listed Sapient Corporation, a global marketing and consulting services company, headquartered in the US. Silvia brings marketing and international experience to the board.

Your board is committed to remaining effective and recognises that to do so it must ensure that it has the right balance of skills, independence and knowledge of the company to enable it to discharge its duties and responsibilities. I am delighted that both of the above appointments have further strengthened the skills, experience and diversity of the board by bringing in further manufacturing/FMCG, financial, international and marketing expertise. Further details on the board's succession planning activities, and the steps it is taking to develop its policy on diversity, are discussed in my Nomination Committee Report on page 47.

Details of the directors' biographies are set out on pages 34 and 35.

Board evaluation

Evidence of the impact that the refreshing of skills on the board and its committees can been seen in the outputs of this year's board evaluation, details of which are summarised on page 41.

Fair, balanced and understandable

During the year the board reviewed the requirement for directors to make a statement that they consider the annual report and accounts, taken as a whole, to be fair, balanced and understandable. As part of this review, we received an early draft of the annual report to have enough time to review and comment. The Audit Committee met to consider the criteria for a fair, balanced and understandable annual report and to review the processes underpinning the compilation and assurance of the report, in relation to the financial and non-financial information. The board then considered the annual report as a whole being mindful of the new UK reporting requirements to ensure consistency between the narrative sections and the financial statements.

The board's statement on the report is outlined on page 76.

Gerald Corbett
Chairman

25 November 2014

Strategic report
Governance
Financial statements
Other information

Board of Directors

Gerald Corbett

Non-Executive Chairman and Chairman of the Nomination Committee

Appointed in 2005

Over a long business career, Gerald has been a director of 12 public companies, six of which he has chaired. His most recent roles were as Chairman of Moneysupermarket.com Group plc between 2007-2014 and of SSL International plc between 2005-2010. His executive career included Group Finance Director roles with Redland plc and Grand Metropolitan plc, and he was Chief Executive of Railtrack between 1997-2000.

Committee membership:
Nomination (Chairman); Remuneration

Other appointments:
Betfair Group plc (Chairman);
Numis Corporation plc
(Non-Executive Chairman)

Simon Litherland

Chief Executive Officer

Appointed in 2013

Simon is responsible for overseeing the delivery of the company's business strategy. He joined Britvic in September 2011, initially as Managing Director of Britvic GB.

Prior to this, he had a career spanning 20 years with Diageo. His last role was MD of Diageo Great Britain, having previously run Diageo's businesses in South Africa, Ireland and Central and Eastern Europe. During his time at Diageo, Simon was responsible for an extensive portfolio of brands including Guinness, Johnnie Walker, Baileys, Smirnoff and Captain Morgan. In his earlier career he held a variety of International Finance Director roles in Diageo, IDV and Grand Metropolitan.

Simon qualified as a Chartered Accountant with Deloittes in South Africa having gained a business degree at the University of Cape Town.

Committee membership:
Executive Team

Other appointments:
The British Soft Drinks Association

John Gibney

Chief Financial Officer

Appointed in December 2005

John Gibney was appointed Finance Director in 1999 and is responsible for finance, legal, estates, risk management, quality, safety and environment and procurement. He is also Chairman of Counterpoint, the Britvic licenced wholesale business for Ireland.

Prior to joining Britvic, he was Senior Corporate Finance & Planning Manager for Bass PLC, and prior to that role, Finance Director and subsequently Deputy Managing Director of Gala Clubs.

Committee membership:
Executive Team

Other appointments:
Interactive Screen Media Limited
(Joint Venture)

Bob Ivell

Senior Independent Director and Chairman of the Remuneration Committee
Appointed in 2005

Bob has over 30 years experience in the food and beverage industry, holding executive roles with Regent Inns plc, Scottish & Newcastle plc and Whitbread plc. He was previously chairman of David Lloyd Leisure Limited, Park Resorts Group Limited, Next Generation Clubs Pacific and a Non-Executive Director of The Restaurant Group plc.

Committee membership:
Remuneration (Chairman); Audit; Nomination

Other appointments:
Mitchells & Butlers plc
(Non-Executive Chairman);
Carpetright plc (Non-Executive Chairman);
AGA Rangemaster Group plc
(Senior Independent Director)

Ben Gordon

Independent Non-Executive Director
Appointed in 2008

Ben was the former Chief Executive of Mothercare plc and former Senior Vice President and Managing Director of Disney Store, Europe and Asia Pacific. He has also held senior management positions with WHSmith group in the UK and the USA and L'Oreal S.A. in France and in the UK. Ben has an MBA from INSEAD and is a Member of the Institution of Civil Engineers.

Committee membership:
Audit; Nomination; Remuneration

Other appointments:
St. Ives plc (Non-Executive Director);
Powerleague Group Limited (Chairman);
Canal & River Trust (Trustee)

Joanne Averiss

Non-Executive Director
Appointed in 2005

Joanne is the Pepsi Group Nominee Director. She has been a member of the Pepsi Group legal department since 1990, holding a series of positions in the UK and the US and is currently Senior Vice President Law, General Counsel, Europe with legal responsibility for all of the Pepsi Group's business within its Europe sector.

Committee membership: None

Other appointments:
The Mesen Educational Trust
(Trustee and Chair)

Ian McHoul

Independent Non-Executive Director and Chairman of the Audit Committee
Appointed in 2014

Ian succeeded Michael Shallow as Chairman of the Audit Committee when Michael stepped down from the board on 1 July 2014.

Ian was Finance Director of Scottish & Newcastle plc and Finance and Strategy Director of the Inntrepreneur Pub Group Ltd, and spent 10 years with Foster's Brewing Group in a variety of roles. He was a Non-Executive Director and Chairman of the Audit Committee of Premier Foods plc between 2004 and 2013, the last year of which he was also the Senior Independent Director.

Committee membership:
Audit (Chairman); Nomination; Remuneration

Other appointments:
Amec Foster Wheeler plc
(Chief Financial Officer)

Silvia Lagnado

Independent Non-Executive Director
Appointed in 2014

Silvia was Chief Marketing Officer of Bacardi Limited from 2010 to 2012. Prior to her role at Bacardi, Silvia held numerous executive leadership positions at Unilever across the UK, the USA and Brazil over a period of more than 20 years, latterly being Executive Vice President of the savoury business unit, based in London.

Committee membership: None

Other appointments:
Sapient Corporation (US)
(Non-Executive Director),
Nuelle INC (US) (Non-Executive Director);
Natura Cosmeticos (Brazil)
(Non-Executive Director)

From left to right:
Ben Gordon, John Gibney, Joanne Averiss, Simon Litherland, Gerald Corbett, Bob Ivell, Silvia Lagnado, Ian McHoul

Compliance with the UK corporate governance code

The board supports the principles laid down in The UK Corporate Governance Code as issued by the Financial Reporting Council in September 2012, which applies to financial years beginning on or after 1 October 2012 ('the Code') and is available at www.frc.org.uk This report describes how the principles of the Code are applied and reports on the company's compliance with the Code's provisions.

The board considers that it has been in compliance with the provisions of the Code throughout the year ended 28 September 2014.

2014 board programme

The board met ten times during the year in accordance with its scheduled meeting calendar. The attendance by each board member at scheduled meetings is shown on page 42. The board agenda included standing items as well as 'deep dive' reviews of key issues for the business, including the major projects the company initiated to implement the strategic plan as set out in the Strategic Report on pages 1 to 29. Board meetings were held at the head office in Hemel Hempstead except two meetings which were held off-site at the company's manufacturing facilities in Dublin, Ireland and in Crolles, France.

Governance framework

Shareholders

2,598 shareholders as at 28 September 2014

Board

Non-Executive Chairman

2 Executive Directors

5 Non-Executive Directors

Nomination Committee	Audit Committee	Remuneration Committee
Non-Executive Chairman, 3 Non-Executive Directors	3 Non-Executive Directors	3 Non-Executive Directors
Primary responsibility for succession planning, board/director selection and board composition	Provides oversight and governance over the group's annual reporting, internal controls, risk management and relationship with external auditors	Agrees remuneration policy and sets individual compensation levels for directors and senior management
Committee Report page 46 and 47	Committee Report pages 43 to 45	Committee and Directors' Remuneration Reports pages 50 to 72

Executive Management Level Committees

Executive Team	Sustainable Business Committee	Health, Safety & Wellbeing Committee	Treasury Committee	Pensions Committee	Share Allotment Committee*	Architecture Group*	Incident Management Committee*

*Meets as and when required

The board

The board of directors currently has eight members, comprising the Non-Executive Chairman, Chief Executive Officer, Chief Financial Officer, four independent Non-Executive Directors and the PepsiCo nominated Non-Executive Director. At all times there has been at least half of the board, excluding the Chairman, who are independent Non-Executive Directors, in compliance with the Code.

The directors

The biographical details of the board members are set out on pages 34 and 35. All of the directors bring strong judgement to the board's deliberations. They have all occupied, or occupy, senior positions in UK and/or international companies (including listed companies) and have substantial experience across a range of businesses. Other than their fees, which are disclosed on page 66, the Non-Executive Directors received no remuneration from the company during the year. They also 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.

Re-election of directors

The company's articles of association provide that all directors will stand for re-election at least every three years but in order to comply with the Code, all of the directors submit themselves for re-election at each annual general meeting ('AGM').

The role of the board

The board is responsible for the long term success of the company, corporate governance, strategy, risk management and financial performance. 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 includes a detailed report on current trading and comprehensive briefing papers on matters where the board will be required to reach a decision. Senior executives below board level attend board meetings where appropriate to present business updates.

There is an established procedure for the preparation and review by the board of 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 at each of its meetings. All major investment decisions are usually subject to post-completion reviews. At least one of the board's regular meetings every year is devoted to reviewing and agreeing the company's long-term strategy.

Board committees

The board is assisted by three board committees (as shown in the above governance framework diagram) to which it delegates specific responsibilities. Each committee has full terms of reference that have been approved by the board and which can be found on our website at britvic.com/corporate-governance.aspx

Company Secretary

The Company Secretary maintains a record of attendance at board meetings and committee meetings, further details of which are set out on page 42 and within the respective committee reports between pages 43 and 72. The Company Secretary's other responsibilities include ensuring good information flows to the board and its committees and between senior management and the Non-Executive Directors, advising the board on all legal and corporate governance matters and assisting the Chairman in ensuring that the Directors have suitably tailored and detailed induction and ongoing professional development programmes.

The role of the Chairman and Chief Executive Officer

The Chairman is primarily responsible for the workings of the board; to ensure that its strategic and supervisory role is achieved and for ensuring effective communication with shareholders.

The Chairman works closely with the Chief Executive Officer to ensure that the strategies and actions agreed by the board are implemented and provides support and appropriate advice to the Chief Executive Officer. The Chief Executive Officer is responsible for the day to day management of the business, developing the group's strategic direction for consideration and approval by the board and implementing agreed strategy. He is supported by the other members of his executive team.

The different roles of Chairman and Chief Executive Officer are acknowledged. A responsibility statement for each of those roles has been agreed with the Chairman and Chief Executive Officer, respectively, and adopted by the board.

During the year the Chairman met with the Non-Executive Directors without the Executive Directors present to evaluate their performance and the Non-Executive Directors met without the Chairman present, to evaluate his performance.

Executive Team

The board has delegated appropriate responsibilities to the Executive Team, the membership of which is shown below. The Executive Team meets 11 times a year and is 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.

In addition, there are a number of committees which meet to consider various issues involved in the day-to-day management of Britvic and matters for recommendation to the board and its committees. Details of these committees are set out within the governance framework diagram.

Simon Litherland

Chief Executive Officer

See full biography on page 34.

John Gibney

Chief Financial Officer

See full biography on page 34.

Doug Frost

HR, IT & Change Director

Doug Frost was appointed Human Resources Director in 2004. He has since also assumed responsibility for IT and more recently the newly established Programme Management Office. Doug previously worked for 15 years with Mars Incorporated in positions in manufacturing, sales and human resources. He started his career in the UK, then worked across several continental European markets and latterly spent several years in Latin America.

Kevin Donnelly

Country Director, Britvic Ireland

Kevin joined Britvic Ireland in September 2008 as Marketing Director and was appointed Country Director in June 2013. He has over 25 years experience in sales, marketing and general management in FMCG companies, including Unilever and Dairygold. Kevin holds a First Class Honours Degree in Marketing from Trinity College Dublin and a Post Graduate Diploma in Digital Marketing.

Paul Graham

GB General Manager

Paul has worked in the FMCG industry for 20 years holding a number of commercial roles across Mars Confectionery, United Biscuits and joined Britvic in September 2012. He was appointed to the role of GB General Manager in July 2013 and is currently supporting the change programme within the GB business to create a category led commercial organisation, with focus on innovation and great customer management. Paul has a BSc in Management Sciences from the University of Manchester.

Simon Stewart

International Managing Director

Simon joined Britvic in 2008 as Group Marketing Director from EMAP, where he was Chief Marketing Officer. Simon began his marketing career with the Coca-Cola Company in Australia and over eight years operated across brand management and strategic development. Simon was based in Sydney and Atlanta before finally moving on to Marketing Services for the South Pacific region. He then moved to Diageo where he ultimately became Vice President Marketing for the Smirnoff brand. Simon subsequently joined Allied Domecq as Senior Vice President of Marketing where he was responsible for global marketing of the Allied Domecq brands, moving to the position of Chief Marketing Officer in his final year with the company.

Clare Thomas

General Counsel and Company Secretary

Clare Thomas joined the group as General Counsel and Company Secretary in September 2013 and has responsibility for the legal, audit and risk, company secretarial, estates and plc quality, safety and environment teams. Clare has a corporate and commercial legal background and prior to joining Britvic spent 15 years as a corporate / M&A lawyer at law firm Addleshaw Goddard LLP, including six years as a partner, with a particular focus on FMCG clients.

Jean-Luc Tivolle
Managing Director, Britvic France

Jean-Luc Tivolle was appointed Managing Director of Britvic France 2010, after 14 years as Vice-Chairman of Fruité Entreprises, which was acquired by Britvic at that time. Prior to this, he held senior roles in Tetra Pak and a variety of positions at Chocolat Poulain (Cadbury Schweppes Group).

Matt Barwell
Chief Marketing Officer

Matt is responsible for Britvic's global marketing, innovation and sustainability strategies. He joined Britvic from Diageo in 2013 where he held a number of senior positions over 15 years including Marketing and Innovation Director, Africa. Matt started his career with Mars where he worked for 10 years in both the confectionary and pet food businesses.

Senior independent director

The Senior Independent Director is available to shareholders if they have concerns which are not resolved through the normal channels of Chairman, Chief Executive Officer or Chief Financial Officer, or for which such contact is inappropriate.

From left to right:
John Gibney, Doug Frost, Simon Stewart, Paul Graham, Simon Litherland, Jean-Luc Tivolle, Clare Thomas, Matt Barwell, Kevin Donnelly

Tenure of Non-Executive Directors

The Code provides that the length of tenure is a factor to consider when determining the independence of Non-Executive Directors. The table below shows the tenure and independence of each of our Non-Executive Directors since the date of their first election by shareholders.

	Date first elected by shareholders	Years from first election to 2015 AGM	Considered to be independent by the board
Gerald Corbett	January 2007	8	[1]
Joanne Averiss	January 2007	8	No[2]
Ben Gordon	January 2009	6	Yes[2]
Bob Ivell	January 2007	8	Yes[2]
Ian McHoul[3]	-	-	Yes[2]
Silvia Lagnado[4]	-	-	Yes[2]

Notes:
1 The company considers that, on appointment, the Chairman was independent for the purposes of provision A.3.1 of the Code.
2. Joanne Averiss is Senior Vice President Law, General Counsel, Europe of Pepsico and is the PepsiCo d Non-Executive Director. Accordingly she is not considered to be independent by the board. 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. With the exception of 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 B.1.1 of the Code that could materially interfere with the exercise of independent and objective judgement.
3. Appointed on 10 March 2014 and will stand for election at the AGM.
4. Appointed on 2 June 2014 and will stand for election at the AGM.

Service contracts and letters of appointment

Details of the Executive Directors' service contracts and the Chairman's and the Non-Executive Directors' letters of appointment are set out in the Directors' Remuneration Report on page 72. The letters of appointment of Gerald Corbett, Joanne Averiss, Ben Gordon and Bob Ivell have been extended for a further three year term to 14 December 2017 with the exception of Ben Gordon whose letter of appointment runs to 14 April 2017. This will allow the board time to successfully recruit successors for both Bob and Gerald, in due course, and to enable a sufficient handover. These documents are available for inspection at the registered office of the company during normal business hours and at the AGM.

Conflicts of interest

The company's articles of association 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, whether matter-specific or situational, is only effective if it is agreed without the participation of the conflicted director(s), 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 an established procedure whereby actual or potential conflicts of interest are reviewed annually and for the appropriate authorisation to be sought prior to the appointment of any new director or if a new conflict arises. The board authorised, as a potential conflict of interest, the Chairman's appointment as a member of the Advisory Committee of Spencer Stuart, whom the Nomination Committee, having also received a presentation from another service provider, had appointed during the year for the purpose of recruiting the two newly appointed Non-Executive Directors and, more recently, to assist with the search for a successor to the Senior Independent Director.

Induction and development

The Chairman 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, Ireland and France. 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. Every director has access to appropriate training as required subsequent to his appointment and is encouraged to develop his understanding of the company. To strengthen the directors' knowledge and understanding of the company, board meetings regularly include updates and briefings on specific areas of the company's activities and board meetings, where possible, are held offsite at other Britvic sites.

Following Ian McHoul's and Silvia Lagnado's appointments to the board, the Company Secretary arranged a comprehensive induction programme for each. The programme was tailored based on their experience and background and the requirements of their roles. For Silvia, a one-to-one meeting was arranged with our external legal advisors to discuss the duties and requirements of being a UK listed company director. Acknowledging Ian's in-depth understanding of the UK company listing regime, his induction focused primarily on his role as a director and the role of the board in general. Both inductions included one-to-one meetings with members of the Executive Team and with the Director of plc Finance and Investor Relations.

Independent 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.

Independence

In light of the performance review, the board considers the performance of each director to be effective and has concluded that the board and its committees provide the leadership and control required. Tenure is just one indicator of potential non-independence and the experience and knowledge of Bob Ivell, who has served on the board for almost eight years since his first election by shareholders, will be important in facilitating a structured handover and in providing continuity during the search for and following the appointment of his successor.

Indemnification of directors

In addition to the indemnity granted by the company to directors in respect of their liabilities incurred as a result of their office in accordance with our articles of association, we maintain a directors' and officers' liability insurance policy throughout the year. Neither our indemnity nor the insurance provides cover in the event that a director has proven to have acted dishonestly or fraudulently.

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 team 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;
- Monitoring and maintenance of insurance cover to insure all risk areas of the group;
- Financial performance, within a comprehensive financial planning and accounting framework, including budgeting and forecasting, financial reporting, analysing variances against plan and taking appropriate management action;
- Capital investment and asset management performance, with detailed appraisal, authorisation and post investment reviews; and
- Principal risks and risk management processes, which accords with the Turnbull guidance published by the FRC in October 2005 and is supported by reports from the Director 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 board has delegated the management of risk to the executive team, chaired by the Chief Executive Officer, which reviews the risk register on a quarterly basis, and reports to the Audit Committee.

Management, with the assistance of the finance function, is responsible for the appropriate maintenance of financial records and processes that ensure all financial information is relevant, reliable, in accordance with the applicable laws and regulations, and distributed both internally and externally in a timely manner. A review of the consolidation and financial statements is completed by management to ensure that the financial position and results of the group are appropriately recorded, circulated to members of the board and published where appropriate. All financial information published by the group is subject to the approval of the board, on the recommendation of the Audit Committee.

Board performance evaluation

2013 Evaluation	Recommendations	Actions agreed and delivered in 2013-14
	Increase focus on Non-Executive succession planning and also executive talent management.	Two new Non-Executive Director appointed during 2014. A refresh of the talent and succession management process within the organisation has also commenced.
	Revisit the board skills matrix and match candidate specifications to the new strategy.	Job profiles created and matched with candidate profiles for two new Non-Executive Director appointments which included additional FMCG and international skills.
	Ensure development plans and detailed induction processes for new directors are put in place.	Appropriately detailed and individually tailored induction plans were agreed with, and implemented for, each of the new Non-Executive Directors.
	Create more opportunities for the Non-Executive Directors to interact more frequently with senior management outside of board meetings.	Board lunches are now held on board meeting days (at head office and off-site at Britvic sites) to which members of the Executive Team and other senior management are invited.
	Create more opportunities for the board to discuss significant risks at board meetings, particularly in relation to the operational side of the business.	A significant improvement to risk articulation has been made and more time is now allocated to risk on the board agenda.
	Improve the content and timeliness of circulating board papers in advance of board and committee meetings.	The quality of pre-reads has improved to include deeper analysis and review. The Secretariat is also reviewing electronic board portals to support a more efficient process for circulation of board papers.
2014 Evaluation	**Recommendations**	**Actions agreed in 2014**
	Continue to focus on succession planning for a successor to the Senior Independent Director and other key positions and on talent management development.	The recruitment process is underway to find a successor to Bob Ivell. The Nomination Committee is also keeping the Chairman's succession under review.
	Opportunities to develop relationships amongst board members and Non-Executive Directors to spend more time in the business, including trade visits.	Informal occasions when the board can be together without the management present are being arranged as well as trade visits for the Non-Executive Directors.
	Request for more updates on the board committee activities.	More time to be spent on board agenda, updating members of the board on the activities of the committees.

Each year the performance of the board, its committees and directors is evaluated. As required by the Code, every third year the evaluation should be conducted by an external adviser. Following the externally facilitated evaluation in 2013, the board felt it was appropriate to conduct an internal board and committee review in 2014.

The 2014 evaluation was led by the Chairman with the assistance of the Company Secretary. The appraisal questionnaires used in the process were wide-ranging and based on questions outlined in the Code, covering both the performance of the board and its committees and that of the Chairman. The questions were designed to encourage broad discussions on the performance and effectiveness of the board and its procedures as well as the effectiveness of the Chairman.

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 by the Chairman following a meeting with each of the other directors.

The findings were presented to the board and the Nomination Committee together with a proposed action plan. The balance between the Board and its committees was felt to be appropriate and no changes in this area were identified outside of the rotation of directors agreed as part of the board's ongoing succession planning.

A table of actions arising from this and the prior year's performance evaluation is set out above and progress against these actions will be monitored by the board throughout the year.

Risk management process

Britvic operates a robust risk management process that has been further strengthened over recent years. Further details can be found on page 7. Through its monitoring processes, the board has conducted a review of the effectiveness of the system of internal control during the year. 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 date of approval of this report.

Attendance at meetings of the board

The attendance of directors at board meetings during the year was as follows:

Membership and attendance	Number of meetings attended/held
Gerald Corbett	10/10
Simon Litherland	10/10
Joanne Averiss	10/10
John Gibney	9/10
Ben Gordon	10/10
Bob Ivell	10/10
Ian McHoul[1]	6/6
Silvia Lagnado[1]	3/3
Michael Shallow[2]	8/8

Notes:
1. Meetings attended by Ian McHoul and Silvia Lagnado subsequent to their appointments on 10 March and 2 June 2014, respectively.
2. Meetings attended by Michael Shallow up until his date of resignation on 1 July 2014.

The board scheduled 10 meetings during the year excluding ad hoc conference calls and committee meetings to approve the financial results.

Shareholder Engagement

Investor Relations

The board is committed to maintaining good communications with shareholders. Senior executives, including the Chairman, Chief Executive Officer and Chief Financial Officer, have regular dialogue with individual institutional shareholders in order to develop an understanding of their views which is then discussed with the board. All directors are offered the opportunity to meet with major shareholders to listen to their views and, in addition to a monthly report prepared by the Chief Financial Officer, receive regular reports prepared by an independent capital markets advisory firm which provides comprehensive information relating to the company's major shareholders.

Presentations are made to analysts, investors and prospective investors covering the annual and interim results and the company seeks to maintain a dialogue with the various bodies which monitor the company's governance policies and procedures. The Strategic Report set out on pages 1 to 29 details the financial performance of the company as well as setting out the risks it faces.

Private Investors

We are keen to hear the views of our private shareholders and we encourage them to use our shareholder mailbox (investors@britvic.co.uk) for detailed inquiries and to access our website for our company reports and business information. The website also provides direct access to Shareview (www.Shareview.co.uk) which enables shareholders to manage their shareholding account online. Specific inquiries to the Company Secretary may be sent to the Secretariat mailbox (company.secretariat@britvic.co.uk) or sent to the registered office.

At the AGM, the Chief Executive Officer gives a regular update on the positioning and outlook for the business. Shareholders are invited to ask questions formally during the meeting and to follow up these discussions with directors on a one to one basis afterwards. The chairmen of the board committees and the Senior Independent Director are present and available to respond to questions at the AGM. We look forward to welcoming all our shareholders to our 2015 AGM in January and to updating them on our business developments.

Audit Committee

Ian McHoul
Audit Committee Chairman

I am delighted to have been appointed to the role of chair of Britvic's Audit Committee, taking over from Michael Shallow in June this year.

I have found the Committee to be well set up to undertake the key responsibilities described in the report below and have been pleased by the focus on governance and control that I have seen.

The Committee's undertaking to ensure appropriate oversight over the financial reporting, internal control processes and risk management is well supported by the reporting and insight provided by management, internal audit and the external auditors. Additional information and reporting has been provided on request and there is an open dialogue between the Committee and the Director of Internal Audit and Risk and the external auditors throughout the year.

The Committee discusses a broad range of topics and raises challenges and questions to support understanding and ensure that all appropriate considerations have been made. The most significant matters discussed over the course of the year are described in the report below.

Over the course of this year we have also discussed the impact of the new EU legislation regarding external audit on our business, particularly in relation to the re-appointment of our existing external auditors and tender process that was planned for FY15. Given that the detail of how this legislation will be adopted in the UK is not yet determined in full, we have decided to defer the tender until such time as this is clear, to ensure that we are in the best place to fully comply with the new requirements.

Objective

To provide independent scrutiny of the group's financial reporting, the internal control environment and processes in place to monitor this, the adequacy of the risk management framework and the activities of the external auditors.

Responsibilities

- Reviewing the financial results announcements and financial statements and any significant financial reporting issues and judgements which they may contain;
- Advising the board on whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy;
- Ensuring compliance with applicable accounting standards and reviewing the appropriateness of accounting policies and practices in place;
- Assessing the adequacy of the internal control environment and the processes in place to monitor this, including reviewing the activities and performance of the internal audit team;
- Reviewing risk management processes and considering the adequacy of the actions being taken to identify risks and reduce the exposure of the group to those risks;
- Overseeing the relationship with the external auditors, reviewing their activities and performance and advising the board on their appointment and remuneration;
- Ensuring appropriate safeguards are in place for individuals to raise issues with the board where a breach of conduct or compliance, including any financial reporting irregularity, is suspected.

Membership and meetings

Membership and Attendance	Number of Meetings Attended/Held
Ian McHoul[1] (Chairman)	3/3
Bob Ivell	4/4
Ben Gordon	4/4
Michael Shallow[2]	3/3

Notes:
1. Meetings attended by Ian McHoul subsequent to his appointment on 10 March 2014.
2. Meetings attended by Michael Shallow up until his date of resignation on 1 July 2014.

The Committee comprises independent Non-Executive Directors, Ben Gordon, Bob Ivell and myself as Chairman. The board is satisfied that I have recent and relevant financial experience as required by the Code, being a serving finance director with Amec Foster Wheeler plc.

The Committee typically meets three times a year; in November and May to review the annual report and accounts and interim report respectively and to consider the external audit findings, and in September to review the activities of the previous year, the plan for the year ahead and to consider any emerging issues. At each meeting the performance and findings of the internal audit team are reviewed and the most recent key risks are considered. An additional meeting was held during the year, in March, to approve additional non-audit consulting spend with the company's auditors in respect of the final phase of the Value Organisation Programme.

Attendees at each of the meetings are the Committee's members as well as, by invitation, the Chief Executive Officer, the Chief Financial Officer, the Group Financial Controller, the General Counsel, the Director of Audit and Risk and the external auditor, Ernst and Young LLP.

Each meeting allows time for the Committee to speak with key people without the presence of the others, in particular the external auditor and the Director of Audit and Risk.

Main activities during the year

The Committee supports the board in carrying out its responsibilities in relation to financial reporting, risk management and assessing internal controls. It also reviews the effectiveness of the company's internal audit function and manages the relationship with the external auditor. The Audit Committee also ensures that the company has appropriate provision for confidential and impartial whistle blowing in line with good practise.

Committee meetings usually take place prior to a board meeting, where I report to the board on the activity of the Committee and matters of particular relevance to the board.

Following the revision to the UK Corporate Governance Code, which applies to financial years commencing on or after 1 October 2012, the board asked the Committee to advise them on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

The Committee's terms of reference have been amended to reflect this and can be found on our website at britvic.com/corporate-governance.aspx

The Committee undertook the following activities during the course of the year to discharge its responsibilities:

Financial reporting

The role of the Committee in relation to financial reporting is to ensure that the half year and annual financial statements are appropriate. Reviews are carried out with both management and the external auditor through the year, and focus areas include evaluating whether:

- The annual report and financial accounts represent a fair, balanced and understandable view of information for shareholders;
- The financial statements comply with all applicable financial reporting standards and any other required regulations;
- Material areas of significant judgement have been given due consideration by management and reviewed with external auditors;
- The application of acceptable accounting policies and practices is consistent across the group;
- The disclosures provided are clear and as required by financial reporting standards;
- Any correspondence from regulators has been received in relation to our financial reporting.

The reviews are based on information provided by the Chief Financial Officer and his team as well as reports from the external auditor based on the outcomes of their half year review and annual audit.

Primary areas of focus considered by the Committee in relation to the 2014 accounts, and how these were addressed were:

Valuation of goodwill and indefinite lived assets

The review of goodwill and intangible assets is based on a calculation of value in use, using cash flow projections based on financial budgets prepared by senior management and approved by the board of directors. The challenging economic conditions in the UK and Europe increase the risk of impairment and the committee addressed this by receiving reports from management outlining the basis for assumptions used for cash generating units together with sensitivities. Business plans are signed off by the board and assessment models are reviewed as part of the audit, for which the external auditor, Ernst & Young LLP, provide reporting to the Committee.

Revenue recognition

The group recognises revenue when goods are delivered and accepted by customers. The Committee reviewed the testing and controls of the revenue cycle, including long term discounts, promotional discounts and account development funds to ensure that a consistent IFRS compliant policy is in place and it is complied with. In addition in 2014 the Committee requested and reviewed papers prepared by management on governance process and controls, with particular reference to the application of discounts for major customers.

Exceptional items

The Committee reviewed the classification and disclosure of exceptional items, defined by the group as significant items of income and expense which because of the size, nature and infrequency merit separate presentation.

Derivative and hedging activities

The group has derivative instruments to which hedge accounting is applied and which swap principal and interest of US Private Placement notes. The Committee reviewed comparisons of valuations to external confirmations, assessment of hedge effectiveness and the quality of financial statement disclosures including new requirements from the introduction of IFRS 13.

Taxation

Any uncertain tax positions within the group were reviewed to ensure that the balance sheet provisions are appropriate and the group effective tax rate is calculated at an acceptable level.

Defined benefit pension scheme valuation

The Committee reviewed benchmarks and assumptions that are provided by the group's actuaries and used to value the pension liabilities for the three defined benefit schemes. The underlying assumptions based on market conditions and the characteristics of the schemes are reviewed by management and the external auditors and reported on to the Committee.

Internal audit and control

The Committee agreed the audit plan to be undertaken by the Internal audit team prior to the start of the year and, during each of the meetings throughout the year, progress against this plan was reviewed. The plan was assessed on the basis of providing appropriate coverage over the internal control environment to provide the Committee with a balanced overview across the group, taking into account the level of risk and previous coverage. Additional areas of review were added to the plan as required where circumstances gave rise to an increased level of risk and any changes to the agreed audit plan were agreed by the Committee. The Committee received an update from the Director of Audit and Risk at each meeting summarising the findings of the internal audits undertaken and the progress made against actions agreed from previous audits. Detailed updates on specific areas are provided at the request of the Committee.

Risk management

The risk management process is reviewed annually by the Committee to ensure that it is set up to deliver appropriate risk management across the group. The risk management process is continually improving, in particular in relation to embedding across new and developing areas of the business. The Committee believe that the improvements will continue to strengthen the way that the business understands and manages risk. In addition, the Committee reviewed the key risks on the corporate risk register at the time of each meeting. A detailed report was provided to the Committee from the Director of Audit and Risk, showing movements in major risks and an update on risk mitigation activity undertaken in relation to those risks. A summary of the key risks and uncertainties to which the business is exposed to can be found on pages 28 and 29.

External audit

There are a number of areas that the Committee considers in relation to the external auditors; their performance in discharging the audit and interim review of the financial statements, their independence and objectivity, and their reappointment and remuneration.

External auditor performance

The external auditors, Ernst and Young LLP, provided the Committee with their plan for undertaking the year end audit at the Committee meeting in May 2014. This highlighted the proposed approach and scope of the audit for the coming year and identified the key areas of audit risk, including the audit approach for these areas. These key areas were primarily identified as areas of judgement and complexity and included the carrying value of goodwill and indefinite lived assets, the accounting for the group's derivatives and hedging activities, revenue recognition and the valuation of the defined benefit pension scheme. The Committee reviewed and appropriately challenged the basis for these before agreeing the proposed approach and scope of the external audit.

The external auditors prepared a detailed report of their audit findings at the year end, which they took the Committee through at the meeting in November. The findings were reviewed and discussed in detail by the Committee, particularly in relation to the areas highlighted above. A similar review of the external auditors' report of their findings at the half year review is undertaken by the Committee. As part of this review the Committee questioned and challenged the work undertaken, the findings and the key assumptions made, with particular attention to the areas of audit risk identified.

Independence and reappointment

The Committee reviews the independence of the auditors when considering their reappointment following the year end close each year, and during the year. The external auditor is required to rotate the lead audit partner every five years. The current lead auditor partner began his tenure for the financial year ended 30 September 2012. Ernst and Young LLP have been the company's auditors since its stock market listing in 2005 (9 years). During that time the external audit has not been formally tendered; however, the Committee will continue to regularly consider this in accordance with the audit tendering provisions in the UK Corporate Governance Code and EU legislation.

I have regular contact with the external audit partner outside of Committee meetings and without the management of the business present.

The group has a policy regarding the provision of non-audit services by the external auditors, based on common practice of a maximum audit to non-audit fee ratio of 1:1, except in exceptional circumstances. There will be a transition to this policy with the intention to implement for the financial year ending 27 September 2015. In the meantime, control over non-audit fees is exercised by ensuring non-audit projects, where fees are expected to exceed £50,000, are subject to my prior approval and that of the Chief Financial Officer. If non-audit fees on a certain project are expected to exceed £150,000, prior approval of the Audit Committee is required.

The Committee has scrutinised the internal procedures of the company's auditors, Ernst & Young LLP, during the year and satisfied itself that the independence and objectivity of the external auditors has not been affected by the non-audit work undertaken by them. Non-audit fees are disclosed in note 7 to the report and accounts. The Committee has reviewed the recent EU legislation and response from the UK regulatory bodies and considered the impact on the reappointment of the external auditors. The company had intended to tender the external audit for the FY15 financial year end however given the EU regulatory changes and the uncertainty about how these will be adopted in the UK this has been deferred until the detail of the new regulations in the UK is clear.

Nomination Committee

Gerald Corbett
Nomination Committee Chairman

Objective

To lead the process for board and senior management appointments and to make recommendations to the board.

Responsibilities

The Committee is responsible for considering and recommending to the board candidates who are appropriate for appointment as Executive and Non-Executive Directors and for other senior management roles, so as to maintain an appropriate balance of skills and experience within the company and on the board and to ensure progressive refreshing of the board.

Membership and meetings

Membership and Attendance	Number of Meetings Attended/Held
Gerald Corbett (Chairman)	4/4
Bob Ivell	4/4
Ben Gordon	4/4
Ian McHoul[1]	3/3
Michael Shallow[2]	3/3

Notes:
1. Meetings attended by Ian McHoul subsequent to his appointment on 10 March 2014.
2. Meetings attended Michael Shallow up until his date of resignation on 1 July 2014.

The Committee comprises independent Non-Executive Directors, Ben Gordon, Bob Ivell and Ian McHoul and myself as Chairman. The Chief Executive Officer also attends by invitation.

The Committee meets as necessary and at least twice a year.

Main activities during the year

The Committee considered and made recommendations to the board in respect of:

- The appointment of two Non-Executive Directors (details of the recruitment process are is set out below);
- Review of the board and committee membership following the changes to the composition of the board;
- Succession planning for a successor for Senior Independent Director to Bob Ivell and my role as Chairman; and
- Review the findings of the board evaluation (for more information see page 41).

Appointment of Directors

There is a formal, rigorous and transparent procedure for the appointment of new directors to the board under which the Committee interviews suitable candidates who are proposed either by existing board members or by an external search firm. Careful consideration is given to ensure proposed 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 discussions relate to the appointment of my successor, the Senior Independent Director chairs the Committee instead of me. When the Committee has found a suitable candidate, as Chairman of the Committee, I make a proposal to the whole board, which has retained responsibility for all such appointments. I also report on the outcome of Committee meetings to the board.

During the year, we welcomed Ian McHoul and Silvia Lagnada to the board. Michael Shallow also stepped down from the board.

Appointment processes

Non-Executive Director

The recruitment procedure described above was undertaken during the year for the appointments of Ian McHoul and Silvia Lagnado. The Nomination Committee appointed Spencer Stuart, which held no other existing relations with the company, as the search consultancy, and the following process was undertaken:

- role profiles were prepared against which potential candidates were considered;
- as Chairman, I interviewed an initial list of candidates, from which a shortlist of preferred candidates was selected;
- other Non-Executive and Executive board members interviewed the shortlist of candidates and provided feedback to the Committee;
- the Committee considered these views in its deliberations before recommending a preferred candidate to the board; and
- the board approved the appointment as recommended.

Succession planning

Succession planning has been an area of focus of the Committee during the year. This has included the independence of longer standing members of the board, in particular, Bob Ivell, Senior Independent Director and Chairman of the Remuneration Committee and also my own succession as Chairman.

Succession planning below board level is also important.

Diversity

The Committee monitors diversity on behalf of the board. At Britvic, we see diversity as a wider topic than simply gender and the board recommend to the company that, in order to achieve its future growth aspirations, it should remain committed to building a pipeline of diverse talent and to regularly review its HR processes, including recruitment and performance management frameworks.

I am pleased to say that we have a number of women in senior management roles and that we have been in a position to welcome a further female director to the board during the year. The directors' view, however, remains that we do not feel in a position to publish a target of the percentage of women on the board. Further details of the company's statistics on gender diversity may be found on page 8 of the Strategic Report.

Board evaluation

Details of the review of the board and its committees, including this committee and my effectiveness as Chairman, undertaken during the year can be found on page 41.

Having reviewed the results of the evaluation, the Committee has confirmed to the board that the present board and its committees continue to operate effectively and that all of the Non-Executive Directors remained independent in accordance with the Code and should stand for re-election (or election in the case of Ian McHoul and Silvia Lagnado) at the AGM.

making life’s everyday moments more enjoyable

a stroll in the park

Remuneration Committee

Bob Ivell
Remuneration Committee Chairman

Objective

To agree remuneration policy and to set individual compensation for directors and senior management.

Membership and meetings

Membership and Attendance	Number of Meetings Attended/Held
Bob Ivell (Chairman)	5/5
Gerald Corbett	4/5
Ben Gordon	5/5
Ian McHoul[1]	3/3
Michael Shallow[2]	2/2

Notes:
1. Meetings attended by Ian McHoul subsequent to his appointment on 10 March 2014.
2. Meetings attended by Michael Shallow up until his date of resignation on 1 July 2014.

The Committee comprises Gerald Corbett, Ben Gordon, Ian McHoul and myself, as Chairman. The company Chairman and Chief Executive Officer (who may attend by invitation) do not attend meetings when their individual remuneration is discussed.

The Committee meets as necessary and at least three times a year. As Chairman, I report on the outcome of the Committee's meetings to the board.

Main activities during the year

Full details of the Committee's responsibilities and of its activities are set out in the Directors' Remuneration Report on pages 51 to 72.

Committee evaluation

The Committee was included in the board evaluation performed during the year, the details of which can be found on page 41.

Directors' remuneration report

Annual Statement from the Chairman of the Remuneration Committee

I am pleased to present the Directors' Remuneration Report for the year ended 28 September 2014, which was a strong year for Britvic and our shareholders.

The contents of this annual statement provide an overview of the remuneration outcomes for the period ending on 28 September 2014 and also cover the changes that we intend to make to the Remuneration Policy for directors from the 2014/15 year along with the supporting rationale.

The remainder of the report sets out:

- An 'at a glance' summary of the key pay decisions taken over the year and proposed Remuneration Policy for directors in 2014/15 and beyond
- The proposed Remuneration Policy for directors that will take effect subject to shareholder approval from the Annual General Meeting (AGM) in January 2015
- The annual report on remuneration which is subject to an advisory shareholder vote at the January 2015 AGM and sets out the detail of payments made to directors in respect of the year ended 28 September 2014

This is the first Britvic remuneration report prepared under the new remuneration reporting regulations and it is the intention of the Remuneration Committee (the Committee) to operate the proposed Remuneration Policy from the January 2015 AGM for a period of three years. However it may be necessary to bring amendments to the Remuneration Policy back to shareholders for approval in advance of this in certain circumstances (e.g. such as a significant unanticipated strategic change to the company).

Remuneration outcomes from 2013/2014

As a result of our performance against profit before tax, net revenue and cash flow targets set at the outset of the year annual bonus pay outs for Executive Directors are at 72% of maximum which reflects another strong year for Britvic.

Against the three-year EPS, TSR and ROIC performance conditions attaching to our long-term incentive awards made in December 2011 the Executive Directors' share options (ESOP) will vest at 69% of maximum and the Performance Share Plan (PSP) will vest at 50% of maximum.

In line with the remuneration reporting regulations, details of the performance targets and actual achievement against these are set out in the Annual Report on Remuneration.

Proposed Remuneration Policy for 2014/15 and beyond

During the year, the Committee undertook a review of remuneration to ensure our Executive Directors and senior leadership team participate in a simple and effective set of incentive arrangements that are directly aligned with our growth ambitions. In undertaking the review, we also carefully considered the views of our shareholders, market practice and the wider governance environment as well as consulting with many of our largest shareholders and other stakeholders.

As a result of the review we have made a number of key changes to our Remuneration Policy for 2014/15 and beyond. For all senior management participants we propose to simplify and improve the alignment of our long-term incentive plans (LTIPs) with our growth ambitions by using a common EPS metric across both the PSP and ESOP. While this creates a simpler focus for participants on long-term EPS growth, we will retain a link of 25% of the PSP to our relative Total Shareholder Return (TSR) performance against an identified group of comparators. To further simplify and take account of our growing international footprint we have decoupled the link to RPI for the EPS measure and have moved to an absolute EPS growth metric designed to reflect stretching long-term performance standards over the future business cycles. The revised EPS range is more challenging than that used in prior years and we have reduced vesting for threshold performance to 20% of the maximum award to further strengthen the link between pay and performance and reflect emerging investor views on this point.

In recognition of feedback received from some investors during the consultation period, the Committee will also consider underlying ROIC performance delivered over the performance period prior to determining the final vesting outcome of the PSP and may scale back vesting if appropriate for the level of EPS growth achieved.

Finally, for the CEO, the Committee intends to increase his maximum PSP award to 150% of salary to recognise his and Britvic's continued strong performance by aligning his total package more closely with market norms for a company of Britvic's size and scope. In addition and in recognition of investor feedback, the Committee also intends to double the CEO's long-term shareholding requirement to 200% from the current 100% of salary. This change will ensure his interests remain closely aligned with sustained long-term value creation for our shareholders and also consistent with emerging best practice guidance.

In addition, as the rules for the current PSP and ESOP will expire in 2015, a new set of rules for these plans will be submitted to shareholders for approval at the AGM in 2015. The new rules are materially the same as the current rules and are in line with the proposed policy set out in this remuneration report.

The Committee strongly believes that our simplified remuneration policies will support Britvic's plans to grow our core and international businesses, provide an appropriate balance of growth and returns in our long-term incentive mix and ensure a strong line of sight for participants between performance and reward.

The Committee and I are also committed to ensuring an open dialogue with our shareholders and recognise there are a number of competing views across the various stakeholders. The proposed changes described above are intended to represent what the Committee believes to be an appropriate balance of opinions. Therefore, should you have any questions relating to our approach to executive remuneration, please feel free to contact me at investors@britvic.co.uk.

In the meantime, I look forward to receiving your support on both parts of the remuneration report at the January 2015 AGM.

Bob Ivell
Chairman of the Remuneration Committee

Britvic remuneration at a glance

This section summarises the remuneration outcomes for the 2013/14 year, how the proposed Remuneration Policy will be implemented for 2014/15 and the link between remuneration and our strategy.

Single total figure of remuneration for Executive Directors 2013/2014

			£'000			
Executive Directors	Salary	Benefits	Bonus	LTIP	Pension	Total
Simon Litherland	546.2	21.1	552.0	672.0	139.5	1,930.8
John Gibney	355.9	20.5	308.3	923.9	80.9	1,689.5

Summary of incentive outcomes for 2013/14

Annual Bonus

Performance measure	Weighting (% of bonus maximum)	Performance required for target payout £m	Actual performance £m	2014 bonus awarded (% of maximum) CEO	CFO
PBT[1]	50%	128.5	132.9	84.4%	84.4%
Revenue[1]	20%	1,397.0	1,359.7	0.0%	0.0%
Free cash flow[1]	30%	82.0	88.9	100.0%	100.0%
Total	**100%**			**72.2%**	**72.2%**

Note
1: Profit before tax (PBT) – Profit before tax before exceptional and other items
Revenue – Actual revenue performance translated at budgeted foreign exchange rates
Free cash flow – Cash flow excluding movements in borrowings, dividend payments, exceptional and other items

These measures and definitions are consistently used throughout this Remuneration Report.

Long Term Incentives

Plan	Performance conditions and targets set	Performance outcome	Level of award vesting for CEO and CFO (% of maximum)
ESOP	3-year EPS[2] growth of RPI + 3% - 7% p.a.	EPS growth in excess of RPI of 5.4% p.a. was achieved	69.0%
PSP	3-year Relative TSR (50% weighting): Ranking between median and upper quartile vs the comparator group 3-year average ROIC (50% weighting): 21.5% - 22.3%	Britvic's TSR was positioned in the upper quartile vs the comparator group ROIC of 20.7% was achieved	50.0%

Note
2: EPS – Adjusted diluted earnings per share

This definition is used consistently throughout this Remuneration Report.

Summary of intended implementation of proposed Remuneration Policy for 2014/15

	Summary for 2014/15	Notes
Base Salary	CEO: £560,000 increasing to £580,000 from 1 January 2015 CFO: £360,000 increasing to £374,400 from 1 January 2015	The Committee have agreed to increase base salaries by 3.6% to £580,000 for the CEO and 4% to £374,400 for the CFO from 1 January 2015 which is consistent with the 2% to 4% range planned for the wider GB-based staff.
Annual Bonus	Target and maximum opportunities are: • 70% and 140% of base salary for the CEO • 60% and 120% for the CFO The following performance metrics and weightings apply to the bonus: • PBT 50% • Revenue 20% • Free cash flow 30%	No change from 2013/14.
ESOP	The maximum opportunities are • 300% of base salary for the CEO • 250% of base salary for the CFO For ESOP grants made in 2014/15, performance is measured using EPS. 20% of the maximum award vests for achieving threshold performance of 6% p.a. EPS growth increasing on a straight line basis to 100% vesting for EPS growth of 12% p.a.	No change in award levels. EPS remains the performance measure for the ESOP awards albeit on a tougher performance range. Threshold vesting has been reduced to 20% for 2014/15 from 25% in 2013/14.
PSP	The maximum opportunity is 150% of base salary for the CEO and 100% for the CFO. For PSP grants made in 2014/15, performance on 75% of the award is measured using 3-year EPS growth. 20% of the maximum award vests for achieving threshold performance of 6% p.a. EPS growth increasing on a straight line basis to 100% vesting for EPS growth of 12% p.a.. The performance on the remaining 25% of the PSP award made in 2014/15 is based on 3-year relative TSR. 20% of the maximum award vests for achieving threshold performance of the median of the comparator group, increasing on a straight line basis to 100% vesting for upper quartile performance. The Committee will also consider underlying ROIC over the performance period to ensure it remains appropriate relative to the EPS growth delivered.	EPS (75% weighting) and TSR (25% weighting) have replaced the previous performance measures of TSR and ROIC which were equally weighted. Threshold vesting has been reduced to 20% for 2014/15 from 25% in 2013/14. A ROIC underpin has also been maintained.
Shareholding requirements	200% of salary for the CEO and 100% of salary for the CFO.	The CEO's requirement has increased from 100% of salary in 2013/14.

Linking remuneration and strategy

The table below sets out how Britvic's key incentives and their supporting performance metrics link to our strategy.

Incentive	Purpose	Metric	Link to strategy
Annual Bonus	To motivate employees and incentivise delivery of annual performance targets.	Profit before tax (PBT)	PBT is a measure of the company's financial performance and, in particular, how successful the company has been at accelerating its profitability from the various strategic initiatives in place. For bonus purposes PBT is pre-exceptional items and other items in order to reflect the underlying financial performance of the business.
		Revenue	Reflects the core strategic objective of growing revenues in all the company's markets, particularly in international markets.
		Free cash flow	Free cash flow is a measure of the company's financial health, a key corporate objective of improving cash conversion. It is vitally important in ensuring our ability to continue investing in international opportunities as well as maintain our goal of a progressive dividend policy.
LTIPs (ESOP and PSP)	To motivate and incentivise delivery of sustained, long-term performance and encourage share price and dividend growth over the performance period of the awards.	Three year EPS growth	EPS is an important long-term financial metric linked to long-term value creation for our shareholders and also supports our continued goal of a progressive dividend policy.
		Three year relative TSR	Relative TSR strongly links share price growth and dividends to the rewards executives receive. The relative nature of the measure ensures participants only receive awards if outperformance is achieved against a basket of peers.
		ROIC	Return on invested capital is an important financial discipline to ensure long-term investment returns to shareholders are value enhancing.

Directors' Remuneration Policy

The Remuneration Policy set out in this section is intended to apply for three years from the date of the 2015 AGM, subject to shareholder approval.

There is no intention to revise the policy more frequently than every three years. However the Committee will review the Remuneration Policy annually in order to ensure it remains aligned with the company's strategy, appropriately positioned against the market and aligned with corporate governance requirements.

In the event a change to the policy is required, the Committee will consult with Britvic's major shareholders prior to submitting the policy for approval by all shareholders.

Our overall approach to remuneration

The principal objective of our executive Remuneration Policy is to support a performance-based culture that will help drive the successful execution of our business strategy. We aim to provide competitive levels of remuneration opportunity for our senior Executives and leadership team, a significant portion of which is in the form of variable pay.

In setting the Remuneration Policy the Committee carefully considered corporate governance best practice and the company's environmental and social responsibilities.

Remuneration Policy table

The table below sets out the Remuneration Policy the Committee will apply to Directors in 2014/15 subject to Shareholder approval at the 2015 AGM.

Element and link to strategy	Operation	Maximum opportunity and payment at target	Performance measures
Base Salary *Element of fixed pay that reflects the individual's role, position, experience and contribution to the group.*	Base salaries are paid in cash and reviewed annually, with any changes normally taking effect from 1 January. Out of cycle reviews may be conducted if considered appropriate by the Committee. Base salaries are set with reference to comparator groups made up of similar sized UK listed companies (both pan-sector and from the food and beverages sector). The Committee also has reference to international food and beverages companies. Alternative peer groups may be considered depending on the location and domicile of Directors based outside of the UK.	Whilst there is no prescribed formulaic maximum, annual increases will normally be in the context of overall business performance and the level awarded to the general GB-based workforce. Higher increases may be made where there have been significant changes in the responsibility and accountability in a role, where there are large variances to the market, for example in the case of a new Executive Director appointed on a salary below the market median, or where there is a significant change in the relationship of the company relative to the peer group. Any significant increases will be fully explained.	n/a
Benefits *To provide market typical benefits which are valued by recipients and allow Executives to carry out their duties efficiently.*	Benefits and allowances include but are not limited to: annual car benefit (or allowance), membership of the company's private medical healthcare plan, and the ability to 'buy' or 'sell' holiday under the company's flexible benefits plan, payment of up to two subscriptions to recognised professional bodies, and life assurance. There is also a relocation policy which provides for reasonable expenses to be paid subject to the Committee's approval. Other benefits may be provided from time to time if considered reasonable and appropriate by the Committee and will be explained in the Annual Report on Remuneration for the relevant year.	The maximum levels of benefit provision are: • Provision of a company car or car allowance paid in cash. The company car rental cost would not exceed £10,800 and a cash allowance would not exceed £10,634 per annum • Private medical insurance on a private basis • The value of any professional subscriptions paid by the company may vary but would not be excessive • Life assurance cover of 4 times base salary The value of any relocation allowance provided is dependent on the relevant circumstances when the need arises. However the Committee would not pay more than necessary in such situations. Up to 5 days holiday may be sold at a prorated value of the individual's salary.	n/a

Element and link to strategy	Operation	Maximum opportunity and payment at target	Performance measures
Pension *Supports a market aligned compensation package and assists participants plan for retirement.*	Pension provision is provided in the form of a defined contribution (DC) pension or a cash allowance where the individual opts out of the pension scheme as a result of exceeding the tax efficient pension savings limits set by HMRC. A legacy defined benefit pension and Executive Top Up Scheme (BETUS), a securitised unfunded unregistered pension scheme, closed to future accrual on 10 April 2011. Current Executive Directors have accrued benefits under these arrangements.	For the defined contribution pension, the maximum annual contribution is: • 28% of base salary for the CEO • 25% of base salary for the CFO For the cash allowance, the maximum contributions reflect those under the DC pension less a deduction to ensure the cash allowance is broadly cost neutral to the company from a National Insurance perspective. A discounted one-off cash settlement of the BETUS may be offered to an eligible member of the legacy defined benefit plan who is leaving or retiring from the company.	n/a
Annual Bonus *To motivate employees and incentivise delivery of annual performance targets.*	Annual bonuses are paid after the year end of the financial year to which they relate. Targets are set at the beginning of the performance year which runs from the start to the end of each financial period. The Committee has the discretion to adjust the bonus outcome if the pure application of a formula is not felt to produce an appropriate result in light of overall underlying performance. In particular the Committee has the discretion to adjust payments downwards if profits have fallen. Any adjustment made using this discretion will be explained. Malus and clawback may be applied in respect of the bonus in certain situations where the payment of the bonus resulted from a material misstatement in the company's accounts or an error in the assessment of the satisfaction of a performance condition.	Target and maximum opportunities are: • 70% and 140% of base salary for the CEO • 60% and 120% for the CFO The level of payment at threshold is set on an annual basis but will not exceed 25% of the maximum award value.	The specific measures, targets and weighting may vary from year to year in order to align with the group's strategy, but always with a substantial proportion based on key financial metrics. For 2014/15 the annual bonus will be based 100% on key financial metrics. The performance conditions are set annually based on the metrics the Committee feels are most appropriate for the business and create value for shareholders. These may include, but are not limited to, profit, revenue and cash flow metrics. Strategic KPIs may be chosen to support particular objectives for the year. Annual bonus targets are set with reference to internal budgets and analyst consensus forecasts, with maximum pay-out requiring performance well ahead of budget. Further details of performance measures for the 2014/15 annual bonus are given on page 64.

Element and link to strategy	Operation	Maximum opportunity and payment at target	Performance measures
Long-Term Incentives – Executive Share Option Plan (ESOP) and Performance Share Plan (PSP) *To motivate and incentivise delivery of sustained, long-term performance and encourage share price and dividend growth over the performance period of the awards.* *The Committee believes that long-term incentive plan measures should be simple, aligned to sustainable long-term shareholder value creation as well as providing line of sight to management so that they are meaningful and incentivising.*	**ESOP** - Allows for annual grants of market value options. Awards vest after three years, subject to performance conditions. Options expire 10 years following the grant date. **PSP** - Allows for annual grants of performance share awards. Awards vest after three years, subject to performance conditions. Under the PSP participants are entitled to dividend equivalents between award and vesting in respect of awards that vest. Malus and clawback may be applied in respect of LTIP awards in certain situations where the vesting of an LTIP award resulted from a material misstatement in the company's accounts or an error in the assessment of the satisfaction of a performance condition.	**ESOP** -The maximum opportunities are: • 300% of base salary for the CEO • 250% of base salary for the CFO **PSP** - The maximum opportunity is 150% of base salary for the CEO and 100% for the CFO. Under the ESOP and PSP 20% of the maximum award vests for achieving threshold performance increasing to 100% of the maximum opportunity vesting for achieving maximum performance on a straight line basis.	The Committee chooses performance metrics measured over three years that support the company's long-term strategic priorities, provide a direct link with shareholder value and ensure a clear line of sight for participants between performance and reward. For ESOP grants made in 2014/15, performance will be measured using an EPS performance condition. For PSP grants made in 2014/2015, 75% of performance will be measured using the same EPS performance condition as for the ESOP, with the remaining 25% of performance measured using relative TSR. ROIC over the performance period will also be considered by the Committee in determining the level of vesting at the end of the period. EPS growth is a key measure of our success in growing value for shareholders over time. The setting of the EPS targets takes into account analyst consensus forecasts, internal projections, and the levels of performance required over the long-term to deliver absolute value appreciation for shareholders. Relative TSR strongly links share price growth and dividends to the rewards executives receive. The relative nature of the measure ensures participants only receive awards if outperformance is achieved against a basket of investment comparables. ROIC is an important financial discipline to ensure growth in the business continues to be value enhancing over the long-term. The Committee may adjust the performance measures for future awards and the weighting of these measures if it feels this will create greater alignment with business and strategic priorities. A significant change to the measures used would only be adopted following consultation with major shareholders.
Shareholding Guidelines *To encourage long-term share ownership by the Executive Directors so that interests are aligned with other long-term investors*	Executive Directors are to acquire and then hold a certain shareholding from the date of their appointment to the board. Until this holding is acquired, the Executive Directors may not sell any shares received through the long term incentives operated by the company other than to finance the cost of exercising share 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).	Shareholdings are set at 200% of base salary for the CEO and 100% for the CFO from the date of appointment to the board. The Committee will monitor progress on this requirement on an annual basis.	n/a

Element and link to strategy	Operation	Maximum opportunity and payment at target	Performance measures
All-employee Share Plans To allow Executives to participate in share plans on the same terms as other employees.	Executive Directors may participate in the Britvic Share Incentive Plan, which is an all-employee HMRC approved share plan open to employees based in Great Britain. The plan has three parts, all of which the Directors participate in: • Free share awards, which are made annually subject to the company's performance and at the discretion of the Committee • Partnership shares, which are purchased by employees through payroll deductions • Matching shares, which are provided by the employer to individuals purchasing partnership shares The Committee reserves the right to use its discretion to amend the operation of the all-employee share plan from time to time.	• Free share awards, up to a maximum of 4% of earnings, capped at £3,600 per annum. • Partnership shares, up to £1,800 per year. • Matching shares, on a one for one basis up to a maximum of £650 per year.	The Committee has the discretion to limit the free share awards in light of performance against internal profit targets.
Chairman and Non-Executive Director (NED) fees To attract and retain experienced and skilled Non-Executive Directors.	The fees paid to the Chairman are determined by the Committee, while the fees of the NEDs are determined by the Board with affected persons absenting themselves from the discussions as appropriate. Annual fees are paid to the Chairman and other NEDs on a monthly basis. Additional fees are paid to NEDs who are members of and who chair a board Committee and to the Senior Independent Director (SID). NED fee levels are periodically reviewed by the board (for NEDs) and the Committee (for the Chairman). Any increases to fees are normally effective from 1st January. NEDs do not participate in company incentive arrangements, and do not receive any form of pension provision. NEDs will be reimbursed by the company for all reasonable expenses incurred in performing their duties of office.	The maximum fee level for each NED is set by reference to fees paid in UK-listed companies of a similar size and scope to Britvic. Any planned increases in fees will take into account general increases across the wider employee population.	n/a

Remuneration Policy notes

Differences in Remuneration Policy for all employees

All employees are entitled to base salary and benefits and may also receive bonus, pension, and share awards the value of which vary according to the individual's seniority and level of responsibility.

Share awards made prior to the implementation of approved Remuneration Policy

Unvested ESOP and PSP awards will continue to pay out in accordance with the relevant plan rules. Any payments under these plans will be disclosed in the Annual Report on Remuneration as required by the regulations. A summary of the operation of the outstanding awards is set out below:

Element	Summary of operation	Performance measures
ESOP awards made prior to the 2014/15 financial year	Maximum PSP opportunity is 100% of salary for the CEO and CFO. ESOP is as shown in the main policy table. Threshold payout is 25% of the maximum opportunity increasing to maximum on a straight line basis.	100% EPS growth
PSP awards made prior to the 2014/15 financial year		50% relative TSR 50% ROIC

Committee discretion

In addition to the discretion set out in this policy report, the Committee may apply discretion in operating the Remuneration Policy in certain matters including the following:

- The timing of any payments
- The impact of a change of control or restructuring
- Any adjustments to performance conditions or awards required as a result of a corporate event (such as a transaction, corporate restructuring event, special dividend or rights issue)
- The operation of malus and clawback provisions
- Minor administrative matters to improve the efficiency of operation of the plans or to comply with local tax law or regulation

Discretion regarding the treatment of leavers is set out in Service contracts and the policy on the payment for loss of office section.

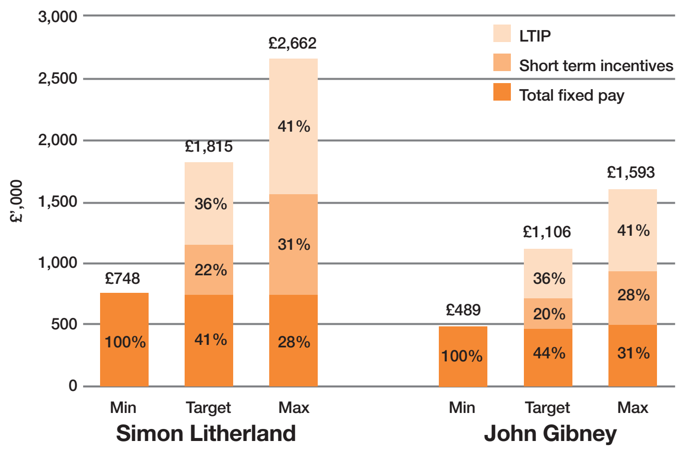
The Committee also reserves the right to make a remuneration payment that originated from before the individual became an Executive Director.

In relation to the annual bonus and LTIP plans, the Committee retains the ability to amend the performance conditions and/or measures in respect of any award or payment if one or more event(s) have occurred which would lead the Committee to consider that it would be appropriate to do so, provided that such an amendment would not be materially less difficult to meet.

If the Committee used any of the discretions set out above these would, where relevant, be disclosed in the next Annual Remuneration Report and the views of major shareholders may also be sought.

Illustrations of the application of Remuneration Policy

A key element of the company's Remuneration Policy is to provide a significant part of potential reward through performance based incentive plans. Set out below is the reward mix for both Executive Directors at minimum performance, on-target performance and maximum performance as proposed under the Remuneration Policy. The potential total rewards available to the Executive Directors, ignoring any change in share price and roll-up of dividends, are set out in the illustration below. The Committee believes that the mix and variability in the reward package is aligned with our performance-orientated remuneration principles and business objectives already described above.



The above chart has been prepared using the following assumptions:

1) Base salaries are as proposed as at 1 January 2015
2) Benefits reflect those estimated to be paid in 2014/15
3) Target bonus is calculated at 50% of maximum opportunity
4) Target vesting for the PSP is 60%, being the mid-point between threshold and maximum vesting level
5) Options awarded under the ESOP are valued on the standard market value for options of 30% of the face value of award. A target vesting of 60% values the ESOP award at 18% of the maximum value

Statement of consideration of employment conditions elsewhere in Britvic

The Committee is kept regularly updated on pay and conditions across the Group and has reference to average pay increases and the average salaries for the wider employee population. These metrics are considered by the Committee when reviewing the remuneration for Executive Directors.

The company did not consult with employees when drawing up the Remuneration Policy.

Statement of consideration of shareholder views

The Committee is committed to on-going dialogue with the company's shareholder base. This can take a variety of forms, such as:

- Meetings with major shareholders to consider significant potential changes to policy or specific issues of interest to particular shareholder groups
- Other dialogue to update shareholders and take their feedback on planned refinements to arrangements

In drawing up the Remuneration Policy presented in this report, the Chair of the Committee wrote to Britvic's major shareholders and key institutional representative bodies and held several follow up meetings. The views expressed by our shareholders during this process have been considered in the development of the Remuneration Policy.

Approach to remuneration on recruitment

When hiring a new Executive Director, or making internal promotions to the Board, the Committee will in principle apply the same policy as for existing Executive Directors, as detailed in the Remuneration Policy. The rationale for the package offered will be explained in the next Annual Remuneration Report.

For internal promotions any commitments made prior to appointment may continue to be honoured as the Executive is transitioned to the new remuneration arrangements.

Our recruitment Remuneration Policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre Executives to strengthen the management team and secure the skill sets to deliver our strategic objectives. The details are set out in the table below:

Area	Policy and operation
Base salary	• Base salary would be set at an appropriate level to recruit the best candidate based on their skills, experience and current remuneration. In some instances it may be appropriate to recruit on a salary at the lower end of the typical market range and progress salary increases above the typical rate of increases provided to the wider employee workforce to align with performance and policy over time
Benefits and pension	• Benefits and pension would be in line with normal policy and may include, where appropriate, relocation benefits or other benefits reflective of normal market practice in the territory in which the Executive Director is employed
Annual bonus	• Awards would be made under the annual bonus plan in line with the Remuneration Policy • Maximum opportunity would not exceed 140% of base salary
Normal LTIP awards (ESOP and PSP)	• Awards would be made under the LTIP plans in line with the Remuneration Policy • Under the ESOP, maximum opportunity would not exceed 300% of base salary • Under the PSP, maximum opportunity would not exceed 150% of base salary
Additional LTIP awards (ESOP and PSP)	• On the recruitment of a director the Committee may make a one-off performance linked award under the ESOP and PSP subject to the below limits. Under the ESOP an award of up to 500% of base salary may be made in a year to an executive (inclusive of the normal annual award that would be granted to an executive) • Under the PSP an award of up to 200% of base salary may be made in a year to an executive (inclusive of the normal annual award that would be granted to an executive)
Replacement awards	• The Committee will normally seek to avoid using replacement awards. However where, in exceptional circumstances, replacement awards are considered by the Committee to be necessary, they are not subject to a formal maximum, although would be designed to reflect only the value of remuneration forgone by the recruited Executive or less. In making any buyout awards the Committee would take into account any additional LTIP awards made as set out above
Service contracts	• The Committee may agree a contractual notice period with the Executive which initially exceeds twelve months, as applies to other Executives, particularly if it is necessary to attract Executives who will be required to relocate their families • This will reduce to a twelve month rolling notice period once the individual is twelve months from the end of their initial notice period

Service contracts and policy on payment for loss of office

The table below sets out items that are contained within the service contracts for the Executive Directors. It is the policy that these will apply to any future Director.

Item	Policy
Notice period	• 12 months if given by the company • 6 months if given by the Executive
Remuneration	• Base salary and pension • Eligibility to participate in the annual bonus and LTIP and other share incentive plans
Benefits	• Provision of company car or cash alternative • Payment of professional subscriptions for up to two recognised professional bodies • Eligibility for private medical insurance
Contractual termination payment	• The company may terminate the Executive's employment at any time and with immediate effect and will pay the Executive an after tax sum in lieu of notice equal to the basic salary which the Executive would have been entitled to receive during their notice period. A payment may also be made in respect of outstanding untaken holiday entitlement accrued up to and including the date of termination • Payments in lieu of notice would be paid monthly and are subject to mitigation if the Executive obtains alternative income during the period • If the Executive is terminated for reasons such as gross misconduct no payment in lieu of notice will be due • The Committee may at its discretion put the Executive on garden leave for any period provided that base salary and contractual benefits are paid during this period. The Committee would only use this discretion when appropriate and would seek to minimise the cost to the company if such discretion was required
Non-Executive Directors	• The NEDs do not have service contracts but instead have letters of appointment for a three-year term • On termination NEDs shall only be entitled to accrued fees as at the date of termination

In the event of a settlement agreement, the Committee may agree payments it considers reasonable in settlement of legal claims. This may include reasonable reimbursement of professional fees in connection with such agreements.

The table below sets out details of how an Executive Directors incentives and pension would be treated on termination. Items of fixed pay are detailed in the previous table.

Incentives	Treatment
Annual Bonus	• In the case of retirement with the agreement of the Committee, redundancy, death in service, or such other reason as the Committee may in its discretion approve, the bonus will be pro-rated to the date of termination and paid on the normal payment date • Executives leaving for any other reason will normally forfeit their awards
ESOP & PSP	• Awards for executives who are treated as a 'good leaver' under the rules of the LTIPs (reasons include ill health, injury, disability, redundancy, change of control, retirement with the consent of the company, and any other reason at the Committee's discretion) will vest at the normal vesting date unless the Committee determines the awards should vest at an alternative date taking into consideration the extent to which any performance conditions have been satisfied and time served over the performance period • If the executive is not a 'good leaver', the awards will lapse immediately on termination • If the executive ceases to be a director as a result of death, awards will vest as soon as practicable taking into consideration the extent to which any performance conditions have been satisfied and time served over the performance period
Pension	• The Committee may consider offering a discounted one-off cash settlement to a member who is leaving the company to reduce the company's balance sheet exposure to the BETUS liability. This is normally used at retirement • All members of the defined benefits section of the pension plan (Plan) may benefit from the Enhanced Early Retirement Facility ('EERF') which allows the Plan members to retire within five years of reaching normal pension age without a reduction in their pension. The EERF includes benefits payable from BETUS and is non-contractual. Continuation of the EERF formed part of the agreement with the Plan trustee on the closure of the defined benefit section of the Plan. The company has given notice to all of the Plan members that the EERF will be withdrawn by 5 April 2016

Other appointments

The Executive Directors are not permitted to have any engagement with any other company during the term of their appointment without the prior written consent of the board.

making life's everyday moments more enjoyable

keeping in touch

Annual report on remuneration

Consideration by the Directors of matters relating to directors' remuneration

Membership of the Remuneration Committee

During the year, the Committee consisted wholly of independent Non-Executive Directors:

- Bob Ivell (Chairman)
- Michael Shallow (up until resignation on 1 July 2014)
- Ben Gordon
- Gerald Corbett
- Ian McHoul (following appointment on 10 March 2014)

At the invitation of the Chairman of the Committee, the Chairman, Chief Executive Officer, Chief Financial Officer, Human Resources, IT & Change Director, Director of Compensation & Benefits, General Counsel & Company Secretary attend the meetings of the Committee to provide input to assist the Committee in the consideration of particular items, except when their own remuneration is under consideration. Details of the attendance by Committee members at Committee meetings are shown in the Corporate Governance section on page 50.

Composition and terms of reference

The Committee's composition and terms of reference are in line with the UK Corporate Governance Code and are available on the company's website or on request from the Company Secretary. While the Chairman, who was independent on initial appointment, is a member of the Remuneration Committee, he is not present when his own remuneration is under discussion.

The Committee meets no less than three times a year and has responsibility for:

- Reviewing Executives' remuneration in terms of the pay policy of the company as a whole, pay and conditions elsewhere in the Group, and the overall cost to the shareholders
- Determining, within agreed terms of reference, and taking into account corporate performance on environmental, social and governance issues, the remuneration of the Chairman and specific remuneration packages for each of the Executive Directors and other members of the Executive team, including pension rights, any compensation payments and benefits
- Approving the design and operation of the company's incentive arrangements, both short and long-term. This includes agreeing the targets that are applied to awards made to senior Executives
- Responsibility for all of the company's employee share plans and the share dilution position
- Ensuring, via regular reviews, that the company's pay policies remain appropriate and relevant

Advisors

In August 2014 the Committee undertook a review of remuneration advisors and following a competitive tender process, PwC were appointed as the advisors to the Committee. The company is also advised by PwC on other remuneration-related items and provided consulting support on non remuneration-related issues. PwC is a member of the Remuneration Consultants Group (the professional body for executive remuneration consultants). PwC's fees in respect of advice to the Committee in the year under review were £28,900 and were charged on the basis of that firm's standard terms of business for advice provided.

The Committee also received advice from Towers Watson during the year. Towers Watson were appointed as advisors in 2005 and have also provided advice on other remuneration related items. Towers Watson's fees in respect of advice to the Committee in the year under review were £42,040 and were charged on the basis of that firm's standard terms of business for advice provided.

During the year, Addleshaw Goddard LLP were also engaged by the Committee to provide legal advice on contractual arrangements, share schemes and pension matters.

Unless otherwise stated, these advisors have no other connection with the company and the Committee, based on its experience, is satisfied that the advice it received from these organisations was objective and independent.

Changes made to the 2014/15 Remuneration Policy

Following the change to the company's strategy announced in May 2013 the Committee undertook a review of our Remuneration Policy to ensure the Executive Directors and senior leadership team participate in a simple and effective set of incentive arrangements that are directly aligned with the company's strategy and growth aspirations. The review focused on the annual bonus, PSP and ESOP. The Committee also carefully considered the views of our shareholders (meeting with several during the review process), market practice and the wider governance environment. As a result of this review, the Committee deemed it appropriate to propose the following changes to Remuneration Policy for 2014/15, the first year that the policy will require a binding vote of approval at the 2015 AGM.

1. Greatly simplify and improve the effectiveness of both LTIPs by adopting the same EPS performance condition for vesting of 2014/15 and future awards under the ESOP and PSP. The revised PSP will vest based 75% on EPS and retain 25% dependent on the current relative TSR measure. The Committee will also consider underlying ROIC performance over the performance period when assessing the outcome of the PSP.
2. Provide a tougher and simpler performance range that is consistent with sector peer practice by adopting a three-year absolute EPS range of 6% - 12% p.a. rather than the current RPI+ 3% to 7% p.a. condition.
3. Reduce the threshold vesting under both share plans to 20% from the current 25% of maximum – a material strengthening of the whole performance range.
4. Align the CEO's total package more closely with competitive market norms by increasing his PSP award by 50% of salary.
5. Strengthen the CEO's alignment with long-term shareholder interests by doubling his shareholding requirement to 200% of salary.

The Committee is satisfied that the revised package provides a much simpler set of LTIPs that are more directly aligned with the company's strategic goals and long-term shareholder interests.

Statement of implementation of Remuneration Policy in the following year

The Remuneration Policy will be implemented from the 2015 AGM in accordance with the policy as follows:

Base salary

Following the year-end review, the Committee made the following base salary decisions to take effect from 1 January 2015 which are in line with the disclosed policy in this report.

	2014 base salary £'000	2015 base salary £'000	Increase
Simon Litherland	560.0	580.0	3.6%
John Gibney	360.0	374.4	4.0%

In reviewing salary for 2015 the Committee took into account a range of factors including the typical salary increase made for GB-based employees of 2% to 4%.

Benefits and pension

Implemented in line with policy.

Annual Bonus

Implemented in line with policy. The performance measures and weightings are:

- Profit before tax (50%)
- Revenue (20%)
- Free cash flow (30%)

Target award amounts for the CEO and CFO are 70% and 60% of base salary respectively, and maximum award values are 140% and 120% of base salary.

The Committee is of the view that the performance targets under the bonus plan are commercially sensitive and that it would be detrimental to the interests of the company to disclose them before the start of the financial year. Disclosure of targets in advance could lead the company to be at a disadvantage as many competitors are not subject to the same levels of disclosure. Targets and the performance against them will be disclosed in the remuneration report following the end of the financial year.

Long-term incentive plans (PSP and ESOP)

Implemented in line with policy.

Following the year-end review, the Committee has determined that subject to shareholder approval at the AGM the following awards be made in 2014/15 in line with the disclosed policy of this report:

	Award type	Performance measure	Award at threshold vesting, 20% of maximum (% salary)	Award at maximum vesting (% of salary)	Estimated Face value of awards £'000	Performance Period
Simon Litherland	Share options	Threshold vesting for EPS growth of 6% p.a. Maximum vesting for EPS growth of 12% p.a.	60%	300%	£1,680	3 years commencing 29th September 2014
	Performance shares	EPS growth (75% weighting): Threshold vesting for EPS growth of 6% p.a. Maximum vesting for EPS growth of 12% p.a. Relative TSR (25% weighting): Threshold payout for ranking at median vs the comparator group of 18 companies and maximum payout for ranking at or above the upper quartile.	30%	150%	£840	3 years commencing 29th September 2014
John Gibney	Share options	Threshold vesting for EPS growth of 6% p.a. Maximum vesting for EPS growth of 12% p.a.	50%	250%	£900	3 years commencing 29th September 2014
	Performance shares	EPS growth (75% weighting): Threshold vesting for EPS growth of 6% p.a. Maximum vesting for EPS growth of 12% p.a. Relative TSR (25% weighting): Threshold payout for ranking at median vs the comparator group of 18 companies and maximum payout for ranking at or above the upper quartile	20%	100%	£360	3 years commencing 29th September 2014

Note
1: EPS will be measured using adjusted diluted earnings per ordinary share.
2: The option exercise price will be disclosed retrospectively next year after the options have been granted under the ESOP.
3: The Committee will also consider underlying ROIC over the performance period when assessing the vesting of the PSP to ensure it remains satisfactory.
4: The relative TSR comparator group is currently made up of the following 18 companies; AG Barr plc, Associated British Foods, C&C Group, Dairy Crest, Diageo, Fuller Smith & Turner, Glanbia, Greencore, Greene King, Marston's, Nichols, Origin Enterprises, Premier Foods, Reckitt Benckiser, SABMiller, Smith & Nephew, Tate and Lyle, Wetherspoon.

Single total figure of Directors remuneration (subject to audit)

Non-Executive Directors

Details of the total fees paid to Non-Executive Directors and the Chairman for the year ended 28 September 2014 and 29 September 2013 are set out in the table below.

	Basic Fee £'000		Remuneration Committee Chair fee £'000		Audit Committee Chair fee £'000		Nomination Committee Chair fee £'000		SID fee £'000		Total fees paid £'000	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Joanne Averiss	50.7	49.7	-	-	-	-	-	-	-	-	50.7	49.7
Ben Gordon	50.7	49.7	-	-	-	-	-	-	-	-	50.7	49.7
Bob Ivell	50.9	49.7	8.0	8.0	-	-	-	-	8.0	8.0	66.9	65.7
Michael Shallow*	39.4	49.7	-	-	6.2	8.0	-	-	-	-	45.6	57.7
Ian McHoul**	27.5	-	-	-	4.3	-	-	-	-	-	31.8	-
Silvia Lagnado***	15.7	-	-	-	-	-	-	-	-	-	15.7	-
Gerald Corbett	230.0	213.7	-	-	-	-	-	-	-	-	230.0	213.7

* Michael Shallow resigned on 1 July 2014

** Ian McHoul was appointed on 10 March 2014

*** Silvia Lagnado was appointed on 2 June 2014

Executive Directors

The table below sets out the total and a breakdown of the remuneration received by each Executive during the year under review. Additional details of each component are set out below the table.

	Simon Litherland		John Gibney	
	2014 (£'000)	2013 (£'000)	2014 (£'000)	2013 (£'000)
Salary	546.2	307.5	355.9	339.6
Benefits	21.1	27.8	20.5	22.5
Annual Bonus	552.0	703.8	308.3	401.1
LTIP	672.0	-	923.9	-
Pension or cash in lieu	139.5	75.5	80.9	74.6
Total	**1,930.8**	**1,114.6**	**1,689.5**	**837.8**

i) **Base salary** - Corresponds to the amounts received during the year

During the year under review Simon Litherland's salary was increased from £510,000 to £560,000 on 1 January 2014 and John Gibney's salary was increased from £345,000 to £360,000 on 1 January 2014. The 2013 salary for the CEO relates to salary paid following Simon Litherland's appointment in February 2013.

ii) **Benefits** - Corresponds to the taxable value of all benefits paid in respect of the year

Benefits comprise car allowance, private medical assurance, life assurance, free and matching shares under the Share Incentive Plan. For 2013, Simon Litherland became eligible for a payment of £20,000 in September 2013 as per his employment terms as MD GB prior to his appointment as CEO. This payment was made in November 2013 following approval by the Committee and is included in the single figure above.

iii) **Annual bonus** - Corresponds to the total bonus earned under the bonus plan in respect of 2014 performance

iii) Annual bonus (continued)

The table below sets out the bonus outcome for each Executive and the respective performance targets and performance against these.

Performance measure	Weighting (% of bonus maximum)	Performance required for target payout	Actual performance	2014 maximum bonus opportunity (% of salary)		2014 bonus earned (£'000)		2014 bonus earned (% of salary)	
				CEO	CFO	CEO	CFO	CEO	CFO
PBT	50%	£128.5m	£132.9m	70%	60%	323	180	59%	51%
Revenue	20%	£1,397.0m	£1,359.7m	28%	24%	0	0	0%	0%
Free cash flow	30%	£82.0m	£88.9m	42%	36%	229	128	42%	36%
Total	100%			140%	120%	552	308	101%	87%

iv) Long-term incentives

Vesting outcome and estimated value of the ESOP and PSP with three year performance periods ending on 28 September 2014.

ESOP	Performance conditions and targets set	Maximum potential value	Performance outcome	Level of award vesting (% of maximum)	Total value of vesting (£'000)	Number of shares
Simon Litherland	Threshold vesting for EPS growth of RPI + 3% p.a. Maximum vesting for EPS growth of RPI + 7% p.a. Vesting is on a straight line basis between threshold and maximum.	200% of salary	EPS growth in excess of RPI of 5.4% p.a. was achieved	69.0%	415.2	120,692
John Gibney	Exercise price for the options is 331.6 pence.	250% of salary		69.0%	570.9	165,946

PSP	Performance conditions and targets set	Maximum potential value	Performance outcome	Level of award vesting	Total value of vesting (£'000)	Number of shares
Simon Litherland	Relative TSR (50% weighting): Threshold payout for raking at median vs the comparator group of 18 companies and maximum payout for ranking at or above the upper quartile. ROIC (50% weighting): Threshold payout for total ROIC of 21.5% over the three year performance period and maximum payout for ROIC of 22.3%	80% of salary	Britvic's TSR was positioned above upper quartile vs the comparator group resulting in a vesting of 50%. 3 year average ROIC of 20.7% p.a. was achieved resulting in 0% of the total award vesting. Rolled up dividends earned over the period are included within the total value of the vesting award.	50%	256.8	37,980
John Gibney	Vesting is on a straight line basis between threshold and maximum.	100% of salary		50%	353.0	52,221

Note
1: The combined PSP and ESOP vesting values were estimated at £672,000 for Simon Litherland and £923,900 for John Gibney.
2: A share price estimate of 676.0p was used to calculate the value of the above awards which is based on the average share price over the last quarter of the financial year.
3: The relative TSR comparator group is made up of the following 18 companies; AG Barr plc, Associated British Foods, C&C Group, Dairy Crest, Diageo, Fuller Smith & Turner, Glanbia, Greencore, Greene King, Marston's, Nichols, Origin Enterprises, Premier Foods, Reckitt Benckiser, SABMiller, Smith & Nephew, Tate and Lyle, Wetherspoon.
4: Threshold vesting is set at 25% of maximum.

Total pension entitlements (subject to audit)

The table below sets out the value of the cash allowance paid to Directors for the year under review and the increase in value of the accrued pension.

	Value of cash allowance paid during year to 28 September 2014 (£'000)	Value of pension accrued during the year to 28 September 2014 (£'000)	Total value of pension for year ending 28 September 2014 shown in Total Single Figure table. (£'000)
Simon Litherland	139.5	Nil	139.5
John Gibney	80.9	Nil	80.9

Simon Litherland's and John Gibney's normal retirement age is 60.

John Gibney continues to have a deferred pension in the defined benefit section of the Plan and also the Britvic Executive Top Up Scheme ('BETUS'), the company's unfunded retirement benefits scheme. Both the Plan and BETUS are closed to future accrual on 10 April 2011. The total accrued pension and transfer value in the combined Plan and BETUS are £202,300 p.a. and £4.26m respectively, as at 28 September 2014. They have been calculated based on entitlements accrued to 10 April 2011 but using market conditions at 28 September 2014. These figures also include increases to accrued pension since the date of leaving defined benefit service for this member, as required under the rules of the Plan and BETUS. The aim of these increases is to increase the benefits in line with price inflation between the date of leaving pensionable service in the Plan and BETUS and the date when benefits are drawn. The increase due on the 1 October 2014 has been included in the above figures.

In line with all members of the defined benefits section of the Plan, John Gibney may benefit from the Enhanced Early Retirement Facility ('EERF') which allows the Plan members to retire within five years of reaching normal pension age without a reduction in their pension. The EERF includes benefits payable from BETUS and is non-contractual. Continuation of the EERF formed part of the agreement with the Plan trustee on the closure of the defined benefit section of the Plan. The company has given notice to all of the Plan members that the EERF will be withdrawn by 5 April 2016.

Where a BETUS member is retiring, the Committee may consider offering a discounted one-off cash settlement to the member at the point of retirement to reduce the company's balance sheet exposure to the BETUS liability.

The cash allowance payable to the executives:

- Reflects contributions the company would have made to the defined contribution section of the Plan had these individuals elected to join, less a deduction to ensure the cash allowance is cost neutral to the company from a National Insurance perspective.
- Is paid at a rate of 24.6% of pensionable pay (base salary only) for the CEO and 22.0% of pensionable pay (base salary only) to the CFO.

Outside appointments

Simon Litherland is a Director of The British Soft Drinks Association. John Gibney is a Director of Interactive Screen Media Limited.

Scheme interests awarded during the year (subject to audit)

The following tables set out the ESOP and PSP awards granted to Executive Directors under the LTIP during the year under review (2013/14). All awards are subject to performance conditions:

ESOP	Performance conditions and targets set	Award at threshold vesting, 25% of maximum (% salary)	Maximum potential value	Face value of awards (£'000)	Performance period
Simon Litherland	Threshold vesting for EPS growth of RPI + 3% p.a. Maximum vesting for EPS growth of RPI + 7% p.a. Vesting is on a straight line basis between threshold and maximum. Exercise price for the options is 664.5pence.	75%	300% of salary	1,680	3 years commencing 29th September 2013
John Gibney		62.5%	250% of salary	900	

PSP	Performance conditions and targets set	Award at threshold vesting, 25% of maximum (% salary)	Maximum potential value	Face value of awards (£'000)	Performance period
Simon Litherland	Relative TSR (50% weighting): Threshold payout for raking at median vs the comparator group of 18 companies and maximum payout for ranking at or above the upper quartile. ROIC (50% weighting): Threshold payout for total ROIC of 21.5% over the three year performance period and maximum payout for ROIC of 22.3%. Vesting is on a straight line basis between threshold and maximum.	25%	100% of salary	560	3 years commencing 29th September 2013
John Gibney		25%	100% of salary	360	

Note

1: The share price used to determine the award levels for the PSP and ESOP was 664.5p

2: The relative TSR comparator group is made up of the following 18 companies; AG Barr plc, Associated British Foods, C&C Group, Dairy Crest, Diageo, Fuller Smith & Turner, Glanbia, Greencore, Greene King, Marston's, Nichols, Origin Enterprises, Premier Foods, Reckitt Benckiser, SABMiller, Smith & Nephew, Tate and Lyle, Wetherspoon.

Directors' shareholding requirements and interests in shares (subject to audit)

The table below sets out the shareholding and requirements as at 28 September 2014. A shareholding requirement of 100% of salary has applied to the CEO and CFO. The CEO was appointed to role in February 2013 and therefore currently has a shareholding of 40% of salary. As such he may not sell any vested shares from the company LTIPs (except to settle taxes and the payment of exercise prices) until the shareholding requirement has been satisfied. The CFO has a shareholding in the company of 472% which is in excess of the requirement.

Provided the new Remuneration Policy is approved at the January 2015 AGM, the CEO's shareholding requirement for the 2014/15 year and beyond will be 200% of base salary.

Interest in shares in the Company as at 28 September 2014						
	Ordinary shares		Performance shares	Share options		
	Total shares	% of salary[1]	Subject to performance conditions	Subject to performance conditions	Vested but unexercised	Exercised in the period
Simon Litherland	32,592	40%	266,009	763,045	-	-
John Gibney	244,636	472%	228,817	572,046	284,879	405,746
Gerald Corbett	53,695	-	-	-	-	-
Joanne Averiss	14,696	-	-	-	-	-
Ben Gordon	11,393	-	-	-	-	-
Bob Ivell	10,870	-	-	-	-	-
Ian McHoul	10,000	-	-	-	-	-
Silvia Lagnado	-	-	-	-	-	-

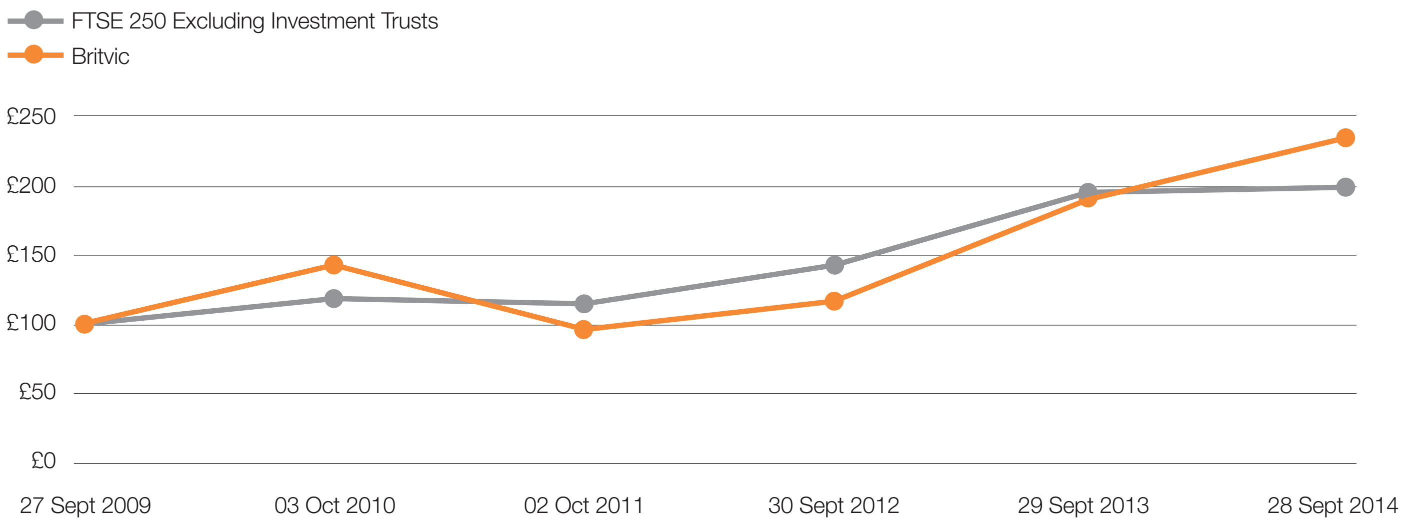
1. Based on 12 month average share price of 694.47p and 100% of salary as at 28 September 2014.

In the period 29 September to 25 November 2014 there has been no change in the directors' interests above other than through the monthly purchases in October and November partnership and matching shares under the Share Incentive Plan.

Performance graph and table

The graph below shows the Total Shareholder Return (TSR) for Britvic plc and the FTSE 250 excluding investment trusts over the five year period ended 28 September 2014. The table overleaf shows total remuneration for the Chief Executive over the same period.

Britvic's Historical TSR Performance Growth in the value of a hypothetical £100



The committee considers the FTSE 250 (excluding Investment Trust Index) is a relevant index for total shareholder return as it represents a broad equity index in which the company is a constituent member.

Remuneration history for Chief Executive from 2010 to 2014

£'000	2010	2011	2012	2013	2014
Simon Litherland total single figure of remuneration	n/a	n/a	n/a	1,114.6	1,930.8
Paul Moody total single figure of remuneration	1,955.3	1,819.7	670.1	1,412.6	n/a
Bonus (% of maximum)	95%	0%	0%	98.6% for Simon Litherland 0% for Paul Moody	72.2%
LTIP (% of maximum)	100% (ESOP 100% PSP 100%)	89.6% (ESOP 86% PSP 91%)	0% (ESOP 0% PSP 0%)	0% for Paul Moody (ESOP 0% PSP 0%) n/a for Simon Litherland	63.6% (ESOP 69.0% PSP 50%)

Percentage change in remuneration for CEO

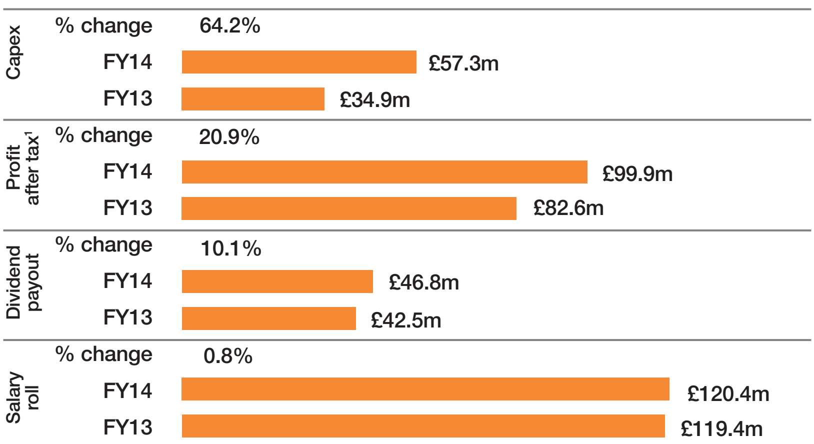
The table below shows how the percentage change in the Chief Executive's salary, benefits and bonus between 2013 and 2014 compared with the percentage change in the average of each of those components for all full-time equivalent employees based in Great Britain (GB). The GB employee workforce was chosen as a suitable comparator group as the CEO is based in GB (albeit with a global role and responsibilities) and pay changes across the Group vary widely depending on local market conditions.

Element	Chief Executive % increase	GB Employees % increase
Base salary	3.6%	3.5%
Taxable benefits	22.6%	5.1%
Bonus	(21.6)%	(13.4)%

Relative importance of spend on pay

The following chart sets out this information as it applies to the company, comparing figures for the year under review and the previous year. Profit after tax and capital expenditure are also shown below for context. For the purposes of this table capital expenditure is defined as net cash flow from the purchase and sale of both tangible and intangible assets:

Distribution statement



Note
1: The profit after tax is before the deduction of exceptional and other items.

Statement of voting outcomes at general meeting

The table below sets out the votes received for the Directors Remuneration Report at the AGM in 2014.

Directors' Remuneration Report	Votes for	Votes against	Withheld
2013	174,219,763 (90.41%)	9,661,732 (5.01%)	8,809,241 (4.57%)

Payments made to past Directors (subject to audit)

No payments were made to past Directors during the year.

Payments made for loss of office (subject to audit)

No payments were made for loss of office during the year.

Directors' contracts

Details of the Executives' service contracts and the Non-Executive Directors letters of appointment are set out below. All directors' service contracts and letters of appointment are available for inspection at the company's registered office and at the AGM up until the start of the meeting.

Directors	Effective date of contract	Unexpired term (approx. months)
Simon Litherland	14 February 2013	12
John Gibney	14 December 2005	12
Gerald Corbett**	14 December 2014	36
Joanne Averiss**	14 December 2014	36
Ben Gordon**	14 April 2014	28
Bob Ivell**	14 December 2014	36
Michael Shallow*	14 December 2011	-
Ian McHoul*	10 March 2014	30
Silvia Lagnado*	2 June 2014	33

Executive Directors contracts operate on a 12 month rolling basis.

* Michael Shallow stepped down from the board on 1 July 2014 and Ian McHoul and Silvia Lagnado were appointed to the board on the 10 March 2014 and 2 June 2014, respectively.

** The Non-Executive Directors' letters of appointment have been extended for a further three year term to 14 December 2017 with the exception of Ben Gordon whose letter of appointment has been extended to 14 April 2017.

On behalf of the board

Bob Ivell
Chairman of the Remuneration Committee

making life's everyday moments more enjoyable

working out

Directors' report

The directors present their report and the audited consolidated financial statements of the company and the group for the year ended 28 September 2014.

Business model and strategy

The group's business model and strategy are summarised on pages 6 to 7.

Results and dividends

The group's profit before taxation attributable to the equity shareholders amounted to £120.1m (2013: £82.6m) and the profit after taxation amounted to £89.7m (2013: £61.9m).

An interim dividend of 6.1p (2013: 5.4p) per ordinary share was paid on 11 July 2014.

The directors have proposed a final dividend of 14.8p (2013: 13.0p) per ordinary share payable on 6 February 2015 to shareholders on the register at the close of business on 5 December 2014, giving a total dividend in respect of 2014 of 20.9p (2013: 18.4p).

2015 Annual general meeting

The AGM will be held at Nomura, One Angel Lane, London EC4R 3AB at 11.00am on 27 January 2015. Details of the resolutions to be proposed at the AGM are set out in the separate circular which has been sent to all shareholders with this annual report.

Articles of Association

The company's articles may only be amended by a special resolution at a general meeting of shareholders. No amendments to the articles are being proposed at the AGM.

Directors

The following were directors of the company during the year: Gerald Corbett, Simon Litherland, John Gibney, Joanne Averiss, Ben Gordon, Bob Ivell, Ian McHoul (appointed 10 March 2014), Silvia Lagnado (appointed 2 June 2014) and Michael Shallow (resigned on 1 July 2014).

Subject to company law and the company's articles, the directors may exercise all of the powers of the company and may delegate their power and discretion to committees. The Executive Team 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 AGM held in the third calendar year after election or last re-election, but to comply with the UK Corporate Governance Code all of the directors will submit themselves for election (Silvia and Ian) or re-election at the AGM. The biographical details of the directors are set out on page 34 and 35 of this report.

Directors' interests

The directors' interests in ordinary shares of the company are shown within the Directors' Remuneration Report on page 70. No director has any other interest in any shares or loan stock of any group company.

Other than Joanne Averiss, who is a director of a number of PepsiCo's subsidiaries, no director was or is materially interested in any contract, other than his service contract, which was subsisting during or existing at the end of year and which was significant in relation to the group's business. Further details of Joanne Averiss' appointments are set out on page 35 and 39 in the Corporate Governance Report.

Directors' liabilities

As at the date of this report, customary indemnities are in place under which the company has agreed, to the extent permitted by law and the company's articles, 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; and
- 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 effectively. The policy is contained within the Directors' Remuneration Report on pages 51 to 72.

People

For information on our people see pages 8 and 9 in the Strategic Report.

Political donations

No political donations were made by the group and its subsidiaries (2013: Nil).

Major shareholders

As at 25 November 2014 the company has been notified, pursuant to DTR5 of the Financial Conduct Authority's Disclosure and Transparency Rules, of the following notifiable voting rights in its ordinary share capital:

	Number of ordinary shares	Percentage of voting rights	Nature of holding
Standard Life Investments Ltd	24,832,016	10.044%	Direct/Indirect
Kames Capital	12,295,181	4.97%	Direct/Indirect
PepsiCo, Inc.	11,813,032	4.88%	Direct
APG Asset Management N.V.	10,053,317	4.07%	Direct
TIAA-CREF Investment Management, LLC	9,983,560	4.038%	Direct

Share capital

The company's issued share capital comprised a single class of shares divided into ordinary shares of 20 pence each (referred to as "ordinary shares"). Full details of the ordinary shares in issue are given in note 21 to the financial statements on page 110.

Rights and restrictions attaching to shares

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. Any notice of general meeting issued by the company will specify deadlines for exercising voting rights and in appointing a proxy or proxies in relation to resolutions to be proposed at the general meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the 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 which may from time to time be imposed by laws and regulations (for example, insider trading laws); and
- Pursuant to the Listing Rules of the Financial Conduct Authority and Britvic's share dealing code whereby certain employees of the group require the approval of the company to deal in its ordinary shares.

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

Shares held in employee benefit trusts

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 25 November 2014, the Trustees held 0.19% (2013: 0.07%) of the issued share capital of the company.

Similarly, if First Names (Jersey) Limited, as Trustee of the Britvic Employee Benefit Trust ('the Trustee'), holds ordinary shares on trust for the benefit of the executive directors, senior executives and managers of the group, a dividend waiver is in place. The Trustee is not permitted to vote on any unvested shares held in the trust unless expressly directed to do so by the company. The Trustee did not hold any ordinary shares as at 25 November 2014 (2013: Nil).

Change of control provisions

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.

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 policies for managing each of the group's main financial risk areas are referred to in the Treasury Management section of the Chief Financial Officer's Review on page 19, and in more detail within note 25 of the consolidated financial statements.

Research and development

The group carries out research and development necessary to support its principal activities as a manufacturer and distributor of soft drinks.

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 himself 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 Strategic Report on pages 28 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 re-appointment as auditors of the company and a resolution proposing their re-appointment is contained in the Notice of AGM and will be put to the shareholders at the forthcoming AGM.

By order of the board

Clare Thomas
Company Secretary

25 November 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Accounts, including the consolidated financial statements and the company financial statements, the Directors' Report, including the Remuneration Report and the Strategic Report, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the company financial statements and the Remuneration Report in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted accounting practice, UK GAAP). In preparing the consolidated financial statements, the directors have also elected to comply with IFRS, issued by the International Accounting Standards Board (IASB). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company on a consolidated and individual basis and for the profit or loss of the company on a consolidated basis for that period.

In preparing these 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 that the consolidated financial statements comply with IFRS as issued by the IASB and IFRS adopted by the EU and, with regard to company financial statements, that applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the consolidated financial statements and company financial statements on a going concern basis unless it is inappropriate to presume that the company, on a consolidated and individual basis, will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company on a consolidated and individual basis, and to enable them to ensure that the consolidated financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation and the company financial statements and the Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed on pages 34 and 35, confirms that:

- to the best of their knowledge, the consolidated financial statements and the company financial statements, which have been prepared in accordance with IFRS as issued by the IASB and IFRS as adopted by the EU and UK GAAP respectively, give a true and fair view of the assets, liabilities, financial position and profit of the company on a consolidated and individual basis;
- to the bet of their knowledge, the Strategic Report contained in the annual report and accounts includes a fair review of the development and performance of the business and the position of the company on a consolidated and individual basis, together with a description of the principal risks and uncertainties that it faces; and
- they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

Simon Litherland
Chief Executive Officer

25 November 2014

John Gibney
Chief Financial Officer

25 November 2014

03 Financial statements

Independent auditors report to the members of Britvic plc

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 28 September 2014 and of the group's profit for the 52 week period then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

What we have audited

We have audited the financial statements of Britvic plc for the 52 week period ended 28 September 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income/(expense), the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and the parent company balance sheet, the parent company reconciliation of movements in shareholders' funds and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 76, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our assessment of risk of material misstatement

We identified the following risks of material misstatement which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team:

- the assessment of the carrying value of goodwill and indefinite lived assets (AC, AP, J&E*);
- the valuation of the group's derivatives and assessment of hedging activities (AC, AP, J&E*);
- revenue recognition – in particular the treatment of discounts given to customers in the form of long term discounts or promotional discounts and the timing of revenue recognition (AC, AP*);
- the assessment of the assumptions used to assess the obligations for the defined benefit pension schemes (AC, AP, J&E*); and
- the risk of management override of internal control which we considered to exist particularly in the areas of revenue discounts, classification of exceptional and other items and provisions.

* These risks are discussed in other areas of the Annual report as noted by the following key.

AC – See Audit Committee Report on pages 43 to 45

AP – See note 3 accounting policies on pages 86 to 94

J&E – See note 3 Key judgements and sources of estimation uncertainty on page 93

Our application of materiality

We determined materiality for the group to be £6.3 million (2013: £5.2 million), which is approximately 5% (2013: 5%) of adjusted pre-tax profit. We used adjusted pre-tax profits to exclude those items classified as “exceptional and other items” as defined on page 96 of the annual report because, in our view, this is the most relevant measure of the underlying financial performance of the group. This provided the basis for determining the nature, timing and extent of our audit procedures, and identifying and assessing the risk of material misstatement.

On the basis of our risk assessments, together with our assessment of the group’s overall control environment, our judgement was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the group should be 75% (2013: 75%) of planning materiality, namely £4.7 million (2013: £3.9 million). Our objective in adopting this approach was to ensure that the total corrected and uncorrected audit differences did not exceed our materiality of £6.3 million for the financial statements as a whole.

Audit work at individual components is undertaken based on a percentage of our total performance materiality. The performance materiality set for each component is based on the relative size of the component and our view of the risk of misstatement at that component. In the current year the range of performance materiality allocated to components was £0.5 million to £4.5 million.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.32 million (2013: £0.26 million), as well as differences below that threshold that, in our view warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in the light of other relevant qualitative considerations.

An overview of the scope of our audit

In assessing the risk of material misstatement to the group financial statements, our group audit scope focused on four operations, of which two were subject to a full scope audit for the 52 week period ended 28 September 2014. The remaining two operations were subject to a specific scope audit, where the extent of the audit work was based on our assessment of the risk of material misstatement and the materiality of the group’s business operations at those operations. Together with the group functions, which were also subject to a full scope audit these operations represent the principal business units of the group and account for 98% (2013: 100%) of the group’s total assets, 93% (2013: 100%) of the group’s revenue and 100% (2013: 100%) of the group’s adjusted profit before tax.

The Senior Statutory Auditor leads the audit at one full scope operation, which accounts for 93% of profit before tax and both specific scope locations, as well as the group functions. The group audit team visited the other full scope location, which accounts for 9% of profit before tax, reviewed key working papers, participated in the component teams planning including the discussion of fraud and error and attended the closing meeting.

Our response to the risks of material misstatement identified above included the following procedures:

The assessment of the carrying value of goodwill and indefinite lived assets

- we examined management’s methodology and models for assessing the valuation of significant goodwill and indefinite lived assets;
- we critically assessed and corroborated the key inputs of the forecast cash flows, the discount rate used, the growth rate assumed and the historical accuracy of budgets and we used a valuation specialist to assist us with our consideration of the discount rate used;
- we evaluated management’s sensitivity analysis by performing our own sensitivities to gain comfort over the level of headroom in the model;
- for indefinite lived assets where impairments had been recorded in the past, we challenged management’s assessment of whether conditions had sufficiently changed in the period to warrant an impairment reversal; and
- we ensured that the financial statement disclosures met the requirements of accounting standards.

The valuation of the group’s derivatives and assessment of hedging activities

- we obtained direct external confirmations of the valuation for each of the derivative instruments held and agreed these to the fair values of the derivatives recorded by the group;
- we ensured that the requirements of IAS 39 were met by:
- ensuring the appropriateness of the methodology used by management to hedge account
- using our own specialists to test a sample of valuations to ensure that the fair values of the derivatives had been reasonably calculated; and
- evaluating management’s documentation and assessment of hedge effectiveness; and
- we ensured that the financial statement disclosures were in accordance with accounting standards.

Revenue recognition – including the treatment of discounts given to customers in the form long term discounts or promotional discounts and the timing of revenue recognition

- we carried out testing relating to controls over revenue recognition, including the timing of revenue recognition;
- we tested a sample of long term discounts and promotional discounts by agreeing balances through to supporting documentation and ensured that the revenue recognition policies adopted complied with IFRS;
- we performed analytical procedures, journal entry testing and traced our revenue transaction testing through to the appropriate discounts to ensure the completeness of the amount of discounts recorded;
- we performed revenue transaction testing, which included ensuring that, where necessary, the transaction had been appropriately recorded in the income statement;
- we performed cut-off testing on customer delivery notes around the period end and journal testing around revenue; and
- we ensured that the financial statement disclosures were in accordance with accounting standards.

The assumptions used to the assess the obligations for the defined benefit pension schemes

- we challenged the key actuarial assumptions used by management in determining the pension obligation under IAS 19(R) and we used a pensions specialist to assist us with this procedure;
- we understood and challenged management's input into the assumptions underpinning the liability; and
- we ensured that the financial statement disclosures were in accordance with accounting standards.

The risk of management override of internal control

- we performed tailored procedures, including analytical procedures and journal entry testing, sufficient to address the identified risk in respect of subjective areas which were considered to be most susceptible to management override which we considered to be revenue discounts, classification of exceptional and other items and provisions.

There has been no change from the prior year in the areas which had the greatest effect on the overall audit strategy.

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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements;
- the information given in the Corporate Governance Report set out on page 33 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the Audit and the Directors' Statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required 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; or
- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Report has not been prepared by the company.

Under the Listing Rules we are required to review:

- the Directors' Statement, set out on page 75, in relation to going concern; and
- the part of the Corporate Governance Report relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Simon O'Neill (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

25 November 2014

Notes:

1. The maintenance and integrity of the Britvic plc web site 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 web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated income statement

For the 52 weeks ended 28 September 2014

	Note	52 weeks ended 28 September 2014 Before exceptional & other items £m	Exceptional & other items* £m	Total £m	52 weeks ended 29 September 2013 Before exceptional & other items £m	Exceptional & other items* £m	Total £m
Revenue		**1,344.4**	**-**	**1,344.4**	1,321.9	-	1,321.9
Cost of sales		**(617.5)**	**-**	**(617.5)**	(646.9)	-	(646.9)
Gross profit		**726.9**	**-**	**726.9**	675.0	-	675.0
Selling and distribution costs		**(370.4)**	**-**	**(370.4)**	(351.5)	-	(351.5)
Administration expenses		**(198.4)**	**(12.8)**	**(211.2)**	(188.5)	(26.2)	(214.7)
Operating profit/(loss)	6	**158.1**	**(12.8)**	**145.3**	135.0	(26.2)	108.8
Finance costs	9	**(25.2)**	**-**	**(25.2)**	(26.9)	0.7	(26.2)
Profit/(loss) before tax		**132.9**	**(12.8)**	**120.1**	108.1	(25.5)	82.6
Taxation	10	**(33.0)**	**2.6**	**(30.4)**	(25.5)	4.8	(20.7)
Profit/(loss) for the period attributable to the equity shareholders		**99.9**	**(10.2)**	**89.7**	82.6	(20.7)	61.9
Earnings per share							
Basic earnings per share	11			**36.5p**			25.5p
Diluted earnings per share	11			**36.2p**			25.3p
Adjusted basic earnings per share**	11			**41.8p**			35.2p
Adjusted diluted earnings per share**	11			**41.5p**			34.9p

* See note 5.

** Adjusted basic and diluted earnings per share measures have been adjusted by adding back exceptional & other items (see notes 5 and 11) and amortisation relating to acquired intangible assets (see note 14).

All activities relate to continuing operations.

Consolidated statement of comprehensive income/(expense)

For the 52 weeks ended 28 September 2014

	Note	**52 weeks ended 28 September 2014 £m**	52 weeks ended 29 September 2013 £m
Profit for the period attributable to the equity shareholders		**89.7**	61.9
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss			
Remeasurement losses on defined benefit pension schemes	23	**(12.3)**	(32.4)
Deferred tax on defined benefit pension schemes	10a	**(2.0)**	4.4
Current tax on additional pension contributions	10a	**4.5**	3.1
		(9.8)	(24.9)
Items that may be subsequently reclassified to profit or loss			
Losses in the period in respect of cash flow hedges	26	**(11.9)**	(1.4)
Amounts recycled to the income statement in respect of cash flow hedges	26	**10.5**	0.1
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	10a	**0.1**	0.4
Exchange differences on translation of foreign operations	26	**(3.9)**	-
Tax on exchange differences accounted for in the translation reserve	10a	**0.7**	(2.9)
Deferred tax on other temporary differences	10a	**0.1**	0.2
		(4.4)	(3.6)
Other comprehensive income/(expense) for the period, net of tax		**(14.2)**	(28.5)
Total comprehensive income for the period attributable to the equity shareholders		**75.5**	33.4

Consolidated balance sheet

As at 28 September 2014

	Note	2014 £m	2013 £m
Assets			
Non-current assets			
Property, plant and equipment	13	**221.0**	215.7
Intangible assets	14	**299.7**	317.0
Other receivables	16	**3.0**	3.8
Other financial assets	26	**64.6**	62.5
Pension asset	23	**-**	0.1
		588.3	599.1
Current assets			
Inventories	17	**84.7**	90.8
Trade and other receivables	18	**276.9**	266.1
Other financial assets	26	**4.5**	12.8
Cash and cash equivalents	19	**144.0**	94.0
		510.1	463.7
Non-current assets held for sale	20	**3.6**	-
Total assets		**1,102.0**	1,062.8
Current liabilities			
Trade and other payables	24	**(379.7)**	(381.5)
Bank overdrafts	19	**(0.7)**	(2.5)
Interest bearing loans and borrowings	22	**(22.4)**	(91.6)
Other financial liabilities	26	**(1.6)**	(1.4)
Current income tax payable		**(25.4)**	(17.0)
Provisions	28	**(4.1)**	(10.5)
Other current liabilities	27	**(0.4)**	-
		(434.3)	(504.5)
Non-current liabilities			
Interest bearing loans and borrowings	22	**(539.9)**	(458.3)
Deferred tax liabilities	10d	**(23.3)**	(27.8)
Pension liability	23	**(8.4)**	(19.4)
Other financial liabilities	26	**(9.9)**	(10.0)
Provisions	28	**(1.6)**	-
Other non-current liabilities	27	**(1.5)**	(1.9)
		(584.6)	(517.4)
Total liabilities		**(1,018.9)**	(1,021.9)
Net assets		**83.1**	40.9
Capital and reserves			
Issued share capital	21	**49.4**	49.0
Share premium account		**33.5**	25.0
Own shares reserve		**(2.9)**	(1.1)
Share scheme reserve		**11.2**	7.5
Hedging reserve		**1.4**	2.7
Translation reserve		**16.4**	19.6
Merger reserve		**87.3**	87.3
Retained losses		**(113.2)**	(149.1)
Total equity		**83.1**	40.9

The financial statements were approved by the board of directors and authorised for issue on 25 November 2014. They were signed on its behalf by:

Simon Litherland
Chief Executive Officer

John Gibney
Chief Financial Officer

Consolidated statement of cash flows

For the 52 weeks ended 28 September 2014

	Note	2014 £m	2013 £m
Cash flows from operating activities			
Profit before tax		**120.1**	82.6
Finance costs	9	**25.2**	26.2
Other financial instruments		**(1.3)**	(6.0)
Impairment of property, plant and equipment and intangible assets	13,14	**0.6**	12.9
Depreciation	13	**31.5**	36.6
Amortisation	14	**10.4**	7.1
Share based payments	29	**9.1**	6.2
Net pension charge less contributions		**(22.9)**	(17.2)
Decrease/(increase) in inventory		**3.1**	(14.9)
Increase in trade and other receivables		**(15.8)**	(4.7)
Increase in trade and other payables		**10.5**	9.9
(Decrease)/increase in provisions		**(4.8)**	10.5
Loss on disposal of property, plant and equipment and intangible assets		**1.1**	3.8
Income tax paid		**(20.2)**	(11.2)
Net cash flows from operating activities		**146.6**	141.8
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**0.7**	0.3
Purchases of property, plant and equipment		**(49.2)**	(26.3)
Purchases of intangible assets		**(8.8)**	(8.9)
Net cash flows used in investing activities		**(57.3)**	(34.9)
Cash flows from financing activities			
Interest paid		**(24.2)**	(26.6)
Interest bearing loans drawndown/(repaid)		**0.2**	(0.9)
Repayment of 2007 USPP Notes	22	**(76.8)**	-
Issue of 2014 USPP Notes	22	**105.8**	-
Issue costs paid		**(0.4)**	-
Issue of shares		**4.9**	7.1
Dividends paid to equity shareholders	12	**(46.8)**	(42.5)
Net cash flows used in financing activities		**(37.3)**	(62.9)
Net increase in cash and cash equivalents		**52.0**	44.0
Cash and cash equivalents at beginning of period		**91.5**	47.6
Exchange rate differences	30	**(0.2)**	(0.1)
Cash and cash equivalents at the end of the period	19	**143.3**	91.5

Consolidated statement of changes in equity

For the 52 weeks ended 28 September 2014

	Issued share capital £m	Share premium account £m	Own shares reserve £m	Share scheme reserve £m	Hedging reserve £m	Translation reserve £m	Merger reserve	Retained losses £m	**Total £m**
At 30 September 2012	48.5	17.7	(0.8)	4.2	3.6	22.5	87.3	(145.9)	37.1
Profit for the period	-	-	-	-	-	-	-	61.9	61.9
Other comprehensive income	-	-	-	-	(0.9)	(2.9)	-	(24.7)	(28.5)
	-	-	-	-	(0.9)	(2.9)	-	37.2	33.4
Issue of shares	0.5	7.3	(2.1)	-	-	-	-	-	5.7
Own shares utilised for share schemes	-	-	1.8	(1.8)	-	-	-	1.4	1.4
Movement in share based schemes	-	-	-	5.1	-	-	-	-	5.1
Current tax on share based payments	-	-	-	-	-	-	-	1.0	1.0
Deferred tax on share based payments	-	-	-	-	-	-	-	(0.3)	(0.3)
Payment of dividend	-	-	-	-	-	-	-	(42.5)	(42.5)
At 29 September 2013	49.0	25.0	(1.1)	7.5	2.7	19.6	87.3	(149.1)	40.9
Profit for the period	-	-	-	-	-	-	-	89.7	89.7
Other comprehensive income	-	-	-	-	(1.3)	(3.2)	-	(9.7)	(14.2)
	-	-	-	-	(1.3)	(3.2)	-	80.0	75.5
Issue of shares	0.4	8.5	(5.4)	-	-	-	-	-	3.5
Own shares utilised for share schemes	-	-	3.6	(3.5)	-	-	-	1.3	1.4
Movement in share based schemes	-	-	-	7.2	-	-	-	-	7.2
Current tax on share based payments	-	-	-	-	-	-	-	0.8	0.8
Deferred tax on share based payments	-	-	-	-	-	-	-	0.6	0.6
Payment of dividend	-	-	-	-	-	-	-	(46.8)	(46.8)
At 28 September 2014	**49.4**	**33.5**	**(2.9)**	**11.2**	**1.4**	**16.4**	**87.3**	**(113.2)**	**83.1**

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, Republic of Ireland and France.

The operating companies of the group are disclosed within note 32.

The financial statements were authorised for issue by the board of directors on 25 November 2014.

2. Statement of compliance

The financial information has been prepared on the basis of applicable International Financial Reporting Standards as adopted by the European Union (IFRS), as they apply to the financial statements of the group.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis.

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 of the group are presented in pounds sterling, which is also the functional currency of the company, and all values are rounded to the nearest 0.1 million except where otherwise indicated.

Going concern

The directors are confident that it is appropriate for the going concern basis to be adopted in preparing the financial statements. As at 28 September 2014, the consolidated balance sheet is showing a net assets position of £83.1m (29 September 2013: net assets of £40.9m).

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 with £520.2m of private placement notes with maturity dates between 2014 and 2026 and a £400m bank facility maturing in March 2016. Agreement has been reached to refinance this facility with an expected revised maturity date of November 2019.

Basis of consolidation

The consolidated financial statements of the group incorporate the financial information of the company and the entities controlled by the company (its subsidiaries) in accordance with IAS 27 'Consolidated and Separate Financial Statements'. The financial statements of subsidiaries are prepared for the same reporting period as the company, using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated income statement from the date the group gains control or up to the date control ceases respectively. 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.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when payment is being made.

Revenue is recognised when goods are delivered and accepted by customers, when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount can be measured reliably.

Revenue is the value of sales, excluding transactions with or between subsidiaries, after the deduction of sales related discounts and rebates, value added tax and other sales related taxes. Sales related discounts comprise:

- Long term discounts and rebates – which are sales incentives to customers to encourage them to purchase increased volumes and are related to total volumes purchased and sales growth
- Short term promotional discounts – which are directly related to promotions run by customers

For sales related discounts that must be earned, management make estimates related to customer performance, sales volume and agreed terms, to determine total amounts earned and to be recorded in deductions from revenue.

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 to 20 years
Vehicles (included in plant and machinery)	5 to 7 years
Equipment in retail outlets (included in fixtures, fittings, tools and equipment)	5 to 10 years
Other fixtures and fittings (included in fixtures, fittings, tools and equipment)	3 to 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 consolidated 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.

Non-current assets held for sale

The group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than continuing use. Such non-current assets as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Property, plant and equipment and intangibles assets are not depreciated or amortised once classified as held for sale.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

Goodwill

While the original acquisition of Britannia Soft Drinks Limited was accounted for under the merger method, business combinations on or after 4 October 2004 have been accounted for under IFRS 3 ‘Business Combinations’ 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 consolidated 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 the 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 units is less than the carrying amount, an impairment loss is recognised immediately in the consolidated 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

Software costs

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

3. Accounting policies (continued)

Intangible assets (continued)

Trademarks, franchise rights and customer lists

Intangible assets acquired separately are measured on initial recognition at the fair value of consideration paid. 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, if the intangible asset does not generate cash flows that are largely independent of those from other assets or groups of assets, as part of the cash generating unit to which it belongs. 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.

Research and development

Research costs are expensed as incurred. Development expenditure is recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability to use the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Impairment of intangible 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 consolidated 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 an 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.

3. Accounting policies (continued)

Financial assets

The group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, which is normally the transaction price, plus directly attributable transaction costs for those financial assets not subsequently measured at fair value through profit or loss. The group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Loans and receivables

The group has financial assets that are classified as 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 the consolidated income statement when loans and receivables are derecognised or impaired, as well as through the amortisation process.

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.

Fair value

The group measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstance and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

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.

3. Accounting policies (continued)

Derivative financial instruments and hedging (continued)

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

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. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the consolidated income statement. Amounts previously recognised in other comprehensive income are transferred to the consolidated income statement in the period in which the hedged item affects profit or loss, such as when a forecast sale occurs. However, when the forecast transaction results in the recognition of a non-financial asset or liability, the amounts previously recognised in other comprehensive income are included in the initial carrying amount of the asset or liability.

If a forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to the consolidated 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 other comprehensive income remain in equity until the forecast transaction occurs and are then transferred to the consolidated income statement or included in the initial carrying amount of a non-financial asset or liability as above.

Net investment hedges

Financial instruments are classified as net investment hedges when they hedge the group's net investment in foreign operations. Some of the group's foreign currency borrowings qualify as hedging instruments that hedge foreign currency net investment balances. The effective portion of gains or losses on translation of borrowings designated as net investment hedges is recognised in other comprehensive income. Any ineffective portion is recognised immediately in the consolidated income statement. Upon disposal of the associated investment in foreign operations any cumulative gain or loss previously recognised in other comprehensive income is recycled through the consolidated income statement.

Fair value hedges

Hedges of the change in fair value of recognised assets or liabilities are classified as fair value hedges. For fair value hedges, the gain or loss on the fair value of the hedging instrument is recognised in the consolidated income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognised in the consolidated income statement. If the hedge relationship no longer meets the criteria for hedge accounting, the hedged item would no longer be adjusted and the cumulative adjustment to its carrying amount would be amortised to the consolidated income statement based on a recalculated effective interest rate. The fair value gain on loss on the hedging instrument would continue to be recorded in the consolidated income statement.

Derecognition of financial instruments

The derecognition of a financial asset takes place when the contractual rights to the cash flows expire, or when the contractual rights to the cash flows have either been transferred or an obligation has been assumed to pass them through to a third party and the group does not retain substantially all the risks and rewards of the asset.

Financial liabilities are only derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

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 consolidated income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

3. Accounting policies (continued)

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 unutilised losses incurred in overseas jurisdiction.

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.

Provisions

Provisions are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Pensions and post retirement benefits

The group operates a number of pension schemes. These include both defined benefit and defined contribution plans.

Defined benefit plans

The defined benefit pension liability or asset in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plans

Under defined contribution plans, contributions payable for the period are charged to the consolidated income statement as an operating expense.

Employee benefits

Wages, salaries, bonuses and paid annual leave are accrued in the period 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 of the leased asset are retained by the lessor are classified as operating leases by the group. 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. Any lease incentives received are credited to the consolidated income statement on a straight-line basis over the term of the leases to which they relate.

3. Accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, bank overdrafts repayable on demand are a component of cash and cash equivalents.

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.

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

On a refinancing any unamortised financing charges are accelerated through the consolidated income statement.

Foreign currencies

Functional and presentation currency

The consolidated financial statements of the group are presented in pounds sterling. The presentation currency of the consolidated financial statements is the same as the functional currency of the company.

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 consolidated income statement, except when hedge accounting is applied and for differences in monetary assets and liabilities that form part of the group's net investment in a foreign operation. These are taken in other comprehensive income until the disposal of the net investment, at which time they are recognised in profit and loss.

Foreign operations

The consolidated 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 recognised in other comprehensive income. On disposal of a foreign operation, the accumulated exchange differences previously recognised in other comprehensive income are included in the consolidated income statement.

Certain of the group's financial instruments are classified as net investment hedges when they hedge the group's net investment in foreign operations. See derivative financial instruments and hedging policy above for further detail.

Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the company.

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.

Other reserves

Share premium account

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

Own shares reserve

The own shares reserve 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. Amounts recognised in the share scheme reserve are transferred to retained losses upon subsequent settlement of any awards that vest either by issue or purchase of the group's shares, or when awards lapse.

3. Accounting policies (continued)

Other reserves (continued)

Hedging reserve

The hedging reserve records the effective portion of movements in the fair value of forward exchange contracts, interest rate and cross currency swaps that have been designated as hedging instruments in cash flow hedges.

Translation reserve

The translation reserve includes cumulative net exchange differences on translation into the presentational currency of items recorded in group entities with a non-sterling functional currency net of amounts recognised in respect of net investment hedges.

Merger reserve

The merger reserve arose as a result of the non pre-emptive share placement which took place on 21 May 2010. It was executed using a structure which created a merger reserve under Section 612-3 of the Companies Act 2006.

Own shares

The cost of own shares held in employee share trusts and in treasury is 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 and other items

The group presents items as exceptional and other items on the face of the consolidated income statement 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.

- 'Exceptional' items include those significant items of income and expense which, because of the size, nature and infrequency of the events giving rise to them, merit separate presentation.
- 'Other' items include fair value movements on financial instruments where hedge accounting cannot be applied. These items have been included within 'exceptional and other items' because they are non-cash and do not form part of how management assesses performance.

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 effect 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 23.

Franchise rights

Franchise rights represent franchise agreements acquired as part of the Britvic Ireland business combination which provides long term rights to distribute certain soft drinks. These agreements have been allocated a 35 year useful economic life. The franchise agreement 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 franchise agreements is highly probable. A significant emphasis is made on developing relationships with Pepsico, which includes maintaining an appropriate level of communication to deal with on-going operational issues. This is further strengthened through the addition of Pepsico products to Britvic's portfolio in recent years.

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. Management considers these assets to have indefinite lives based on their historical longevity, and a business model and strategy that is based on development and expansion of Britvic's brands. 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 are given in note 15.

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/interest 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. Information regarding cross currency interest rate swaps is provided in notes 22 and 26.

3. Accounting policies (continued)

New standards adopted in the current period

During the period, the group adopted a number of interpretations and amendments to standards including IAS 19 (Revised) 'Employee Benefits' and IFRS 13 'Fair Value Measurement', all of which had an immaterial impact on the consolidated financial statements of the group.

The most significant change for Britvic under IAS 19 (Revised) is the replacement of interest cost and expected return on plan assets with a finance cost component which is determined by applying the same discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The difference between the actual return on plan assets and the discount rate will be presented in other comprehensive income. Other changes include the treatment of expenses paid in relation to the plans and the narrative disclosures.

New standards and interpretations not applied

The group has not applied the following IFRSs, which may be applicable to the group, that have been issued (although in some cases not yet adopted by the EU) but are not yet effective:

		Effective date – periods commencing on or after
International Financial Reporting Standards (IFRS)		
IFRS 9 / IAS 39	Financial Instruments – Classification and measurement	1 January 2015
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Disclosures of interests in other entities	1 January 2014
IFRS 15	Revenue recognition	1 January 2017
International Accounting Standards (IAS)		
IAS 27 (revised 2011)	Separate financial statements	1 January 2014
IAS 32	Amendment to IAS 32 – Offsetting of assets and liabilities	1 January 2014
IAS 36	Amendment to IAS 36 – Recoverable amount disclosures for non-financial assets	1 January 2014
IAS 39 / IFRS 9	Amendment to IFRS 9 – Novation of derivatives and continuation of hedge accounting	1 January 2014
Other		
IFRIC Interpretation 21	IFRIC 21 – Levies	1 January 2014

The directors do not anticipate that the adoption of these standards, which will be adopted in line with the effective date will have a material impact on the group's reported income or net assets in the period.

4. Segmental reporting

For management purposes, the group is organised into business units and has five reportable segments as follows:

- GB stills – United Kingdom excluding Northern Ireland
- GB carbs – United Kingdom excluding Northern Ireland
- Ireland – Republic of Ireland and Northern Ireland
- France
- International

These business units sell soft drinks into their respective markets.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on brand contribution. This is defined as revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials and marginal production and distribution costs. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to reportable segments.

4. Segmental reporting (continued)

Transfer prices between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.

52 weeks ended 28 September 2014	GB stills £m	GB carbs £m	Total GB £m	Ireland £m	France £m	International £m	Total £m
Revenue	335.2	567.8	**903.0**	128.3	254.9	58.2	**1,344.4**
Brand contribution	159.4	222.4	**381.8**	47.0	67.1	21.0	**516.9**
Non-brand advertising & promotion*							(9.9)
Fixed supply chain**							(101.8)
Selling costs**							(120.7)
Overheads and other costs*							(126.4)
Operating profit before exceptional & other items							**158.1**
Finance costs before exceptional & other items							(25.2)
Exceptional & other items							(12.8)
Profit before tax							**120.1**

52 weeks ended 29 September 2013	GB stills £m	GB carbs £m	Total GB £m	Ireland £m	France £m	International £m	Total £m
Revenue ***	340.1	536.4	**876.5**	136.9	258.2	50.3	**1,321.9**
Brand contribution ***	154.5	200.1	**354.6**	49.0	63.2	18.8	**485.6**
Non-brand advertising & promotion *							(7.3)
Fixed supply chain**							(100.7)
Selling costs**							(124.5)
Overheads and other costs*							(118.1)
Operating profit before exceptional & other items							**135.0**
Finance costs before exceptional & other items							(26.9)
Exceptional & other items							(25.5)
Profit before tax							**82.6**

* Included within 'administration expenses' in the consolidated income statement. 'Overheads and other costs' relate to central expenses including salaries, IT maintenance, depreciation and amortisation.

** Included within 'selling and distribution costs' in the consolidated income statement.

*** As part of the implementation of the new operating model, responsibility for France exports has been transferred to the international business and prior year numbers have been restated to ensure accurate comparisons.

4. Segmental reporting (continued)

Geographic information

Revenues from external customers

The analysis below is based on the location where the sale originated.

	2014 £m	2013 £m
United Kingdom	**966.7**	940.3
Republic of Ireland	**109.2**	110.6
France	**268.2**	271.0
Other	**0.3**	-
Total revenue	**1,344.4**	1,321.9

Non-current assets

	2014 £m	2013 £m
United Kingdom	**233.7**	236.7
Republic of Ireland	**105.3**	107.8
France	**183.6**	192.0
Other	**1.1**	-
Total	**523.7**	536.5

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and other receivables.

5. Exceptional and other items

Unless otherwise stated, exceptional and other items are included within administration expenses in the consolidated income statement.

	Note	52 weeks ended 28 September 2014 £m	52 weeks ended 29 September 2013 £m
Asset impairments	(a)	**(0.7)**	(12.9)
Gain on disposal of previously impaired assets		**0.7**	-
Strategic restructuring costs	(b)	**(14.1)**	(10.6)
Aborted merger costs	(c)	**-**	(9.6)
Other fair value movements	(d)	**2.3**	7.6
Write off of unamortised financing fees	(e)	**(1.0)**	-
Total exceptional and other items before tax		**(12.8)**	**(25.5)**

a) Asset impairments relates to the loss recognised on transfer of a property from property, plant and equipment to held for sale in Britvic GB following closure in 2014 as part of strategic cost initiatives announced in May 2013.

In 2013, asset impairments related to the planned closure of GB factories, also as part of the strategic cost initiatives announced in May 2013.

b) Strategic restructuring costs in 2014 relate to the continuation of cost initiatives announced in May 2013, following the closure of two factories in Britvic GB and subsequent reorganisation as well as integration of GB and Ireland back office operations.

In 2013 costs also related to the implementation of cost initiatives announced in May 2013, including costs associated with the closure of factories and planned changes to the business operating model.

c) In 2013, costs related to the previously proposed merger of Britvic plc and A.G.Barr plc.

5. Exceptional and other items (continued)

d) Other fair value movements relate to the fair value movement of derivative financial instruments where hedge accounting cannot be applied. For the 52 weeks ended 28 September 2014, a gain of £1.3m is included within administration expenses (52 weeks ended 29 September 2013: £6.9m gain) and a gain of £1.0m is included within finance costs (52 weeks ended 29 September 2013 £0.7m gain) in the consolidated income statement.

e) Following the decision to refinance the group's committed bank facility, unamortised financing fees of £1.0m have been written off to finance costs in the consolidated income statement (see note 9).

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

6. Operating profit/(loss)

This is stated after charging:	**2014 £m**	2013 £m
Cost of inventories recognised as an expense	**617.5**	646.9
Including: write-down of inventories to net realisable value	**1.1**	1.5
Research and development expenditure written off	**2.6**	0.6
Net foreign currency exchange differences	**1.6**	1.1
Depreciation of property, plant and equipment	**31.5**	36.6
Amortisation of intangible assets	**10.4**	7.1
Operating lease payments – minimum lease payments	**11.7**	13.1

7. Auditor's remuneration

	2014 £m	2013 £m
Audit of the group financial statements	**0.2**	0.2
Audit of subsidiaries	**0.4**	0.4
Total audit	**0.6**	0.6
Audit related assurance services	**-**	-
Other assurance services	**-**	0.1
All taxation advisory services	**-**	-
Corporate finance services (excluding amounts included above in tax advisory and other assurance services)	**-**	0.7
Other non-audit services not covered above	**1.4**	1.6
Total non-audit services	**1.4**	2.4
Total fees	**2.0**	3.0

8. Staff costs

	2014 £m	2013 £m
Wages and salaries*	**120.4**	119.4
Social security costs	**19.8**	20.3
Net pension charge	**11.1**	8.7
Expense of share based compensation (note 29)	**9.1**	6.2
	160.4	154.6

* In addition to the above, £7.5m (2013: £6.7m) is included within 'strategic restructuring costs' in exceptional and other items (note 5).

	2014 £m	2013 £m
Directors' emoluments	**2.5**	2.7
Aggregate gains made by directors on exercise of options	**1.5**	-

	2014 No.	2013 No.
Number of directors accruing benefits under defined benefit schemes	**-**	-

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

	2014 No.	2013 No.
Distribution	**300**	331
Production	**1,389**	1,508
Sales and marketing	**911**	979
Administration	**559**	458
	3,159	3,276

9. Finance costs

	2014 £m	2013 £m
Finance costs		
Bank loans, overdrafts and loan notes	**(25.3)**	(26.9)
Unwinding of discount in provisions	**(0.1)**	-
Write off of unamortised financing fees (see note 5)	**(1.0)**	-
Total finance costs	**(26.4)**	(26.9)
Finance income		
Bank loans, overdrafts and loan notes	**0.2**	-
Fair value movement on interest rate swap (see note 26)	**1.0**	0.7
Total finance income	**1.2**	0.7
Net finance costs	**(25.2)**	(26.2)

10. Taxation

a) Tax on profit on continuing operations

	Before exceptional & other items £m	Exceptional & other items £m	2014 Total £m
Income statement			
Current income tax			
Current income tax (charge)/credit	(36.2)	3.0	(33.2)
Amounts over/(under) provided in previous years	(2.0)	0.7	(1.3)
Total current income tax (charge)/credit	(38.2)	3.7	(34.5)
Deferred income tax			
Origination and reversal of temporary differences	4.3	(0.4)	3.9
Amounts (under)/over provided in previous years	0.9	(0.7)	0.2
Total deferred tax credit/(charge)	5.2	(1.1)	4.1
Total tax (charge)/credit in the income statement	(33.0)	2.6	(30.4)
Statement of comprehensive income			
Current tax on additional pension contributions			4.5
Deferred tax on defined benefit plans			(2.0)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve			0.1
Tax on exchange differences accounted for in the translation reserve			0.7
Deferred tax on other temporary differences			0.1
Total tax credit in the statement of comprehensive income			3.4
Statement of changes in equity			
Current tax on share options exercised			0.8
Deferred tax on share options granted to employees			0.6
Total tax credit in the statement of changes in equity			1.4

10. Taxation (continued)

a) Tax on continuing operations (continued)

			2013
	Before exceptional & other items £m	Exceptional & other items £m	Total £m
Income statement			
Current income tax			
Current income tax (charge)/credit	(26.9)	3.3	(23.6)
Amounts over/(under) provided in previous years	1.2	(1.1)	0.1
Total current income tax (charge)/credit	(25.7)	2.2	(23.5)
Deferred income tax			
Origination and reversal of temporary differences	(0.5)	1.4	0.9
Impact of change in UK tax rate on deferred tax liability	3.0	0.2	3.2
Amounts (under)/over provided in previous years	(2.3)	1.0	(1.3)
Total deferred tax credit	0.2	2.6	2.8
Total tax (charge)/credit in the income statement	(25.5)	4.8	(20.7)
Statement of comprehensive income			
Current tax on additional pension contributions			3.1
Deferred tax on defined benefit plans			4.4
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve			0.4
Tax on exchange differences accounted for in the translation reserve			(2.9)
Deferred tax on other temporary differences			0.2
Total tax credit in the statement of comprehensive income			5.2
Statement of changes in equity			
Current tax on share options exercised			1.0
Deferred tax on share options granted to employees			(0.3)
Total tax credit in the statement of changes in equity			0.7

10. Taxation (continued)

b) Reconciliation of the total tax charge

The tax expense in the consolidated income statement is higher (2013: higher) than the standard rate of corporation tax in the UK of 22.0% (2013: 23.5%). The differences are reconciled below:

			2014
	Before exceptional & other items £m	Exceptional & other items £m	Total £m
Profit/(loss) before tax	**132.9**	**(12.8)**	**120.1**
Profit/(loss) multiplied by the UK average rate of corporation tax of 22.0%	**(29.2)**	**2.8**	**(26.4)**
Permanent differences	**0.4**	**0.1**	**0.5**
Impact of change in UK tax rate on deferred tax liability	**(0.2)**	**0.1**	**(0.1)**
Tax underprovided in previous years	**(0.9)**	**(0.1)**	**(1.0)**
Overseas tax rates	**(3.1)**	**(0.3)**	**(3.4)**
	(33.0)	**2.6**	**(30.4)**
Effective income tax rate	**24.8%**		**25.3%**

			2013
	Before exceptional & other items £m	Exceptional & other items £m	Total £m
Profit / (loss) before tax	108.1	(25.5)	82.6
Profit / (loss) multiplied by the UK average rate of corporation tax of 23.5%	(25.4)	6.0	(19.4)
Permanent differences	0.4	(0.6)	(0.2)
Impact of change in UK tax rate on deferred tax liability	3.0	0.2	3.2
Tax underprovided in previous years	(1.1)	(0.1)	(1.2)
Overseas tax rates	(2.4)	(0.7)	(3.1)
	(25.5)	4.8	(20.7)
Effective income tax rate	23.6%		25.0%

c) Unrecognised tax items

The temporary differences associated with investments in subsidiaries for which a deferred tax liability has not been recognised total £7.5m (2013: £5.6m). No deferred tax has been provided in respect of these differences, since the timing of the reversals can be controlled and it is probable that the temporary differences will not reverse in the future.

The group expects that future remittances of earnings from its overseas subsidiaries will be covered by the UK dividend exemption and so the un-remitted earnings of these subsidiaries are not disclosed above.

No deferred tax asset has been recognised in respect of unused tax losses of £4.3m (2013: £1.9m). Included in this amount are tax losses of £2.8m (2013: £0.8m) that will expire in 7-8 years. Other losses may be carried forward indefinitely.

10. Taxation (continued)

d) Deferred tax

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

	2014 £m	2013 £m
Deferred tax liability		
Accelerated capital allowances	**(5.4)**	(6.8)
Acquisition fair value adjustments	**(15.4)**	(17.6)
Other temporary differences	**-**	(0.1)
Post employment benefits	**(16.1)**	(13.5)
Deferred tax liability	**(36.9)**	(38.0)
Deferred tax asset		
Employee incentive plan	**5.7**	3.7
Unutilised losses incurred in overseas jurisdictions	**6.6**	5.1
Other temporary differences	**1.3**	1.4
Deferred tax asset	**13.6**	10.2
Net deferred tax liability	**(23.3)**	(27.8)

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2014 £m	2013 £m
Net deferred tax assets	**-**	-
Net deferred tax liabilities	**(23.3)**	(27.8)
	(23.3)	(27.8)

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

	2014 £m	2013 £m
Employee incentive plan	**1.4**	0.4
Accelerated capital allowances	**1.5**	3.0
Post employment benefits	**(0.6)**	1.5
Acquisition fair value adjustments	**1.0**	1.3
Unutilised losses incurred in overseas jurisdictions	**1.3**	0.7
Other temporary differences	**(0.5)**	(4.1)
Deferred tax credit	**4.1**	2.8

In 2014, there is a £1.1m charge relating to exceptional items (2013: £2.6m credit) included within the overall £4.1m deferred tax credit (2013: overall £2.8m credit) in the consolidated income statement.

11. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit/(loss) for the period attributable to the equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the ordinary equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period 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:

	2014 £m	2013 £m
Basic earnings per share		
Profit for the period attributable to equity shareholders	**89.7**	61.9
Weighted average number of ordinary shares in issue for basic earnings per share	**245.8**	243.2
Basic earnings per share	**36.5p**	25.5p
Diluted earnings per share		
Profit for the period attributable to equity shareholders	**89.7**	61.9
Weighted average number of ordinary shares in issue for diluted earnings per share	**247.5**	244.7
Diluted earnings per share	**36.2p**	25.3p

The group presents as exceptional and other items on the face of the consolidated income statement, those significant items of income and expense which, because of the size, 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 trends in financial performance more readily.

To this end, basic and diluted earnings per share are also presented on this basis with the amortisation of acquisition related intangible assets also added back using the weighted average number of ordinary shares for both basic and diluted amounts as per the table below.

	Note	2014 £m	2013 £m
Adjusted basic earnings per share			
Profit for the period attributable to equity shareholders		**89.7**	61.9
Add: Net impact of exceptional and other items		**10.2**	20.7
Add: Intangible assets amortisation (acquisition related)	14	**2.9**	2.9
		102.8	85.5
Weighted average number of ordinary shares in issue for basic earnings per share		**245.8**	243.2
Adjusted basic earnings per share		**41.8p**	35.2p
Adjusted diluted earnings per share			
Profit for the period attributable to equity shareholders before exceptional items and other items and acquisition related intangible assets amortisation		**102.8**	85.5
Weighted average number of ordinary shares in issue for diluted earnings per share		**247.5**	244.7
Adjusted diluted earnings per share		**41.5p**	34.9p

12. Dividends paid and proposed

	2014 £m	2013 £m
Declared and paid during the period		
Equity dividends on ordinary shares		
Final dividend for 2013: 13.0p per share (2012: 12.4p per share)	**31.8**	29.6
Interim dividend for 2014: 6.1p per share (2013: 5.4p per share)	**15.0**	12.9
Dividends paid	**46.8**	42.5
Proposed		
Final dividend for 2014: 14.8p per share (2013: 13.0p per share)	**36.3**	31.7

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 2012, net of accumulated depreciation and impairment	59.1	27.8	101.7	48.0	236.6
Exchange differences	1.0	0.4	1.8	-	3.2
Additions	3.8	2.5	15.2	6.3	27.8
Disposals at cost	(0.1)	-	(3.5)	(12.4)	(16.0)
Depreciation eliminated on disposals	0.1	-	1.9	9.9	11.9
Depreciation charge for the year	(2.4)	(0.9)	(20.3)	(13.0)	(36.6)
Impairment *	-	(0.8)	(10.4)	-	(11.2)
At 29 September 2013 net of accumulated depreciation and impairment	61.5	29.0	86.4	38.8	215.7
Exchange differences	(2.1)	(0.7)	(2.6)	(0.1)	(5.5)
Additions	15.5	0.9	18.8	12.9	48.1
Disposals at cost	-	-	(2.9)	(15.2)	(18.1)
Depreciation eliminated on disposals	-	-	2.0	14.5	16.5
Depreciation charge for the year	(2.5)	(0.9)	(17.6)	(10.5)	(31.5)
Assets transferred to held for sale (note 20)	-	(3.6)	-	-	(3.6)
Reclassification	-	-	0.7	(0.7)	-
(Impairment)*/impairment reversal	-	(0.7)	0.1	-	(0.6)
At 28 September 2014 net of accumulated depreciation and impairment	**72.4**	**24.0**	**84.9**	**39.7**	**221.0**
At 28 September 2014					
Cost (gross carrying amount)	**95.4**	**35.9**	**279.7**	**157.5**	**568.5**
Accumulated depreciation and impairment	**(23.0)**	**(11.9)**	**(194.8)**	**(117.8)**	**(347.5)**
Net carrying amount	**72.4**	**24.0**	**84.9**	**39.7**	**221.0**
At 29 September 2013					
Cost (gross carrying amount)	83.9	43.1	272.9	162.6	562.5
Accumulated depreciation and impairment	(22.4)	(14.1)	(186.5)	(123.8)	(346.8)
Net carrying amount	61.5	29.0	86.4	38.8	215.7

* The impairment in 2014 relates to a loss on transfer of a property held in the GB stills segment to non-current assets held for sale (see note 20), and has been included within exceptional and other items (see note 5).

The impairment in 2013 principally related to the write down of plant and machinery following the strategic cost initiative announcement in May 2013, and was included within exceptional and other items (see note 5).

13. Property, plant and equipment (continued)

Finance leases

The net book value of freehold land and buildings and plant and machinery includes £0.1m and £nil respectively (2013: £0.2m and £0.1m respectively) in respect of assets held under finance leases. The assets are pledged as security for the finance lease liabilities.

14. Intangible assets

	Trademarks £m	Franchise rights £m	Customer lists £m	Software costs £m	Goodwill £m	Total £m
Cost as at 30 September 2012, net of accumulated amortisation	92.5	20.3	35.2	20.3	136.9	305.2
Exchange differences	5.0	1.0	1.8	-	3.9	11.7
Additions	-	-	-	8.9	-	8.9
Amortisation charge for the period	-	(0.7)*	(2.2)*	(4.2)	-	(7.1)
Impairment **	-	-	-	-	(1.7)	(1.7)
At 29 September 2013	97.5	20.6	34.8	25.0	139.1	317.0
Exchange differences	(6.5)	(1.5)	(2.2)	(0.1)	(5.2)	(15.5)
Additions	-	-	-	8.8	-	8.8
Disposals at cost	-	-	-	(0.4)	-	(0.4)
Amortisation eliminated on disposals	-	-	-	0.2	-	0.2
Amortisation charge for the period	-	(0.7)*	(2.2)*	(7.5)	-	(10.4)
At 28 September 2014	**91.0**	**18.4**	**30.4**	**26.0**	**133.9**	**299.7**
At 28 September 2014						
Cost (gross carrying amount)	**117.9**	**23.1**	**46.5**	**72.8**	**196.6**	**456.9**
Accumulated amortisation and impairment	**(26.9)**	**(4.7)**	**(16.1)**	**(46.8)**	**(62.7)**	**(157.2)**
Net carrying amount	**91.0**	**18.4**	**30.4**	**26.0**	**133.9**	**299.7**
At 29 September 2013						
Cost (gross carrying amount)	126.6	24.8	49.7	65.5	205.6	472.2
Accumulated amortisation and impairment	(29.1)	(4.2)	(14.9)	(40.5)	(66.5)	(155.2)
Net carrying amount	97.5	20.6	34.8	25.0	139.1	317.0

* Acquisition related amortisation (see note 11).

** The impairment in 2013 related to the write down of goodwill relating to the Water business following the strategic cost initiative announcement in May 2013, and has been included within exceptional and other items (see note 5).

Trademarks

Britvic Ireland and Britvic France

Trademarks represent those trade names acquired which the group plans to maintain. All trademarks have been allocated an indefinite life by management. A list of the trademarks held in respect of the Britvic Ireland and Britvic France segments 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 in respect of Britvic France and Britvic Ireland will be held and supported for an indefinite period of time and are expected to generate economic benefits. The group is committed to supporting its trademarks and invests in significant consumer marketing promotional spend.

Franchise rights

Franchise rights represent the franchise agreements acquired as part of the Britvic Ireland business combination which provide the long term right to distribute certain soft drinks. These agreements have been allocated a 35 year useful economic life. As at 28 September 2014 these intangible assets have a remaining useful life of 28 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.

14. Intangible assets (continued)

Customer lists

Britvic France

Customer lists recognised on the acquisition of Britvic France relate to those customer relationships acquired. These intangible assets have been allocated useful economic lives of 20 years. At 28 September 2014 these intangible assets have a remaining useful life of 16 years.

Britvic Ireland

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 28 September 2014 these intangible assets have a remaining useful life of between 3 and 13 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. As at 28 September 2014 these intangible assets have a remaining useful life of up to 7 years.

Goodwill

Goodwill is subject to an impairment review at each reporting date in accordance with IAS 36 'Impairment of Assets'. Further detail is provided in note 15.

Intangible assets recognised on the acquisition of Britvic Ireland and Britvic France are valued in euros and translated to sterling at the reporting date.

15. Impairment testing of intangible assets

Carrying amount of goodwill and trademarks with indefinite lives

The carrying amount of goodwill acquired through business combinations, and trademarks with indefinite lives recognised as part of fair value exercises on acquisitions, are attributable to the following cash-generating units:

	2014 £m	2013 £m
Goodwill		
Orchid	**6.0**	6.0
Tango	**8.9**	8.9
Robinsons	**38.6**	38.6
Britvic Soft Drinks business (BSD)	**7.8**	7.8
Britvic Ireland	**15.5**	16.6
Britvic France	**57.1**	61.2
	133.9	139.1

	2014 £m	2013 £m
Trademarks with indefinite lives		
Britvic Ireland		
Britvic	**5.9**	6.3
Cidona	**5.2**	5.5
Mi Wadi	**8.0**	8.6
Ballygowan	**2.2**	2.4
Club	**13.2**	14.2
	34.5	37.0
Britvic France		
Teisseire	**44.7**	47.9
Moulin de Valdonne	**3.7**	3.9
Pressade	**4.2**	4.5
Fruité	**3.9**	4.2
	56.5	60.5
Total Trademarks	**91.0**	97.5

15. Impairment testing of intangible assets (continued)

The Britvic Ireland and Britvic France goodwill and trademarks with indefinite lives are valued in euros and translated into sterling at the reporting date. The movements in the carrying amount of goodwill from the prior year relate to translation movements.

With the exception of Britvic Ireland and Britvic France goodwill, all other goodwill amounts were recognised on acquisitions made within Britvic GB.

Trademarks with indefinite lives were recognised as part of the fair value exercises relating to the 2007 acquisition of Britvic Ireland and the 2010 acquisition of Britvic France. They were allocated by senior management to the individual cash-generating units for impairment testing as shown in the table above.

Method of impairment testing

Goodwill and intangible assets with indefinite lives

Impairment reviews of goodwill and intangible assets are undertaken by senior management annually. Value in use calculations are performed for each cash-generating unit using cash flow projections and are based on the latest annual financial budgets prepared by senior management and approved by the board of directors. Senior management expectations are formed in line with performance to date and experience, as well as available external market data.

The group has considered the impact of the current economic climate in determining the appropriate discount rate to use in impairment testing. The applicable pre-tax discount rate for cash flow projections is:

	At 28 September 2014	At 29 September 2013
Britvic GB	**9.6%**	8.3%
Britvic Ireland	**9.7%**	10.2%
Britvic France	**10.5%**	10.0%

Cash flows beyond a one year period are extrapolated based on growth and discount rates as described below.

Key assumptions used in value in use calculations

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

Volume growth rates – reflect senior management expectations of volume growth based on growth achieved to date, current strategy and expected market trends.

Discount rates – reflect senior management's estimate of the pre-tax cost of capital adjusted where necessary to reflect the different risks of different countries in which the group operates. 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 the Britvic plc board. 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 the forecast increase in consumer price indices in the relevant market. This has been used in all value in use calculations performed.

Intangible assets with finite lives

No indicators of impairment were identified on intangible assets with finite lives and no impairment was recognised against these assets.

Results and conclusions

No impairments have been identified during the 52 week period ended 28 September 2014. In 2013, following the strategic cost initiative announcement in May 2013, the carrying value of goodwill relating to the Water business of £1.7m was impaired, and the impairment charge recognised within exceptional and other items (see note 5).

Other than for the Britvic trademark within Britvic Ireland, the directors do not consider that a reasonably possible change in the assumptions used to calculate the value in use of remaining goodwill and intangible assets would result in any impairment. The key assumption to which the calculation of value in use for the Britvic trademark is most sensitive is the discount rate where a change of 0.1% could reduce the recoverable amount to carrying amount.

16. Other receivables (non-current)

	2014 £m	2013 £m
Operating lease premiums	**2.4**	1.8
Prepayments	**-**	1.5
Other	**0.6**	0.5
Total other receivables (non-current)	**3.0**	3.8

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

17. Inventories

	2014 £m	2013 £m
Raw materials	**27.5**	27.1
Finished goods	**49.1**	54.9
Consumable stores	**6.7**	7.0
Returnable packaging	**1.4**	1.8
Total inventories at lower of cost and net realisable value	**84.7**	90.8

18. Trade and other receivables (current)

	2014 £m	2013 £m
Trade receivables	**250.0**	236.4
Other receivables	**9.0**	10.1
Prepayments	**17.9**	19.6
	276.9	266.1

Trade receivables are non-interest bearing and are generally on credit terms usual for the markets in which the group operates. As at 28 September 2014, trade receivables at nominal value of £1.2m (2013: £1.6m) were impaired and fully provided against. Movements in the provision for impairment of receivables were as follows:

	Total £m
At 30 September 2012	2.5
Charge for period	2.5
Utilised	(1.9)
Unused amounts reversed	(1.5)
At 29 September 2013	1.6
Charge for period	2.5
Utilised	(0.5)
Unused amounts reversed	(2.4)
At 28 September 2014	**1.2**

18. Trade and other receivables (current) (continued)

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.

The ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired				
			<30 days	30 – 60 days	60 – 90 days	90 – 120 days	> 120 days
	£m	£m	£m	£m	£m	£m	£m
2014	**250.0**	**222.7**	**13.1**	**3.1**	**1.3**	**0.4**	**9.4**
2013	236.4	218.1	7.3	4.1	0.9	1.2	4.8

The credit quality of trade receivables that are neither past due nor impaired is considered good. Refer to note 25 for details of the group's credit risk policy. The group monitors the credit quality of trade receivables by reference to credit ratings available externally.

19. Cash and cash equivalents

	2014 £m	2013 £m
Cash at bank and in hand	**25.3**	16.5
Deposits	**118.7**	77.5
Cash and cash equivalents	**144.0**	94.0
Bank overdrafts	**(0.7)**	(2.5)
Cash and cash equivalents in the statement of cash flows	**143.3**	91.5

During the year, short-term deposits are made for varying periods 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 28 September 2014 the group had available £400.0m (2013: £400.0m) of un-drawn committed borrowing facilities in respect of which all conditions precedent had been met. Agreement has been reached to refinance this facility with an expected revised maturity date of November 2019.

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

	2014 £m	2013 £m
Net transfer from property, plant and equipment	**3.6**	-

£2.8m of the transfer relates to a property held for sale in Britvic Ireland. The sale of the property completed on 2 October 2014 and resulted in a gain on disposal of £0.8m.

£0.8m of the transfer relates to a property held for sale in GB. An impairment loss of £0.7m was recognised on transfer of this property from property, plant and equipment to non-current assets held for sale.

21. Issued share capital

The issued share capital is wholly comprised of ordinary shares carrying one voting right each. The nominal value of each ordinary share is £0.20. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

Issued, called up and fully paid ordinary shares	No. of shares	Value £
At 30 September 2012	242,344,551	48,468,910
Shares issued	2,746,477	549,295
At 29 September 2013	245,091,028	49,018,205
Shares issued	2,138,087	427,618
At 28 September 2014	**247,229,115**	**49,445,823**

Of the issued and fully paid ordinary shares, 409,725 shares (2013: 231,547 shares) are own shares held by an employee benefit trust. This equates to £81,945 (2013: £46,309) 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 25.

22. Interest bearing loans and borrowings

	2014 £m	2013 £m
Current		
Finance leases	**(0.1)**	(0.2)
Bank loans	**(0.8)**	(0.2)
Private placement notes	**(21.8)**	(92.1)
Less: unamortised issue costs	**0.3**	0.9
Total current	**(22.4)**	(91.6)

	2014 £m	2013 £m
Non-current		
Finance leases	**(0.2)**	(0.3)
Bank loans	**(0.6)**	(0.8)
Private placement notes	**(540.1)**	(459.1)
Less: unamortised issue costs	**1.0**	1.9
Total non-current	**(539.9)**	(458.3)
Total interest bearing loans and borrowings	**(562.3)**	(549.9)

22. Interest bearing loans and borrowings (continued)

The table below provides an analysis of amounts included within current and non-current interest bearing loans and borrowings:

	2014 £m	2013 £m
Finance leases	**(0.3)**	(0.5)
2007 Notes	**(180.9)**	(270.3)
2009 Notes	**(160.5)**	(164.8)
2010 Notes	**(111.7)**	(112.2)
2014 Notes	**(105.2)**	-
Accrued interest	**(3.6)**	(3.9)
Bank loans	**(1.4)**	(1.0)
Capitalised issue costs	**1.3**	2.8
	(562.3)	(549.9)

Analysis of changes in interest-bearing loans and borrowings

	2014 £m	2013 £m
At the beginning of the period	**(549.9)**	(559.3)
Net bank loans (drawndown)/repaid	**(0.4)**	0.6
Partial repayment of 2007 Notes	**76.8**	-
Issue of 2014 Notes	**(105.8)**	-
Issue costs	**0.4**	-
Repayment of finance leases	**0.2**	0.4
Amortisation of issue costs and write off of financing fees	**(1.9)**	(0.9)
Net translation gain/fair value adjustment	**18.0**	8.6
Accrued interest	**0.3**	0.7
At the end of the period	**(562.3)**	(549.9)
Derivatives hedging balance sheet debt *	**38.1**	56.1
Debt translated at contracted rate	**(524.2)**	(493.8)

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

Bank loans

The bank loans classified as non-current are repayable by December 2018 (2013: December 2018).

Loans outstanding at 28 September 2014 attract interest at an average rate of 4.21% for euro denominated loans (2013: 4.03%) and 11.00% for Indian Rupee denominated loans (2013: nil). There were no sterling denominated bank loans outstanding at 28 September 2014 (2013: £nil).

22. Interest bearing loans and borrowings (continued)

Private placement notes

The group holds loan notes with coupons and maturities as shown in the following table:

Year issued	Maturity date	Amount	Interest terms
2007	February 2019	£13m	UK£ fixed at 5.94%
2007	February 2017 – February 2019	$273m	US$ fixed at 5.90% - 6.00%
2009	December 2014 – December 2019	$250m	US$ fixed at 4.07% - 5.24%
2010	December 2017	£7.5m	UK£ fixed at 3.74%
2010	December 2017 – December 2022	$163m	US$ fixed at 3.45% - 4.14%
2014	February 2021 – February 2024	£35m	UK£ fixed at 3.40% - 3.92%
2014	February 2024 – February 2026	$114m	US$ fixed at 4.09% - 4.24%

The group entered into a number of cross-currency swap agreements in relation to the loan notes to manage any foreign exchange risk on interest rates or on the repayment of the principal borrowed. These swaps expire in line with the loan notes and are discussed in note 26.

See note 25 for an analysis of the interest rate profile and the maturity of the borrowings and related interest rate swaps.

Partial repayment of 2007 Notes

On 20 February 2014, in line with the maturity profile of the 2007 Notes, Britvic plc repaid US$102m (equivalent to £51.8m) and £25m of Senior Notes in the United States private placement market (USPP) using funds received from the issuance of 2014 Notes (see below).

Issue of 2014 Notes

On 20 February 2014, Britvic plc issued US$114m (equivalent to £70.8m) and £35m of Senior Notes in the United States private placement market (the ‘2014 Notes’). The proceeds from the 2014 Notes were principally used to repay amounts due in relation to the maturity of certain tranches of the 2007 Notes.

Issue costs of £0.4m incurred in the period relate to the issue of the 2014 Notes.

The 2014 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the group.

23. Pensions

The group’s principal pension scheme for GB employees, the Britvic Pension Plan (‘BPP’) has both a defined benefit and contribution section. The defined benefit section was closed to new members from 1 August 2002 and closed to future accrual for active members from 1 April 2011, with new members moving to the defined contribution section for future service benefits.

Contributions are paid into the defined benefit section of the BPP as determined by the trustee, agreed by the company and certified by an independent actuary in the Schedule of Contributions. The latest formal actuarial valuation for contribution purposes was carried out as at 31 March 2013. No additional employer contributions have been requested as the funding level has improved since the 2010 actuarial valuation.

The BPP is a limited partner of Britvic Scottish Limited Partnership (‘Britvic SLP’), which in turn is a limited partner in both Britvic Property Partnership (‘Britvic PP’) and Britvic Brands LLP (‘Britvic Brands’). Britvic SLP, Britvic PP and Britvic Brands are all consolidated by the group. The investment held by BPP does not represent a plan asset for accounting purposes and is therefore not included in the fair value of the plan assets.

In 2010/11 properties were transferred to Britvic PP at a value of £28.6m and in 2011/12 certain group brands to the value of £72.4m were transferred to Britvic Brands, all of which are leased back to Britvic Soft Drinks Limited. The group retains operational flexibility over the properties and brands including the ability to substitute the properties and brands held by Britvic PP and Britvic Brands respectively.

The BPP is entitled to a share of the profits in Britvic SLP until 2026. At the end of this period, the partnership capital allocated to the BPP will be changed to an amount equal to any funding deficit of the BPP at this time, up to a maximum of £105m.

In addition to the expected partnership income of at least £5m per annum, the group will make payments to the BPP of £15m per annum by 31 December each year, from 2014 to 2017. Additional contributions of £15m per annum by 31 December in the years 2018 and 2019 will be made should the formal actuarial valuation in 2016 reveal that these contributions are necessary to return the BPP to full funding on a self-sufficiency basis by 31 March 2020. During this year £20m of additional contributions were paid to the BPP, of which £15m was paid by the group and £5.0m relates to income received from the pension funding partnership (‘PFP’) structure.

23. Pensions (continued)

All members of the defined benefit section of the BPP may benefit from the Enhanced Early Retirement Facility ('EERF'), which is a non-contractual benefit that allows members to retire within five years of reaching the normal pension age without a reduction in their pension, and to benefit from smaller reductions in their pension if they retire more than five years before reaching normal pension age. The company has given notice to all Plan members that the EERF will be withdrawn from 5 April 2016.

The amount recognised as an expense in relation to the BPP defined contribution scheme in the consolidated income statement for 2014 was £10.8m (2013: £10.6m).

Britvic's business in GB also has a secured unfunded unregistered retirement benefit scheme called The Britvic Executive Top Up Scheme ('BETUS') which provides benefits for members who have historically exceeded the Earnings Cap, or the Lifetime Allowance whilst members of the defined benefit section of the BPP. BETUS closed to future accrual on 10 April 2011 which coincided with the closure of the defined benefit section of the BPP.

The Britvic Northern Ireland Pension Plan ('BNIPP') is a defined benefit pension plan which 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. The latest formal actuarial valuation for contribution purposes was carried out as at 31 December 2011.

The Britvic Ireland Pension Plan ('BIPP') is a defined benefit pension plan. Following legislative changes made in 2012 no deficit recovery contributions are currently required. The next triennial valuation is due as at 1 January 2015. The trustee has been undertaking investment de-risking to protect the on-going funding position achieved as a result of the 2012 changes.

The amount recognised as an expense in relation to the Irish defined contribution schemes in the consolidated income statement for 2014 was £0.8m (2013: £0.8m).

Britvic France operates two defined benefit schemes: in the first, employees receive long-service cash payments at various stages throughout their careers. From the second, employees receive a lump sum at retirement. Payment amounts are dependent upon salary and service with the company. The schemes are unfunded therefore these benefits are paid directly as they fall due.

All group pension schemes are administered by trustees who are independent of the group's finances, except for the Britvic France schemes which are operated directly by the company.

The assets and liabilities of the pension schemes were valued on an IAS 19 (Revised) basis at 28 September 2014 by Towers Watson (BPP and the French schemes), Invesco (BIPP) and Buck (BNIPP).

Impact of IAS 19 (Revised)

The most significant change for Britvic under IAS 19 (Revised) is the replacement of interest cost and expected return on plan assets with a finance cost component which is determined by applying the same discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The difference between the actual return on plan assets and the discount rate will be presented in other comprehensive income. Other changes include the treatment of expenses paid in relation to the plans and the narrative disclosures.

Risks

- For defined contribution sections and plans, the group's liability is limited to the requirement to pay contributions on behalf of each employee. In these arrangements the associated risks are borne by the members.
- For defined benefit sections and plans, the group bears the risks of operation. The main risk that the group runs in respect of the defined benefit schemes is that additional contributions are required to pay for the benefits if investment returns are not sufficient. The contributions required for the schemes are in general determined at each triennial actuarial funding valuation. The key factors that will affect the need for additional contributions include levels of long-term inflation and interest rates and the assessment of how long members are expected to live, along with the level of investment return achieved. The level of investment return achieved is subject to a range of risks typical of the asset classes held, in particular market risk on equities, credit risk on corporate bonds and exposure to the property market. The discount rates used to calculate the liabilities are set by reference to yields on high quality corporate bonds. There is therefore a mismatch between the assets held and the way that the liabilities are calculated, meaning that the net balance sheet position disclosed under IAS 19 could fluctuate.
- For the BPP, the trustee holds the power to determine the contribution rates that the group should pay, although the group fully uses the opportunity to make representation to the trustee on this point.
- The trustee of the BPP agreed to implement a revised investment strategy following the completion of the 31 March 2013 valuation. The revised investment strategy will consist of a diverse range of fixed interest and index-linked securities, which will provide a partial hedge against inflation and interest rate risk. The removal of equities from the investment portfolio will also reduce investment risk.
- The BPP is exposed to specific non-financial risks in respect of the non-contractual EERF benefit available to all members of its defined benefit section. If more members than expected choose to exercise this option, it will serve to increase the pension liability. An allowance for some members to exercise this option has already been made within the liabilities and the facility will be withdrawn from 5 April 2016, at which point this risk will be removed.

23. Pensions (continued)

Risks (continued)

The funding partnership mitigates the risk that additional cash contributions will be required after 31 March 2026, as the partnership will pay up to £105m to remove any funding deficit at 31 March 2026.

Principal assumptions

Financial assumptions

				2014
	ROI %	**NI %**	**France %**	**GB %**
Discount rate	**3.00**	**3.90**	**1.86**	**4.00**
Rate of compensation increase	**2.75**	**3.60**	**1.00-4.00***	**n/a**
Pension increases	**-**	**2.10-2.30**	**-**	**1.90-2.95**
Inflation assumption	**1.75**	**2.30**	**-**	**3.20**

				2013
	ROI %	NI %	France %	GB %
Discount rate	4.25	4.60	3.12	4.55
Rate of compensation increase	3.00	3.75	1.00-4.00*	n/a
Pension increases	-	1.95-2.45	-	1.95-3.05
Inflation assumption	2.00	2.45	-	3.35

* Rate dependent on employee and business unit.

Demographic assumptions

The most significant non-financial assumption is the assumed rate of longevity. This is based on standard actuarial tables, which for the BPP are known as SAPS Series 1. An allowance for future improvements in longevity has also been included. The following life expectancy assumptions have been used:

	2014 ROI Years	**2014 NI Years**	**2014 GB Years**	2013 ROI Years	2013 NI Years	2013 GB Years
Current pensioners (at age 65) – males	**20.9**	**22.2**	**21.3**	22.7	22.0	22.2
Current pensioners (at age 65) – females	**23.4**	**24.9**	**24.3**	24.5	25.0	24.8
Future pensioners currently aged 45 (at age 65) – males	**23.3**	**24.0**	**23.1**	25.6	23.3	24.4
Future pensioners currently aged 45 (at age 65) – females	**25.5**	**26.4**	**26.2**	26.8	26.6	27.1

The mortality assumptions used to calculate the GB pension obligation were revised in 2014 following a mortality analysis carried out as part of the actuarial valuation of the BPP at 31 March 2013.

For the French arrangements mortality follows the INSEE 2012 tables. As benefits are paid on retirement, the mortality assumption is of much less significance for these arrangements than for the GB and Irish arrangements.

23. Pensions (continued)

Principal assumptions (continued)

Sensitivities

Changes in assumptions used for determining retirement benefit costs and obligations may have a material impact on the consolidated 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 liabilities	Impact on NI liabilities	Impact on France liabilities	Impact on GB liabilities
Discount rate	Increase by 0.5%	Decrease by £8.0m	Decrease by £3.1m	Decrease by £0.2m	Decrease by £54.1m
	Decrease by 0.5%	Increase by £9.4m	Increase by £3.1m	Increase by £0.2m	Increase by £63.0m
Inflation rate	Increase by 0.25%*	Increase by £2.1m	Increase by £0.8m	n/a	Increase by £25.2m
	Decrease by 0.25%*	Decrease by £2.0m	Decrease by £0.8m	n/a	Decrease by £19.4m
Longevity rates	Increase by 1 year	Increase by £1.2m	Increase by £0.9m	n/a	Increase by £20.3m

* The sensitivity to inflation assumption includes corresponding changes to future salary (applicable only to France) and future pension increase assumptions.

Net benefit income/(expense)

					2014
	ROI £m	**NI £m**	**France £m**	**GB £m**	**Total £m**
Current service cost	**(0.8)**	**(0.1)**	**(0.1)**	**-**	**(1.0)**
Net interest on net defined benefit asset/(liability)	**(0.1)**	**-**	**(0.1)**	**-**	**(0.2)**
Curtailment gain	**0.4**	**-**	**-**	**-**	**0.4**
Settlement gain	**-**	**-**	**-**	**1.3**	**1.3**
Net income/(expense)	**(0.5)**	**(0.1)**	**(0.2)**	**1.3**	**0.5**

					2013
	ROI £m	NI £m	France £m	GB £m	Total £m
Current service cost	(0.8)	(0.2)	(0.1)	-	(1.1)
Net interest on net defined benefit asset/(liability)	-	-	(0.1)	(0.1)	(0.2)
Settlement gain	-	-	-	3.8	3.8
Net income/(expense)	(0.8)	(0.2)	(0.2)	3.7	2.5

Other than stated below, the net income detailed above is 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.

23. Pensions (continued)

Taken to the statement of comprehensive income

					2014
	ROI £m	NI £m	France £m	GB £m	Total £m
Actual return on scheme assets	**8.5**	**2.8**	**-**	**48.0**	**59.3**
Less: Return on plan assets (excluding amounts included in net interest expense)	**(2.2)**	**(1.2)**	**-**	**(25.1)**	**(28.5)**
	6.3	**1.6**	**-**	**22.9**	**30.8**
Gains/(losses) due to demographic assumptions	**4.3**	**(0.2)**	**-**	**16.8**	**20.9**
Losses due to financial assumptions	**(12.5)**	**(3.3)**	**(0.4)**	**(48.4)**	**(64.6)**
Experience gains	**0.4**	**0.2**	**-**	**-**	**0.6**
Remeasurement losses taken to the statement of comprehensive income	**(1.5)**	**(1.7)**	**(0.4)**	**(8.7)**	**(12.3)**

					2013
	ROI £m	NI £m	France £m	GB £m	Total £m
Actual return on scheme assets	3.5	2.2	-	39.9	45.6
Less: Return on plan assets (excluding amounts included in net interest expense)	(2.4)	(1.2)	-	(23.9)	(27.5)
	1.1	1.0	-	16.0	18.1
Gains due to demographic assumptions	4.1	-	-	-	4.1
Gains/(losses) due to financial assumptions	0.6	(1.7)	-	(59.7)	(60.8)
Experience gains	(0.6)	2.5	-	4.3	6.2
Remeasurement gains/(losses) taken to the statement of comprehensive income	5.2	1.8	-	(39.4)	(32.4)

Net (liability)/asset

					2014
	ROI £m	NI £m	France £m	GB £m	Total £m
Present value of benefit obligation	**(60.5)**	**(30.5)**	**(2.7)**	**(598.7)**	**(692.4)**
Fair value of plan assets	**58.0**	**30.4**	**-**	**595.6**	**684.0**
Net (liability)/asset	**(2.5)**	**(0.1)**	**(2.7)**	**(3.1)**	**(8.4)**

					2013
	ROI £m	NI £m	France £m	GB £m	Total £m
Present value of benefit obligation	(54.8)	(26.6)	(2.2)	(562.4)	(646.0)
Fair value of plan assets	53.2	26.7	0.1	546.7	626.7
Net (liability)/asset	(1.6)	0.1	(2.1)	(15.7)	(19.3)

23. Pensions (continued)

Movements in present value of benefit obligation

	ROI £m	NI £m	France £m	GB £m	2014 Total £m
At 29 September 2013	**(54.8)**	**(26.6)**	**(2.2)**	**(562.4)**	**(646.0)**
Exchange differences	**3.7**	**-**	**-**	**-**	**3.7**
Curtailment gain	**0.4**	**-**	**-**	**-**	**0.4**
Settlement gain	**-**	**-**	**-**	**1.3**	**1.3**
Current service cost	**(0.8)**	**(0.1)**	**(0.1)**	**-**	**(1.0)**
Member contributions	**(0.2)**	**-**	**-**	**-**	**(0.2)**
Interest cost on benefit obligation	**(2.2)**	**(1.2)**	**(0.1)**	**(25.1)**	**(28.6)**
Benefits paid	**1.2**	**0.7**	**0.1**	**19.1**	**21.1**
Remeasurement gains/(losses)	**(7.8)**	**(3.3)**	**(0.4)**	**(31.6)**	**(43.1)**
At 28 September 2014	**(60.5)**	**(30.5)**	**(2.7)**	**(598.7)**	**(692.4)**
Weighted average duration of the liabilities	**23 years**	**20 years**	**14 years**	**22 years**	

	ROI £m	NI £m	France £m	GB £m	2013 Total £m
At 30 September 2012	(53.6)	(26.8)	(2.0)	(503.9)	(586.3)
Exchange differences	(3.0)	-	(0.1)	-	(3.1)
Settlement gain	-	-	-	3.8	3.8
Current service cost	(0.8)	(0.2)	(0.1)	-	(1.1)
Member contributions	(0.3)	-	-	-	(0.3)
Interest cost on benefit obligation	(2.4)	(1.2)	(0.1)	(24.0)	(27.7)
Benefits paid	1.2	0.8	0.1	17.1	19.2
Remeasurement gains/(losses)	4.1	0.8	-	(55.4)	(50.5)
At 29 September 2013	(54.8)	(26.6)	(2.2)	(562.4)	(646.0)
Weighted average duration of the liabilities	22 years	20 years	14 years	22 years	

23. Pensions (continued)

Movements in fair value of plan assets

	2014				
	ROI £m	NI £m	France £m	GB £m	Total £m
At 29 September 2013	**53.2**	**26.7**	**0.1**	**546.7**	**626.7**
Exchange differences	**(3.4)**	**-**	**-**	**-**	**(3.4)**
Interest income on plan assets	**2.1**	**1.2**	**-**	**25.1**	**28.4**
Return on scheme assets excluding interest income	**6.3**	**1.6**	**-**	**22.9**	**30.8**
Employer contributions	**0.8**	**1.6**	**-**	**20.0**	**22.4**
Member contributions	**0.2**	**-**	**-**	**-**	**0.2**
Benefits paid	**(1.2)**	**(0.7)**	**(0.1)**	**(19.1)**	**(21.1)**
At 28 September 2014	**58.0**	**30.4**	**-**	**595.6**	**684.0**

	2013				
	ROI £m	NI £m	France £m	GB £m	Total £m
At 30 September 2012	47.2	23.8	0.2	511.4	582.6
Exchange differences	2.6	-	-	-	2.6
Interest income on plan assets	2.4	1.2	-	23.9	27.5
Return on scheme assets excluding interest income	1.1	1.0	-	16.0	18.1
Employer contributions	0.8	1.5	-	12.5	14.8
Member contributions	0.3	-	-	-	0.3
Benefits paid	(1.2)	(0.8)	(0.1)	(17.1)	(19.2)
At 29 September 2013	53.2	26.7	0.1	546.7	626.7

23. Pensions (continued)

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

	ROI £m	NI £m	France £m	GB £m	2014 Total £m	2014 Total %
UK equities	**0.9**	**7.4**	**-**	**98.8**	**107.1**	**16**
Overseas equities	**23.9**	**7.6**	**-**	**47.5**	**79.0**	**11**
Properties	**-**	**-**	**-**	**5.5**	**5.5**	**1**
Corporate bonds	**-**	**4.6**	**-**	**196.2**	**200.8**	**29**
Fixed interest gilts	**29.3**	**4.6**	**-**	**-**	**33.9**	**5**
Index linked gilts	**-**	**6.1**	**-**	**245.7**	**251.8**	**37**
Cash and other assets	**3.9**	**0.1**	**-**	**1.9**	**5.9**	**1**
Total	**58.0**	**30.4**	**-**	**595.6**	**684.0**	**100**

	ROI £m	NI £m	France £m	GB £m	2013 Total £m	2013 Total %
UK equities	1.4	6.8	-	118.6	126.8	20
Overseas equities	29.3	6.9	-	106.7	142.9	23
Properties	-	-	-	7.6	7.6	1
Corporate bonds	-	3.8	-	142.1	145.9	23
Fixed interest gilts	21.9	3.8	-	18.0	43.7	7
Index linked gilts	-	5.0	-	150.6	155.6	25
Cash and other assets	0.6	0.4	0.1	3.1	4.2	1
Total	53.2	26.7	0.1	546.7	626.7	100

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties are not based on quoted market prices.

Normal contributions of £0.8m are expected to be paid into the defined benefit pension schemes during the 2015 financial year.

Additional contributions of £21.5m are expected to be paid into the defined benefit pension schemes during the 2015 financial year, of which £16.5m is expected to be paid by the group and £5.0m by the partnership.

24. Trade and other payables (current)

	2014 £m	2013 £m
Trade payables	**248.4**	237.1
Other payables	**4.5**	4.9
Accruals and deferred income	**81.5**	99.2
Other taxes and social security	**45.3**	40.3
	379.7	381.5

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

25. Financial risk management objectives and policies

Overview

The group's principal financial instruments comprise derivatives, borrowings and overdrafts, and cash and cash equivalents. These financial instruments are used to manage interest rate and currency exposures, funding and liquidity requirements and share price exposure arising under the group's employee incentive schemes. Other financial instruments which arise directly from the group's operations include trade receivables and payables (see notes 18 and 24 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 interest rate risk, foreign currency risk, credit risk and liquidity risk. Additionally, the group is exposed to commodity price risk and share price risk. The board of directors review and agree policies for managing these risks as summarised below.

Interest rate risk

The group's policy is to manage its interest cost by maintaining a mix of fixed and variable rate debt. The group's policy is to have an average over the next three years of between 25% and 80% of its borrowings at fixed rates of interest. To manage this, the group enters into interest rate swaps, cross currency swaps and forward rate agreements to hedge underlying debt obligations. At 28 September 2014 after taking into account the effect of these instruments, approximately 75% of the group's borrowings are at a fixed rate of interest (2013: 79%).

Interest rate risk table

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

	Increase/ (decrease) in basis points	Effect on profit/(loss) before tax £m	Effect on equity £m
2014			
Sterling	**200**	**0.1**	**25.0**
	(200)	**(0.1)**	**(29.1)**
Euro	**200**	**(0.2)**	**5.6**
	(200)	**0.1**	**(6.5)**
2013			
Sterling	200	-	18.7
	(200)	-	(22.1)
Euro	200	0.7	6.5
	(200)	(0.8)	(7.6)

Foreign currency risk

Foreign currency risk is primarily in respect of exposure to fluctuations to the sterling-euro, sterling-US dollar and euro-US dollar rates of exchange. The group has operations in euro-denominated countries and finances these partly through the use of foreign currency borrowings and cross currency swaps which hedge the translation risk of net investments 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, capital expenditure and interest costs in currencies other than the functional currency of the individual group entities. Non functional currency purchases and interest costs are mainly in the currencies of US dollars and euros. As at 28 September 2014 the group has hedged 72% (2013: 65%) of forecast net 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.

25. Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably 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).

	Increase/ (decrease) in currency rate %	Effect on profit before tax £m	Effect on equity £m
2014			
Sterling/euro	**10**	**(2.1)**	**4.0**
	(10)	**2.1**	**(4.0)**
Sterling/US dollar	**10**	**(0.4)**	**1.0**
	(10)	**0.4**	**(1.0)**
Euro/US dollar	**10**	**(0.5)**	**1.9**
	(10)	**0.5**	**(1.9)**
2013			
Sterling/euro	10	(1.1)	6.5
	(10)	1.1	(6.5)
Sterling/US dollar	10	(0.5)	1.3
	(10)	0.5	(1.3)
Euro/US dollar	10	(1.1)	1.6
	(10)	1.1	(1.6)

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.

Commodity price risk

The main commodity price risk arises in the purchases of prime materials, being polyethylene terephthalate (PET), sugar, steel 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.

Share schemes equity price risk

The group operates several employee incentive share schemes. It has an exposure to the share price for the schemes in which shares are purchased in the market to satisfy the requirements of the plan. To hedge this risk the group has entered into a number of total return share swaps against schemes maturing in 2014.

The following table demonstrates the sensitivity to a reasonably possible change in the Britvic plc share price, with all other variables held constant, of the group's profit before tax (due to changes in the fair value of the share swaps).

	Increase/ (decrease) in share price %	Effect on profit before tax £m
2014	**10**	**0.9**
	(10)	**(0.9)**
2013	10	0.8
	(10)	(0.8)

25. Financial risk management objectives and policies (continued)

Liquidity risk

The group monitors its risk of a shortage of funds using rolling cash flow forecasts. These forecasts consider the maturity of both its financial investments and financial assets (e.g. 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 under the £400.0m bank facility are unsecured however £0.8m of outstanding Britvic France bank loans are secured. At 28 September 2014, £22.4m of the group's debt will mature in less than one year (2013: £91.6m).

The table below summarises the maturity profile of the group's financial liabilities at 28 September 2014 based on contractual undiscounted payments and receipts including interest:

2014	Less than 1 year £m	1 to 5 years £m	> 5 years £m	Total £m
Bank loans	**0.8**	**0.6**	**-**	**1.4**
Private placement notes	**44.8**	**360.0**	**277.7**	**682.5**
Derivatives hedging private placement notes - payments	**34.9**	**272.1**	**226.8**	**533.8**
Derivatives hedging private placement notes - receipts	**(42.0)**	**(301.7)**	**(241.4)**	**(585.1)**
	37.7	**330.4**	**263.1**	**631.2**
Interest rate swap - payments	**1.3**	**0.4**	**-**	**1.7**
Interest rate swap - receipts	**(0.2)**	**-**	**-**	**(0.2)**
	1.1	**0.4**	**-**	**1.5**
Trade and other payables (excluding other taxes and social security)	**334.4**	**-**	**-**	**334.4**
Finance leases	**0.1**	**0.2**	**-**	**0.3**
Other financial liabilities	**1.6**	**-**	**-**	**1.6**
	375.7	**331.6**	**263.1**	**970.4**

2013	Less than 1 year £m	1 to 5 years £m	> 5 years £m	Total £m
Bank loans	0.2	0.8	0.1	1.1
Private placement notes	113.2	285.7	253.4	652.3
Derivatives hedging private placement notes - payments	67.9	229.2	215.7	512.8
Derivatives hedging private placement notes - receipts	(75.0)	(256.4)	(226.6)	(558.0)
	106.1	258.5	242.5	607.1
Interest rate swap - payments	1.6	2.1	-	3.7
Interest rate swap - receipts	(0.3)	(0.3)	-	(0.6)
	1.3	1.8	-	3.1
Trade and other payables (excluding other taxes and social security)	341.2	-	-	341.2
Finance leases	0.2	0.3	-	0.5
Other financial liabilities	1.4	-	-	1.4
	450.4	261.4	242.6	954.4

25. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

In respect of the private placement notes, the periods when the cash flows are expected to occur (as shown by the tables above) and when they are expected to affect the consolidated income statement are the same.

Details with regard to derivative contracts are included in note 26.

All bank loans outstanding at year end were secured loans from inception.

Fair value

Hierarchy

The group uses the following valuation hierarchy to determine the carrying value of financial instruments that are measured at fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

2014		**Assets £m**	**Liabilities £m**
Level 1		**-**	**-**
Level 2	- Derivatives used for hedging	**66.5**	**(9.6)**
	- Financial instruments at fair value through profit or loss	**2.6**	**(1.9)**
	- Fair value of fixed rate borrowings	**-**	**(584.5)**
Level 3		**-**	**-**
Total		**69.1**	**(596.0)**

2013		Assets £m	Liabilities £m
Level 1		-	-
Level 2	- Derivatives used for hedging	74.0	(8.5)
	- Financial instruments at fair value through profit or loss	1.3	(2.9)
	- Fair value of fixed rate borrowings	-	(572.6)
Level 3		-	-
Total		75.3	(584.0)

25. Financial risk management objectives and policies (continued)

Fair value (continued)

Fair values of financial assets and financial liabilities

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. Non-derivative financial liabilities are carried at amortised cost.

All derivatives are valued using valuation techniques with market observable inputs; this covers cross currency interest rate swaps, interest rate swaps, FX forwards, FX swaps and share swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. In assessing the fair value of derivatives the non-performance risk of both Britvic and its derivative trading counterparties has been taken into consideration. Default credit risk has been measured and the potential impact on derivatives valuations quantified. As at 28 September 2014, the potential impact from non-performance risk on the fair value of the derivatives portfolio is not material.

As in the prior year, the carrying value of financial assets and liabilities disclosed in notes 18, 19, 22, 24 and 26 are considered to be reasonable approximations of their fair values, except for fixed rate borrowings which, at 28 September 2014, have a book value of £562.0m (2013: £540.1m) compared to a fair value £584.5m (2013: £572.6m).

The fair value of the group's fixed rate interest-bearing borrowings and loans are determined by using discounted cash flow methods using discount rates that reflect the group's borrowing rate as at the end of the reporting period. The own non-performance risk as at 28 September 2014 was assessed to be insignificant.

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 adjusted net debt/EBITDA ratio. Adjusted 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. Adjusted net debt is shown in note 30. The adjusted 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.

26. Derivatives and hedge relationships

Derivatives not designated as part of hedge relationships

Interest rate swaps

The 2009 USPP cross currency swaps converted an amount of US dollar borrowings into a floating rate euro liability. To mitigate exposure to changes in euro interest rates on this liability, €75.0m of interest rate swaps were transacted. These 5-year fixed rate swaps had an effective start date of December 2010.

Share swaps

The group operates several employee incentive share schemes. It has an exposure to the share price for the schemes in which shares are purchased in the market to satisfy the requirements of the plan. To hedge this risk the group has entered into a number of total return share swaps against schemes maturing in 2014.

FX swaps

As part of operational cash management €127.4m of euro/sterling FX swaps were in existence at 28 September 2014 (2013: €82.5m).

26. Derivatives and hedge relationships (continued)

Hedging activities

The group has a number of derivative contracts which are designated as part of effective hedge relationships. These are included in other financial assets and liabilities as follows:

	2014 £m	2013 £m
Consolidated balance sheet		
Non-current assets: other financial assets		
Fair value of the 2007 USD GBP cross currency fixed interest rate swaps[1]	**34.4**	36.9
Fair value of the 2009 USD GBP cross currency floating interest rate swaps [3]	**15.1**	20.2
Fair value of the 2009 GBP euro cross currency floating interest rate swaps [2]	**15.1**	5.4
	64.6	62.5
Current assets: other financial assets		
Fair value of the 2007 USD GBP cross currency fixed interest rate swaps[1]	**-**	11.4
Fair value of the 2009 USD GBP cross currency floating interest rate swaps [3]	**0.7**	-
Fair value of forward currency contracts [1]	**1.2**	0.1
Fair value of share swaps	**2.6**	1.3
	4.5	12.8
Current liabilities: other financial liabilities		
Fair value of forward currency contracts [1]	**(1.5)**	(1.2)
Fair value of foreign exchange swaps	**(0.1)**	(0.1)
Fair value of interest rate swaps	**-**	(0.1)
	(1.6)	(1.4)
Non-current liabilities: other financial liabilities		
Fair value of the 2010 USD GBP cross currency fixed interest rate swaps[1]	**(4.9)**	(4.9)
Fair value of the 2010 GBP euro cross currency fixed interest rate swaps [2]	**(0.2)**	(1.6)
Fair value of the 2010 USD GBP cross currency floating interest rate swaps [3]	**(0.9)**	(0.8)
Fair value of the 2014 USD GBP cross currency fixed interest rate swaps [1]	**(2.1)**	-
Fair value of interest rate swaps	**(1.8)**	(2.7)
	(9.9)	(10.0)

[1] Instruments designated as part of a cash flow hedge relationship.

[2] Instruments designated as part of a net investment hedge relationship.

[3] Instruments designated as part of a fair value hedge relationship.

There have been no significant changes to derivative contracts designated as part of effective hedge relationships in the period. As at the 28 September 2014 these hedging relationships are categorised as follows:

26. Derivatives and hedge relationships (continued)

Cash flow hedges

Forward currency contracts

The forward currency contracts hedge the expected future purchases in the period to October 2015 and have been assessed as part of effective cash flow hedge relationships as at 28 September 2014. All cash flows under forward currency contracts fall due within one year.

Cross currency interest rate swaps

USD GBP cross currency interest rate swaps

The group has a number of cross currency interest rate swaps relating to the 2007, 2010 and 2014 USPP Notes. These cross currency interest rate swaps have the effect of fixing both the value of the USD borrowings into sterling and the rate of interest payable. The cross currency interest rate swaps are designated as part of a cash flow hedge relationship with the Notes.

The cross currency interest rate swaps were assessed to be highly effective hedges as at 28 September 2014.

Cash flows due under these cross currency interest rate swaps match the interest payment dates and maturity profile of the USPP Notes. The maturity profile of the USPP Notes can be seen in note 22.

Cash flow hedge net unrealised gains/(losses) and related deferred tax assets/(liabilities):

2014	**Net unrealised gain/(loss) within equity £m**	**Related deferred tax asset/(liability) £m**
Forward currency contracts	**(0.3)**	**(0.1)**
2007 cross currency swaps	**5.1**	**(1.0)**
2010 cross currency swaps	**(1.4)**	**0.3**
2014 cross currency swaps	**(1.4)**	**0.3**

2013	Net unrealised gain/(loss) within equity £m	Related deferred tax asset/(liability) £m
Forward currency contracts	(1.2)	0.3
2007 cross currency swaps	6.5	(1.3)
2010 cross currency swaps	(1.9)	0.4
2014 cross currency swaps	-	-

Fair value hedges

Cross currency interest rate swaps

The group has a number of cross currency interest rate swaps in respect of the 2009 and 2010 USPP Notes. These instruments swap the principal and interest from fixed rate US dollar into floating rate sterling (the ‘2009 and 2010 USD GBP cross currency interest rate swaps’). The cross currency interest rate swaps are designated as part of a fair value hedge relationship with the Notes.

The fair value movements on the 2009 and 2010 USD GBP cross currency interest rate instruments are recorded in the consolidated income statement, as is the fair value movement in the Notes.

The cross currency interest rate swaps were assessed to be highly effective hedges as at 28 September 2014.

The decrease in fair value of the cross currency interest rate swaps of £4.5m (2013: £9.3m decrease) has been recognised in finance costs and offset with a similar gain on the borrowings. No ineffectiveness has been recognised in the consolidated income statement (2013: £nil).

26. Derivatives and hedge relationships (continued)

Net investment hedges

2009 and 2010 GBP EUR cross currency interest rate swaps

These instruments swap sterling liabilities arising from the 2009 and 2010 USD GBP cross currency interest rate swaps into euro liabilities and have been designated as part of effective hedges of the net investments in Britvic France and Britvic Ireland.

The GBP EUR cross currency interest rate swaps, along with the underlying loan instruments, are being used to hedge the group's exposure to foreign exchange risk on these euro investments. Movements in the fair value of the GBP EUR cross currency interest rate swaps are taken to equity where they offset foreign exchange movements on the translation of the net investments in Britvic France and Britvic Ireland.

No ineffectiveness has been recognised in the consolidated income statement (2013: £nil).

Impact of derivatives and hedge relationships on the consolidated statement of comprehensive income

	2014 £m	2013 £m
Consolidated statement of comprehensive income		
Amounts recycled to the income statement in respect of cash flow hedges		
Forward currency contracts*	**(3.2)**	0.6
2007 cross currency interest rate swaps**	**12.5**	(0.4)
2010 cross currency interest rate swaps**	**0.5**	(0.1)
2014 cross currency interest rate swaps**	**0.7**	-
	10.5	0.1
Gains/(losses) in the period in respect of cash flow hedges		
Forward currency contracts	**4.1**	0.1
2007 cross currency interest rate swaps	**(14.0)**	(1.6)
2010 cross currency interest rate swaps	**-**	0.1
2014 cross currency interest rate swaps	**(2.0)**	-
	(11.9)	(1.4)
Exchange differences on translation of foreign operations		
Movement on 2009 GBP euro cross currency interest rate swaps	**9.7**	(5.7)
Movement on 2010 GBP euro cross currency interest rate swaps	**1.4**	(4.0)
Exchange movements on translation of foreign operations	**(15.0)**	9.7
	(3.9)	-

* Offsetting amounts recorded in cost of sales.

** Offsetting amounts recorded in finance costs.

27. Other liabilities

	2014 £m	2013 £m
Current	**0.4**	-
Non-current	**1.5**	1.9
Firm commitment	**1.9**	1.9

A firm commitment exists in respect of the receipt of the 2009 and 2010 Notes.

28. Provisions

	Restructuring £m	Other £m	Total £m
At 30 September 2012	-	2.4	2.4
Provisions made during the year	11.4	-	11.4
Provisions utilised during the year	(2.9)	(0.4)	(3.3)
Exchange differences	(0.1)	0.1	-
At 29 September 2013	8.4	2.1	10.5
Provisions made during the year	6.7	-	6.7
Provisions utilised during the year	(10.8)	(0.2)	(11.0)
Unused amounts reversed	(0.5)	-	(0.5)
Unwinding of discount	-	0.1	0.1
Exchange differences	-	(0.1)	(0.1)
At 28 September 2014	3.8	1.9	5.7
Current	3.8	0.3	4.1
Non-current	-	1.6	1.6
Total	3.8	1.9	5.7

Restructuring provisions

Restructuring provisions at 28 September 2014 and 29 September 2013, primarily relate to contract termination costs, consultation fees and employee termination benefits, recognised by the group following the implementation of cost initiatives announced in May 2013.

Other provisions

Other provisions at 28 September 2014 and 29 September 2013, primarily relate to onerous lease provisions that have arisen due to the exit of certain group premises, and the period over which these will be settled ranges from 2 to 9 years.

29. Share-based payments

The expense recognised for share-based payments in respect of employee services received during the 52 weeks ended 28 September 2014, including national insurance of £1.8m (2013: £1.1m) and dividend equivalents of £nil (2013: £nil), is £9.1m (2013: £6.2m). This 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 discretionary 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 £50 (2013: £50) per four week pay period. Employees are entitled to receive the annual free share award, where granted by the group, 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.

	2014 No. of shares	2013 No. of shares
Annual free shares award	-	-
Matching shares award – 1 free share for every ordinary share purchased	**115,377**	185,563

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 average 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% (2013: 25%) 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 option holder who exercises his/her option may receive a cash payment rather than the ordinary shares under option. The cash payment would be equal to the amount by which the market value of the ordinary shares under option exceeds the option price. However, it is expected that this plan will be equity-settled and as a consequence has been accounted for as such.

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 at 30 September 2012	10,440,020	318.0
Granted during the period	1,583,878	427.5
Exercised during the period	(2,220,417)	253.7
Forfeited during the period	(573,284)	367.7
Lapsed during the period	(1,994,425)	364.4
Outstanding at 29 September 2013	7,235,772	347.1
Granted during the period	858,126	664.5
Exercised during the period	(1,249,325)	281.9
Forfeited during the period	(195,906)	400.2
Lapsed during the period	(1,306,732)	464.6
Outstanding at 28 September 2014	**5,341,935**	**383.9**
Exercisable at 28 September 2014	**1,700,841**	**255.5**

29. Share-based payments (continued)

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

The weighted average share price at the date of exercise for share options exercised during the period was 656.2p (2013: 491.1p).

The share options outstanding as at 28 September 2014 had a weighted average remaining contractual life of 6.9 years (2013: 6.8 years) and the range of exercise prices was 221.0p – 664.5p (2013: 221.0p – 464.6p).

The weighted average fair value of options granted during the period was 127.6p (2013: 79.8p).

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 Britvic Performance Share Plan ('PSP')

The PSP allows for awards of ordinary shares or nil cost options to be made to selected employees with vesting subject to the satisfaction of a performance condition. Different performance conditions apply to different groups of employees. Awards up to and including 2008 were made in respect of ordinary shares. Awards granted since 2009 have been in respect of nil cost options. Nil cost options become exercisable on the satisfaction of the performance conditions and remain exercisable until 10 years/7 years after the date of grant for employees based in the UK/Ireland respectively.

The performance condition applying to 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.

The TSR condition measures the company's TSR relative to a comparator group (consisting of 18 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% (2013: 25%) will vest, rising on a straight-line basis to 100% vesting at upper quartile.

For the award granted during the 52 weeks ended 28 September 2014, the ROIC performance condition requires the company's ROIC to be at least 23.8% (2013: 21.5%) over the three year performance period for the award to vest in full. If ROIC is 23.4% (2013: 20.7%) over the performance period, 25% (2013: 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 vest solely 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% (2013: 25%) 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 some circumstances, at the discretion of the company, vested awards may be satisfied by a cash payment rather than a transfer of ordinary shares. However, it is expected that this plan will be equity-settled and as a consequence has been accounted for as such.

The following tables illustrate the movements in the number of shares and nil cost options 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 at 30 September 2012 and 29 September 2013	52,625	194,176	52,622
Lapsed during the period	-	(10,575)	-
Outstanding at 28 September 2014	**52,625**	**183,601**	**52,622**

29. Share-based payments (continued)

The Britvic Performance Share Plan ('PSP') (continued)

	Number of nil cost optionssubject to TSR condition	Number of nil cost options subject to EPS condition	Number of nil cost options subject to ROIC condition
Outstanding at 30 September 2012	1,117,815	2,030,366	1,117,815
Granted during the period	372,514	746,155	372,514
Forfeited during the period	(116,080)	(244,435)	(116,080)
Lapsed during the period	(353,192)	(578,173)	(353,192)
Outstanding at 29 September 2013	1,021,057	1,953,913	1,021,057
Granted during the period	191,610	516,014	191,610
Forfeited during the period	(49,450)	(148,530)	(49,450)
Lapsed during the period	(299,594)	(468,851)	(299,594)
Outstanding at 28 September 2014	**863,623**	**1,852,546**	**863,623**

There were no nil cost options exercisable at 28 September 2014 (2013: nil).

The nil cost options outstanding as at 28 September 2014 had a weighted average remaining contracted life of 8.0 years (TSR condition) (2013: 8.2 years), 7.8 years (EPS condition) (2013: 8.3 years) and 8.0 years (ROIC condition) (2013: 8.2 years).

The weighted average fair value of nil cost options granted during the period was 355.9p (TSR condition) (2013: 203.1p), 624.2p (EPS condition) (2013: 381.5p) and 624.2p (ROIC condition) (2013: 250.2p).

Key assumptions used to determine the fair value of the options

The fair value of equity-settled shares and nil cost options granted is estimated as at the date of grant using separate models, taking account of the terms and conditions upon which the shares and nil cost options were granted. The fair value of the options subject to the TSR condition is determined using a Monte Carlo simulation. The fair value of all other options is calculated using the share price at the date of grant, adjusted for dividends not received during the vesting period.

The following table lists the inputs to the model used in respect of the Option Plan and PSP awards granted during the 52 weeks ended 28 September 2014. The comparative shows the inputs to the model used in respect of the awards granted during the 52 weeks ended 29 September 2013.

	2014	2013
Dividend yield (%)	**4.15**	4.45
Expected volatility (%)	**29.8**	32.2
Risk-free interest rate (%)	**0.8**	0.8
Expected life of option (years)	**5.0**	5.0
Share price at date of grant (pence)	**664.0**	421.0
Exercise price (pence)	**664.5**	427.5

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

30. Notes to the consolidated cash flow statement

Analysis of net debt

	2013 £m	Cash flows £m	Exchange differences £m	Other movement £m	**2014** **£m**
Cash and cash equivalents	94.0	50.4	(0.4)	-	**144.0**
Bank overdrafts	(2.5)	1.6	0.2	-	**(0.7)**
Debt due within one year	(91.6)	76.6	11.4	(18.8)	**(22.4)**
Debt due after more than one year	(458.3)	(105.8)	6.6	17.6	**(539.9)**
	(458.4)	22.8	17.8	(1.2)	**(419.0)**
Derivatives hedging the balance sheet debt *	56.1	-	(18.0)	-	**38.1**
Adjusted net debt	(402.3)	22.8	(0.2)	(1.2)	**(380.9)**

	2012 £m	Cash flows £m	Exchange differences £m	Other movement £m	2013 £m
Cash and cash equivalents	49.5	44.4	0.1	-	94.0
Bank overdrafts	(1.9)	(0.4)	(0.2)	-	(2.5)
Debt due within one year	(0.6)	0.9	(0.3)	(91.6)	(91.6)
Debt due after more than one year	(558.7)	-	9.0	91.4	(458.3)
	(511.7)	44.9	8.6	(0.2)	(458.4)
Derivatives hedging the balance sheet debt *	65.0	-	(8.9)	-	56.1
Adjusted net debt	(446.7)	44.9	(0.3)	(0.2)	(402.3)

* 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 debt due after more than one year.

31. Commitments and contingencies

Operating lease commitments

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

			2014
	Land and buildings **£m**	**Other** **£m**	**Total** **£m**
Within one year	**2.3**	**8.6**	**10.9**
After one year but not more than five years	**10.0**	**14.6**	**24.6**
After more than five years	**39.0**	**-**	**39.0**
	51.3	**23.2**	**74.5**

31. Commitments and contingencies (continued)

Operating lease commitments (continued)

	2013 Land and buildings £m	2013 Other £m	2013 Total £m
Within one year	3.2	8.4	11.6
After one year but not more than five years	14.9	17.0	31.9
After more than five years	41.0	-	41.0
	59.1	25.4	84.5

Finance lease commitments

Future minimum lease payments under finance leases are as follows:

	2014 £m	2013 £m
Within one year	**0.1**	0.2
After one year but not more than five years	**0.2**	0.3
More than five years	**-**	-
	0.3	0.5

Due to the timing of the expiry of the finance lease commitments, there is no material difference between the total future minimum lease payments and their fair value.

Capital commitments

At 28 September 2014, the group has commitments of £3.6m (2013: £8.0m) relating to the acquisition of new plant and machinery.

Contingent liabilities

The group had no material contingent liabilities at 28 September 2014 (2013: none).

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 principally affect the group results have been excluded. A full list of all subsidiaries is annexed to the annual report submitted to Companies House.

Name	Principal activity	Country of incorporation	% equity interest
Directly held			
Britannia Soft Drinks Limited	Holding company	England and Wales	100
Britvic Finance No 2 Limited	Financing company	Jersey	100
Indirectly held			
Britvic International Limited	Marketing and distribution of soft drinks	England and Wales	100
Britvic Soft Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Britvic Irish Holdings Limited	Holding 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
Aquaporte Limited	Supply of water-coolers and bottled water	Republic of Ireland	100
Britvic Worldwide Brands Limited	Marketing and distribution of soft drinks	Republic of Ireland	100
Counterpoint Wholesale (Ireland) Limited	Wholesale of soft drinks to the licensed trade	Republic of Ireland	100
Counterpoint Wholesale (NI) Limited	Wholesale of soft drinks to the licensed trade	Northern Ireland	100
Britvic North America LLC	Marketing and distribution of soft drinks	USA	100
Britvic France SNC	Holding partnership	France	100
Fruité Entreprises SAS	Holding company	France	100
Fruité SAS	Manufacture and sale of soft drinks	France	100
Bricfruit SAS	Manufacture and sale of soft drinks	France	100
Unisource SAS	Manufacture and sale of soft drinks	France	100
Teisseire SAS	Manufacture and sale of soft drinks	France	100
Teisseire Benelux SA	Marketing and distribution of soft drinks	France	100
Britvic Soft Drinks PTE Limited	Holding company	Singapore	100
Britvic India Manufacturing Private Limited	Manufacture and sale of soft drinks	India	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 period is detailed below.

	2014 £m	2013 £m
Short-term employee benefits	**6.7**	6.6
Post-employment benefits	**0.2**	0.1
Share-based payments	**1.5**	1.1
	8.4	7.8

See note 8 for details of directors' emoluments.

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

Company balance sheet

At 28 September 2014

	Note	2014 £m	2013 £m
Non-current assets			
Investments in group undertakings	6	**757.8**	748.7
Other financial assets	11	**64.6**	62.5
		822.4	811.2
Current assets			
Trade and other receivables	8	**160.1**	59.2
Deferred tax asset	7	**-**	0.7
Other financial assets	11	**0.7**	11.4
		160.8	71.3
Current liabilities			
Trade and other payables	9	**(65.3)**	(69.8)
Interest bearing loans and borrowings	10	**(26.1)**	(117.9)
Other financial liabilities	11	**(0.1)**	(0.1)
Other current liabilities	12	**(0.4)**	-
		(91.9)	(187.8)
Net current assets/(liabilities)		**68.9**	(116.5)
Total assets less current liabilities		**891.3**	694.7
Non-current liabilities			
Interest bearing loans and borrowings	10	**(539.1)**	(457.2)
Other financial liabilities	11	**(9.9)**	(10.0)
Other non-current liabilities	12	**(1.5)**	(1.9)
		(550.5)	(469.1)
Net assets		**340.8**	225.6
Capital and reserves			
Issued share capital	13,14	**49.4**	49.0
Share premium account	14	**33.5**	25.0
Own shares reserve	14	**(2.9)**	(1.1)
Share scheme reserve	14	**11.2**	7.5
Hedging reserve	14	**2.2**	4.6
Merger reserve	14	**87.3**	87.3
Retained earnings	14	**160.1**	53.3
Equity shareholders' funds		**340.8**	225.6

The financial statements were approved by the board of directors and authorised for issue on 25 November 2014. They were signed on its behalf by:

Simon Litherland
Chief Executive Officer

John Gibney
Chief Financial Officer

Notes to the company financial statements

1. Parent undertaking

The financial statements are prepared under the historical cost convention except for the measurement of derivative instruments at fair value. They have been drawn up to comply with applicable accounting standards in accordance with the Companies Act 2006.

These accounts have been prepared under UK Generally Accepted Accounting Principles and present information about the company as an individual undertaking, 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.

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 or at fair value.

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 declared.

Deferred taxation

Deferred tax assets and liabilities are recognised, subject to certain exceptions, in respect of all material timing differences between the recognition of gains and losses in the financial statements and for tax purposes. Those timing differences recognised include accelerated capital allowances, unrelieved tax losses and short term timing differences. Timing differences not recognised include those relating to the revaluation of fixed assets in the absence of a commitment to sell the assets, the gain on sale of assets rolled into replacement assets and the distribution of profits from overseas subsidiaries in the absence of any commitment by the subsidiary to make the distribution.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered and to the extent that it is regarded as probable that future taxable profits will be available against which temporary differences can be utilised.

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

2. Accounting policies (continued)

Derivative financial instruments and hedging

The company uses cross currency 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 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.

For fair value hedges, the gain or loss on the fair value of the hedging instrument is recognised in the profit and loss account. The gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in the profit and loss account. If the hedge relationship was ineffective the hedged item would no longer be adjusted and the fair value gain or loss on the hedging instrument would continue to be recorded in 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 of the consolidated financial statements.

4. Profit of the company

The company made a profit of £152.3m in the period (2013: profit £23.4m).

5. Directors' remuneration

The remuneration of the directors of the company is borne by another group company.

	2014 £m	2013 £m
Directors' emoluments	**2.5**	2.7
Aggregate gains made by directors on exercise of options	**1.5**	-

	2014 £m	2013 £m
Number of directors accruing benefits under defined benefit schemes	**-**	-

6. Investments in group undertakings

	2014 £m	2013 £m
Cost and net book value at the beginning of the period	**748.7**	742.5
Capital contribution	**9.1**	6.2
Cost and net book value at the end of the period	**757.8**	748.7

6. Investments in group undertakings (continued)

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. Particulars of dormant and non-trading subsidiaries have been excluded.

Name	Principal activity	Country of incorporation	% equity interest
Directly held			
Britannia Soft Drinks Limited	Holding company	England and Wales	100
Britvic Finance No 2 Limited	Financing company	Jersey	100
Indirectly held			
Britvic International Limited	Marketing and distribution of soft drinks	England and Wales	100
Britvic Soft Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Britvic Irish Holdings Limited	Holding 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
Aquaporte Limited	Supply of water-coolers and bottled water	Republic of Ireland	100
Britvic Worldwide Brands Limited	Marketing and distribution of soft drinks	Republic of Ireland	100
Counterpoint Wholesale (Ireland) Limited	Wholesale of soft drinks to the licensed trade	Republic of Ireland	100
Counterpoint Wholesale (NI) Limited	Wholesale of soft drinks to the licensed trade	Northern Ireland	100
Britvic North America LLC	Marketing and distribution of Soft drinks	USA	100
Britvic France SNC	Holding partnership	France	100
Fruité Entreprises SAS	Holding company	France	100
Fruité SAS	Manufacture and sale of soft drinks	France	100
Bricfruit SAS	Manufacture and sale of soft drinks	France	100
Unisource SAS	Manufacture and sale of soft drinks	France	100
Teisseire SAS	Manufacture and sale of soft drinks	France	100
Teisseire Benelux SA	Marketing and distribution of soft drinks	France	100
Britvic Soft Drinks PTE Limited	Holding company	Singapore	100
Britvic India Manufacturing Private Limited	Manufacture and sale of soft drinks	India	100

7. Deferred tax

	2014 £m	2013 £m
Opening balance	**0.7**	0.9
Profit and loss account	**(0.7)**	(0.2)
Closing balance	**-**	0.7
Analysed as tax on timing differences related to:		
Other	**-**	0.7

8. Trade and other receivables

	2014 £m	2013 £m
Amounts due from subsidiary undertakings	**160.1**	59.2

9. Trade and other payables

	2014 £m	2013 £m
Amounts due to subsidiary undertakings	**(62.9)**	(68.7)
Accruals and deferred income	**(2.4)**	(1.1)
	(65.3)	(69.8)

10. Interest bearing loans and borrowings

	2014 £m	2013 £m
Current		
Bank overdrafts	**(4.6)**	(26.7)
Private placement notes	**(21.8)**	(92.1)
Unamortised issue costs	**0.3**	0.9
Total current	**(26.1)**	(117.9)
Non-current		
Private placement notes	**(540.1)**	(459.1)
Unamortised issue costs	**1.0**	1.9
Total non-current	**(539.1)**	(457.2)

Private placement notes

The group holds loan notes with coupons and maturities as shown in the following table:

Year issued	Maturity date	Amount	Interest terms
2007	February 2019	£13m	UK£ fixed at 5.94%
2007	February 2017 – February 2019	$273m	US$ fixed at 5.90% - 6.00%
2009	December 2014 – December 2019	$250m	US$ fixed at 4.07% - 5.24%
2010	December 2017	£7.5m	UK£ fixed at 3.74%
2010	December 2017 – December 2022	$163m	US$ fixed at 3.45% - 4.14%
2014	February 2021 – February 2024	£35m	UK£ fixed at 3.40% - 3.92%
2014	February 2024 – February 2026	$114m	US$ fixed at 4.09% - 4.24%

The group entered into a number of cross-currency swap agreements in relation to the loan notes to manage any foreign exchange risk on interest rates or on the repayment of the principal borrowed. These swaps expire in line with the loan notes and are discussed in note 26.

See note 25 for an analysis of the interest rate profile and the maturity of the borrowings and related interest rate swaps.

Partial repayment of 2007 Notes

On 20 February 2014, in line with the maturity profile of the 2007 Notes, Britvic plc repaid US$102m (equivalent to £51.8m) and £25m of Senior Notes in the United States private placement market (USPP) using funds received from the issuance of 2014 Notes (see below).

Issue of 2014 Notes

On 20 February 2014, Britvic plc issued US$114m (equivalent to £70.8m) and £35m of Senior Notes in the United States private placement market (the '2014 Notes'). The proceeds from the 2014 Notes were principally used to repay amounts due in relation to the maturity of certain tranches of the 2007 Notes.

Issue costs of £0.4m incurred in the period relate to the issue of the 2014 Notes.

The 2014 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the group.

11. Other financial asset and financial liabilities

	2014 £m	2013 £m
Other financial assets: non-current		
Cross currency interest rate swaps relating to the 2007 Notes	**34.4**	36.9
Cross currency interest rate swaps relating to the 2009 Notes	**30.2**	25.6
	64.6	62.5
Other financial assets: current		
Cross currency interest rate swaps relating to the 2007 Notes	**-**	11.4
Cross currency interest rate swaps relating to the 2009 Notes	**0.7**	-
	0.7	11.4
Other financial liabilities: current		
Foreign exchange swaps	**(0.1)**	-
Interest rate swaps	**-**	(0.1)
	(0.1)	(0.1)
Other financial liabilities: non-current		
Cross currency interest rate swaps relating to the 2010 Notes	**(6.0)**	(7.3)
Cross currency interest rate swaps relating to the 2014 Notes	**(2.1)**	-
Interest rate swaps	**(1.8)**	(2.7)
	(9.9)	(10.0)

12. Other non-current liabilities

	2014 £m	2013 £m
Current	**0.4**	-
Non-current	**1.5**	1.9
Firm commitment	**1.9**	1.9

A firm commitment exists in respect of the receipt of the 2009 and 2010 Notes.

13. Issued share capital

The issued share capital is wholly comprised of ordinary shares carrying one voting right each. The nominal value of each ordinary share is £0.20. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

Issued, called up and fully paid ordinary shares	No. of shares	Value £
At 30 September 2012	242,344,551	48,468,910
Shares issued	2,746,477	549,295
At 29 September 2013	245,091,028	49,018,205
Shares issued	2,138,087	427,618
At 28 September 2014	**247,229,115**	**49,445,823**

Of the issued and fully paid ordinary shares, shares 409,725 (2013: 231,547 shares) are own shares held by an employee benefit trust. This equates to £81,945 (2013: £46,309) 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 25 of the consolidated accounts.

14. Reconciliation of movement in equity shareholders' funds

	Issued share capital £m	Share premium account £m	Own shares reserve £m	Share scheme reserve £m	Hedging reserve £m	Merger reserve £m	Retained earnings £m	Total £m
At 29 September 2013	49.0	25.0	(1.1)	7.5	4.6	87.3	53.3	225.6
Profit for the year	-	-	-	-	-	-	152.3	152.3
Issue of shares	0.4	8.5	(5.4)	-	-	-	-	3.5
Own shares utilised for share schemes	-	-	3.6	(3.5)	-	-	1.3	1.4
Movement in share based schemes	-	-	-	7.2	-	-	-	7.2
Movement in cash flow hedges	-	-	-	-	(2.4)	-	-	(2.4)
Payment of dividend	-	-	-	-	-	-	(46.8)	(46.8)
At 28 September 2014	**49.4**	**33.5**	**(2.9)**	**11.2**	**2.2**	**87.3**	**160.1**	**340.8**

15. Dividends paid and proposed

	2014 £m	2013 £m
Declared and paid during the period		
Equity dividends on ordinary shares		
Final dividend for 2013: 13.0p per share (2012: 12.4p per share)	**31.8**	29.6
Interim dividend for 2014: 6.1p per share (2013: 5.4p per share)	**15.0**	12.9
Dividends paid	**46.8**	42.5
Proposed		
Final dividend for 2014: 14.8p per share (2013: 13.0p per share)	**36.3**	31.7

16. Contingent liabilities

The company is co-guarantor of the group's bank loan and overdraft facilities.

17. 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.

04 Other information

Shareholder information

Shareholder profile as at 28 September 2014

Range of holdings	Number of Holdings	Percentage of total holdings	Ordinary shares (million)	Percentage Issued capital
1-199	223	8.58%	14,925	0.01%
200-499	271	10.43%	88,615	0.04%
500-999	431	16.59%	301,021	0.12%
1000-4999	986	37.95%	2,083,419	0.84%
5000-9999	215	8.28%	1,405,068	0.57%
10000-49999	182	7.01%	4,244,450	1.72%
50000-99999	73	2.81%	5,275,130	2.13%
100000-499999	136	5.23%	31,132,066	12.59%
500000-999999	27	1.04%	19,154,521	7.75%
1000000 Plus	54	2.08%	183,529,900	74.23%
Totals	**2,598**	**100.00%**	**247,229,115**	**100.00%**

Category	Number of Holdings	Percentage of total Holdings	Ordinary shares (million)	Percentage of issued share capital
Private Individuals	1,592	61.28%	4,652,642	1.88%
Nominee	531	20.43%	201,568,721	81.53%
Limited Company	420	16.17%	27,495,265	11.12%
Other Organisation	52	2.00%	13,388,715	5.42%
Pension Fund, Insurance Companies and Banks	3	0.12%	123,772	0.05%
Total	**2,598**	**100.00%**	**247,229,115**	**100.00%**

2014 Dividends

	Payment Date	Amount per share
Interim	11 July 2014	6.1p
Final	6 February 2015	14.8p

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 www.britvic.com/investor-centre/shareholder-centre/dividends

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 the company's DRIP. A DRIP application form is available via the Registrar or for download from the company's website www.britvic.com/investor-centre/shareholder-centre/dividends

Share dealing services

The company's Registrar, Equiniti Financial Services Limited, offer a telephone and internet dealing service, Shareview, which provides a simple and convenient way of buying and selling shares. For telephone dealings call 08456 037 037 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 Financial Services Limited. Further information may be obtained through their ISA Helpline, telephone 0845 300 0430.

American Depository Receipts (ADRs)

Britvic American Depository Receipts are traded on the Over The Counter (OTC) market under the symbol BTVCY. One ADR represents two Britvic plc ordinary shares. This is a sponsored Level 1 ADR programme for which The Bank of New York Mellon acts as both Depositary Bank and Registrar. For the issuance and management of ADRs and any general ADR questions, please contact:

The Bank of New York Mellon
Investor Services
P.O. Box 11258
Church Street Station
New York, NY 10286-1258
USA

Investor Helpline: +1-888-BNY-ADRs (USA caller, toll free)
+1 201 680 6825 (non-USA caller)

Email: shrrelations@bnymellon.com

Website: http://www.bnymellon.com/shareowner

Warning to shareholders – boiler room fraud and other investment scams

Share or investment scams are often run from 'boiler rooms' where fraudsters cold-call investors offering them worthless, overpriced or even non-existent shares, or offer to buy their shares in a company at a higher price than the market value. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount, or offers of free reports about the company. Even seasoned investors have been caught out by such fraudsters and it is estimated that £200 million is lost in this way in the UK each year.

The FCA have some helpful information about such scams on their website, including tips to protect your savings and how to report a suspected investment scam. Britvic encourages shareholders to read the information on the site which can be accessed at www.fca.org.uk/consumers/scams/investment-scams

Financial calendar

Ex-dividend date	4 December 2014
Record date	5 December 2014
Annual general meeting	27 January 2015
Payment of final dividend	6 February 2015
Interim results announcement	20 May 2015

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 Clare Thomas. The registered office is Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire HP2 4TZ, telephone +44 (0)1442 284411, fax +44 (0)1442 284402, website www.britvic.com

Shareholder inquiries to the Company Secretary may also be submitted to company.secretariat@britvic.co.uk

Investor Relations enquiries may be submitted to: www.britvic.com/investor-centre

This report is available to download via the company's website www.britvic.com/investor-centre/results-and-presentations/2014

The company's Registrar is Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone 0871 384 2550* (UK callers), +44 121 415 7019 (non-UK callers).

* For those with hearing difficulties, a textphone is available on 0871 384 2255 for UK callers with compatible equipment. Calls to 0871 numbers are charged at 8p per minute plus network extras.

RECYCLED
Paper made from recycled material
FSC® C022913

Britvic takes care of the environment by choosing pureprint® environmental print technology. All the electricity used in the production of this report was generated from renewable sources and vegetable oil based inks were used throughout. The printer is a CarbonNeutral® company and certificated to Environmental Management System, ISO 14001 and registered to EMAS, the Eco Management and Audit Scheme.

The paper used in this production is made from 100% recycled waste with FSC® certification.

Designed by SG Design [sg-design.co.uk] Photography by Ben Fisher [benfisherphotography.com]

making life's everyday moments more enjoyable

Britvic plc
Breakspear Park
Breakspear Way
Hemel Hempstead
HP2 4TZ

Tel: +44 (0)121 711 1102

www.britvic.com