annual report 2013

BRITVIC plc

contents

overview

Britvic is one of the leading soft drinks companies in Europe, with operations in Great Britain (GB), Ireland and France. Across these three markets, the company has developed a strong portfolio of its own iconic brands, including Robinsons, Tango, J_2O, drench, MiWadi, Ballygowan, Teisseire and Fruité. In addition, in GB and Ireland, the company produces and sells a number of PepsiCo's famous soft drinks brands, including Pepsi, 7UP and Mountain Dew Energy, under exclusive agreements with PepsiCo. Britvic is the largest supplier of branded still soft drinks and the number two supplier of branded carbonated soft drinks in GB, and it is an industry leader in Ireland and France. Through franchising, export and licensing, Britvic has also been growing its reach into other territories, particularly the United States. Britvic's management team has successfully developed the business through a clear strategy of organic growth and international expansion based on creating and building scalable brands. Britvic is listed on the London Stock Exchange under the code BVIC.

Its market capitalisation at 27 September 2013 was £1,398 million.

performance at a glance*

group revenue

£1,321.9m

2012 £1,256.4m

+4.4%

group ebita

£137.9m

2012 £115.6m

+18.4%

group ebita margin

10.4%

2012 9.2%

+120bps

underlying roic*

20.7%

2012 16.4%

+430bps

adjusted earnings per share

35.2p

2012 27.2p

+27.7%

dividend per share

18.4p

2012 17.7p

+4.0%

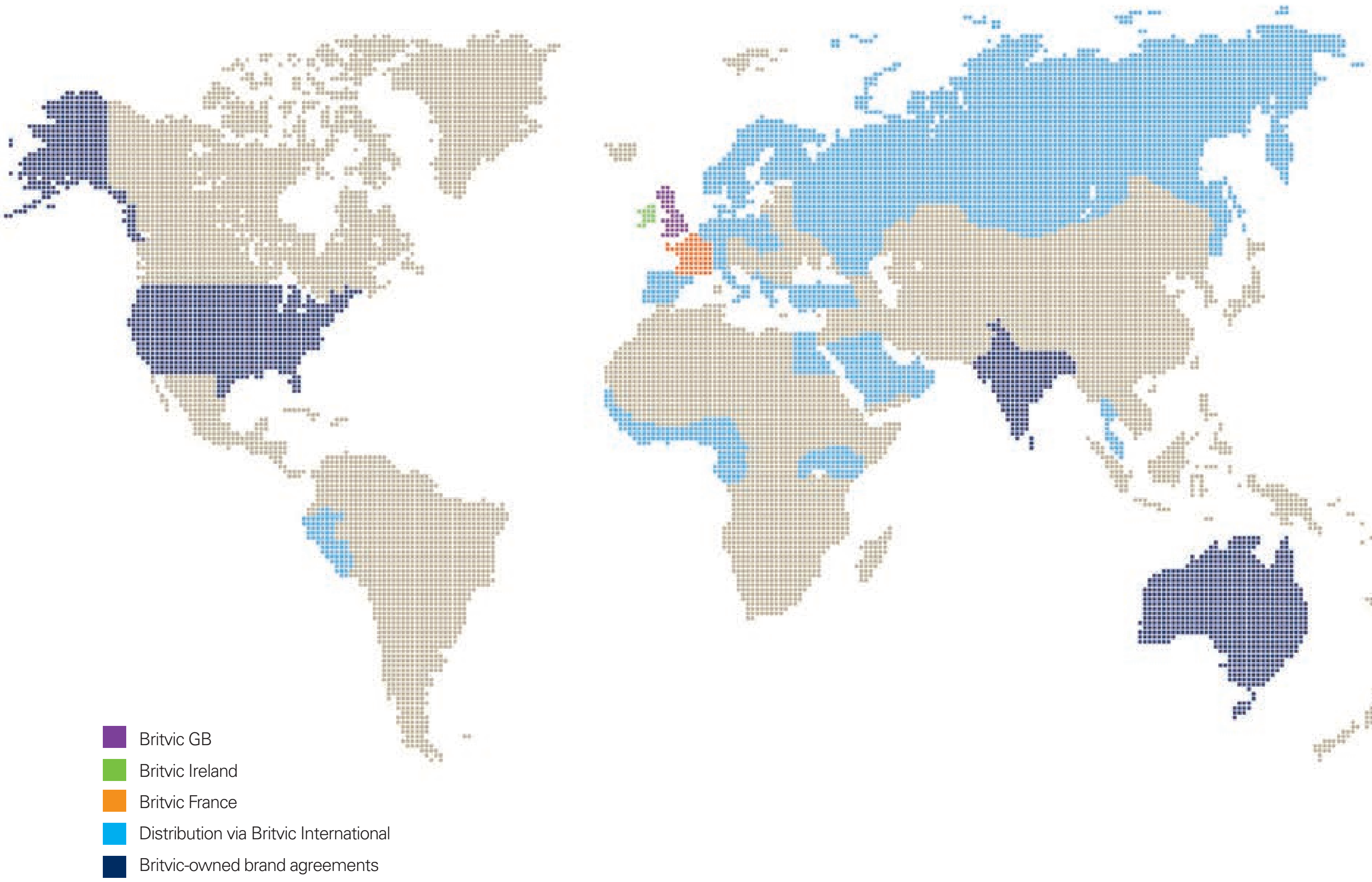
* All numbers, other than where stated or included within the financial statements, are disclosed before exceptional and other items and are expressed on a constant currency basis. A list of definitions can be found on page 122 of the annual report.

Reconciliation from actual exchange rate to constant exchange rate

	2012 actual exchange rate £m	Change £m	2012 constant exchange rate £m
Group Revenue	1,256.4	9.4	1,265.8
Group EBIT	112.7	0.9	113.6
Group EBITA (3)	115.6	1.0	116.6
Adjusted Earnings Per Share (4)	27.2p	0.4p	27.6p

overview

Britvic at a glance


Britvic GB
Britvic Ireland
Britvic France
Distribution via Britvic International
Britvic-owned brand agreements

our **people**

Our people are critical to Britvic's success and we are fully committed to making Britvic a great place to work, with our vision to be a top 5 Great Place to Work. Our emphasis is increasingly on developing our own talent, combined with proactive external recruitment when we need to introduce new skills or create positions that support our growth plans. To maximise the potential of our employees we continue to strengthen our focus on performance management, talent management and providing learning and development programmes across all our geographies. We have embarked on inspiring all our employees across our entire business in our new Britvic plc purpose, vision and values and we expect this to further drive engagement and motivation.

strategy for growth

Our vision for Britvic is to become one of the most admired soft drinks businesses in the world.

Our new strategy is designed to realise that ambition and capitalise on the many opportunities available to our business.

- **Becoming the benchmark branded soft drinks business for both PepsiCo and our own brands in GB & Ireland**
  In our core markets, we will continue to build a company that is acknowledged for commercial excellence, efficient operations and the strength and breadth of our brand portfolio, both our own brands and PepsiCo's. We will maintain a dedicated commercial focus in both countries, but will combine support functions to maximise efficiencies.
- **Fully exploiting global category opportunities in the kids, family and adult categories**
  We will build on the strength of our own brands in these categories, in particular Fruit Shoot, Robinsons and Teisseire, and leverage them internationally. We will launch them in countries where we believe they have real potential to succeed and a dedicated International business unit will work with local partners, through franchise, distribution or licensing agreements, to ensure an asset-light and low risk approach to growth.
- **Creating a simple focused operating model, empowering our people and matching resource and capability to the growth opportunities**
  Delivery of the strategy requires a simpler, more focused and accountable organisational structure. Resources will be aligned against the growth opportunities and we will create a lower cost and more efficient business.
- **Being a trusted and respected member of the communities in which we operate**
  We will deliver a strong performance with integrity, acknowledging the responsibility we have to contribute to our local economies and society more broadly. Corporate social responsibility and sustainability will be fully embedded in our business.

business review

business review

chairman's statement

Dear Shareholder

The last twelve months have been the most eventful in Britvic's time as a public company. We began the year having agreed an all-share equity merger with AG Barr plc. We ended the year remaining independent, with a new Chief Executive Officer, Simon Litherland, at the helm, with a new strategy and a significant turnaround in our share price performance. Group EBIT grew by 18.8% on a constant currency basis to £135m and adjusted earnings per share rebounded by 27.5% to 35.2p per share.

The merger with AG Barr plc was conceived against the backdrop of the Fruit Shoot recall of July last year, which cost the company £25m. The combination of Britvic and AG Barr plc and the associated synergies was welcomed by our shareholders, who overwhelming voted in favour of the merger.

However, the proposed deal lapsed in February of this year, when the Office of Fair Trading referred the deal to the Competition Commission. With the OFT referral, Paul Moody, our Chief Executive at the time, retired from Britvic. Paul had spent some 16 years with the business, including seven years on the board, during which time the company grew substantially and overall delivered significant shareholder value. On behalf of the board, I would like to thank Paul for the dedication and professionalism he showed during his tenure and wish him all the best for the future.

Simultaneously to Paul's departure, the board appointed Simon Litherland as our new Chief Executive Officer. Simon had joined us the previous year, as part of our succession planning, from Diageo plc and had spent a busy year heading up our GB business. With the outcome of the merger unknown whilst the Competition Commission carried out their investigation, Simon set about defining a new strategy and organisational model for Britvic, with a net investment of £40m underpinning annual costs saving of £30m by 2016.

The response to this new strategy, which was shared at our interim results in May, has been overwhelmingly positive. With a new strategy and leadership team in place, we have seen a turnaround in the fortunes of the business. Fruit Shoot has enjoyed a strong recovery since the recall, avoiding long-term damage to the brand. Our international growth opportunities gained momentum with new agreements in Spain and India for Fruit Shoot and a step-change for the brand in the USA, with distribution into 32 states. Our businesses in France and Ireland also significantly improved their performance and the whole company benefited from the warm summer, as well as a number of the programmes Simon had initiated.

In July, we finally received clearance from the Competition Commission for the merger with AG Barr plc to take place. However, by then our fortunes had changed so substantially that we were unable to agree new mutually acceptable terms. The board decided that a future independent of AG Barr plc, implementing the new team's plans, was preferable to merging on the terms that were available.

We have seen the progress we have made reflected in strong share price growth, with the share price recovering from a low of 249p at the time of the Fruit Shoot recall to end the year at 575p. Britvic has undergone significant change in the past year and the board and I have been hugely impressed by the commitment of the Britvic team, at what has been a challenging time for our employees. We have every confidence in the future prospects of the business and believe that, under Simon's leadership, we will see sustainable profit growth and the creation of meaningful shareholder value in the coming years.

Reflecting this confidence and the continued strong cash generation, we are proposing a final dividend of 13.0p pence per share, an increase on the previous year of 4.8%, making the full year increase in the dividend 4%.

As part of the board's on-going development and desire to support the company in executing the new strategy, I can report that the board is seeking to make further changes to its composition. During the next 12 to 18 months two of our Non-Executive Directors, Bob Ivell and Michael Shallow, move closer to a nine year tenure from the date of their first election by shareholders in 2007 and therefore the end of their term of office. More details in relation to the board's succession plans are set out in the Corporate Governance Report on page 35. As in previous years, all of our directors will retire at the AGM and, being eligible, will offer themselves for re-election.

The AGM will be held at 11am on Wednesday, 29 January 2014 at Nomura, 1 Angel Lane, London EC4R 3AB and I look forward to seeing you there.

Gerald Corbett
Chairman


LATE

business review

chief executive officer's strategic review

We have reported a strong set of results for our financial year ending 29 September 2013. As well as an improvement in the underlying performance of the business, we have made good progress on both the strategic initiatives we announced in May and on the international growth opportunities of our brands.

Performance highlights

Although market conditions remained difficult in each of our business units, we saw some notable successes across the business and benefitted from the warm weather, with an exceptionally hot July.

- In GB stills, Fruit Shoot has recovered from the impact of the recall in July 2012 with its take-home market share at the end of the financial year back to pre-recall levels. Brand perception measures, such as "brand you love" and "happy to give to your child", recovered from the low point of 2012.
- In GB carbonates, in a particularly competitive environment, we protected our volume whilst growing both price and revenue. Pepsi gained market value share, building on its share gains in 2012.
- Our International business unit and our franchising model gained further momentum. Earlier in the year we announced that distribution would be expanded to 32 states in the USA in time for the summer. In addition we saw Fruit Shoot roll-out nationally in Spain with Pepsi South West Europe. In India we remain on-track to produce Fruit Shoot in-market by mid-2014 through the distribution agreement with the Narang Group.
- In France, our syrups brands continued to perform well and gained further market share. Fruit Shoot successfully returned to the market and is performing ahead of where it was pre-recall.
- In Ireland, our own brands increased market share, despite the difficult trading conditions in that market.

Towards the end of the financial year market performance was more subdued across all business units, for example, in GB in September take-home market volumes were down 1.2%.

A new strategy for the business

In May I communicated that Britvic has the potential to become one of the most admired soft drinks businesses in the world by:

- Becoming the benchmark integrated branded soft drinks business for both PepsiCo and our own brands in GB & Ireland.
- Fully exploiting global category opportunities in kids, family and adult.
- Creating a simple focused operating model, empowering our people and matching resource and capability to the opportunities and:
- Being a trusted and respected member of the communities in which we operate.

To achieve this vision we set out a new strategy to drive market leading profit growth underpinned by margin enhancing revenue growth. The strategy has two parts, firstly our full portfolio markets of GB and Ireland and secondly the International and France business where we will leverage our category leadership of kids, family and adult categories. Further details of the strategy can be found on page 4 of the annual report.

Delivery of the strategy requires a new streamlined organisation structure based on three clear principles: simplicity to reduce complexity, enabling faster decision making and a lower cost operating model; focus against fewer strategic priorities matching resources and capability to execute better and; accountability ensuring we have clear ownership to deliver the performance. We have announced our new operating model and appointed our senior leadership and management teams.

The restructuring of our GB and Ireland teams is due to be largely completed by quarter two 2014. We are now working hard to simplify our internal ways of working across all functions and will continue to fully support all employees impacted by change, including those in the supply chain who will leave the business between February and May 2014, or relocate between sites following the closure of Chelmsford & Huddersfield.

We also announced that we would deliver £30m of annualised cost savings by 2016, of which £25m would be realised by 2015. Of these savings we intend to reinvest a net £10m into the International business. We are on track to achieve these savings and the phasing that we outlined at the interims with the announcement of the new strategy.

Strategic initiatives update

1. **Increase operational leverage through fewer manufacturing sites by redistributing capacity, reducing the cost base and improving our asset utilisation**
   - Production to end in Huddersfield and Chelmsford by March 2014
   - Ballygowan becomes the single water brand for GB and Ireland in spring 2014
   - Achieved a 7% reduction in the number of production lines
2. **Fundamentally change the Irish operating model**
   - Combined senior leadership team for GB and Ireland appointed
   - Belfast warehouse closed November 2013
   - Licensed wholesale separated from the core business
3. **Transform our procurement and product optimisation initiatives**
   - Increased investment in people, systems and insight
   - Implemented a strategic sourcing programme for key raw materials, such as juice
   - Consolidated the indirect supplier base in GB by 16% and Ireland by 29%
4. **Implement a commercial change programme in GB to ensure our brands deliver strong and profitable revenue growth**
   - Developing a stronger partnership with intermediaries and direct customers to deliver a more efficient and profitable route to market solution
   - Moved from three to two sales channels
   - Improving our end-outlet contact model

International update

Our International business progressed well this year with a number of significant developments:

- In the USA we saw distribution for Fruit Shoot grow to 32 states following further expansion with PepsiCo Americas Beverages (PAB) and a new agreement with the independent bottler, Pepsi Cola Bottling Company of Pittsburgh.
- An agreement with PepsiCo South West Europe for the national distribution of Fruit Shoot in Spain.
- A distribution agreement for Fruit Shoot with the Narang Group will see the brand available to consumers in India mid-2014.
- The establishment of a management team and fully resourced business unit to drive our international expansion.
- We have announced further material developments in the USA with the signing of a long term exclusive bottling agreement with PAB, for both expanded distribution and additional manufacturing capacity. This will see Fruit Shoot available in 41 states next year.

Being trusted and respected in our communities

Acknowledging the need to further incorporate the principles of corporate responsibility into the core of our business, in 2012 our Executive Team approved a new sustainable business strategy. This ensures that Britvic is well placed to address the key social and environmental risks facing us, including public health and responsible resource use, and acts on the opportunities that give us a business advantage. Finally, we aim to positively contribute to the communities on which we impact – whether that's our employees, our consumers or the local geographies where we have a physical presence. In addition we recognise our impact on global communities, particularly those from which we source ingredients and all our direct suppliers are required to adhere to our ethical trading policy.

Full details of our sustainable business programme and the progress we have made can be found in the annual Sustainable Business Report. This can be downloaded from the results and presentation section of the website (www.britvic.com) or a hard copy can be requested by writing to:

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

We recognise that the diversity of our workforce is important to the success of the business and the board will be taking steps to address this. In 2013, women comprised 15% of our board and Executive Team membership, 27% of senior managers and 31% of total employees. There is currently one female on the Britvic plc board and a female General Counsel and Company Secretary.

The organisation has faced a year of uncertainty, firstly with the aborted merger and then with the focus on implementing the new strategy. The commitment and the passion shown by the Britvic team has been outstanding. In 2014 we will continue to implement our new strategy and we have comprehensive plans across the group to drive growth, including new innovation for Robinsons with "Squash'd", Fruit Shoot partnering with Angry Birds, Teisseire sponsoring the Tour De France and Pepsi will bring football to life in its unique way. We recognise that there is a further period of change for our people, as we continue to implement our new operating model and change the way we work and that the external consumer environment will continue to be challenging.

However, I am confident that with the team we have, our portfolio of great brands and our strong plans, we will continue to prosper and realise our ambition to be one of the world's most admired soft drinks businesses.

Simon Litherland
Chief Executive Officer

business review

chief financial officer's review

The following is based on Britvic's results for the 52 weeks ended 29 September 2013 *

Key performance indicators

The principal key performance indicators that management use to assess the performance of the group are as follows:

- *Volume growth* – increase in number of litres sold by the group relative to prior period, excluding factored brands.
- *Average Realised Price (ARP)* – average revenue per litre sold, excluding factored brands.
- *Revenue growth* – increase in sales achieved by the group relative to prior period.
- *Brand contribution margin* – revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product, divided by revenue. Such costs include brand specific advertising and promotion costs, raw materials, and marginal production and distribution costs. Management uses the brand contribution margin to analyse Britvic's financial performance, because it provides a measure of contribution at brand level.
- *EBITDA* – is defined as earnings before interest, tax, depreciation, amortisation, profit or loss on disposal of tangible and intangible assets, and exceptional and other items.
- *Operating profit margin* – the group focuses on EBITA (earnings before interest, tax and acquisition related amortisation) before exceptional and other items as the key operating profit measure. Margin is calculated by dividing EBITA by revenue. Each business unit's performance is reported down to the brand contribution level.
- *Underlying free cash flow* – is defined as net cash flow excluding movements in borrowings, dividend payments, exceptional and other items.
- *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.

Overview

In the period, total group volumes (excluding factored products in Ireland) were 2,066.9m litres, down 0.4% on 2012, as a result of the reduced supply of Fruit Shoot at the start of the financial year. Average realised price grew by 5.4% and revenue of £1,321.9m was ahead of last year by 4.4% on a constant currency basis.

The group focused on building sustainable profit and margin improvement. Significant progress was achieved against this objective with all business units delivering pricing and brand contribution margin growth. As a result, group EBITA was up 18.4% to £137.9m and EBITA margin increased by 120bps to 10.4%. This includes the remaining £8m cost of the Fruit Shoot recall that occurred in July 2012 which was accounted for as an operating cost.

We have maintained a disciplined approach to improving free cash flow generation and this has led to a strong improvement in free cash flow of 66.7% (£103.5m inflow) versus the prior year, leading to a further reduction in adjusted net debt of 9.9% to £402.3m. As a result, the business saw a significant deleverage with the adjusted net debt to EBITDA ratio falling to 2.2X from 2.8X last year, thereby already achieving the target we set for 2014.

* Refer to definitions 1 and 2 on page 122

GB stills

	52 weeks ended 29 September 2013 £m	52 weeks ended 30 September 2012 £m	% change actual exchange rate
Volume (millions litres)	**398.7**	402.9	(1.0)
ARP per litre	**85.3p**	79.8p	6.9
Revenue	**340.1**	321.7	5.7
Brand contribution	**154.5**	141.2	9.4
Brand contribution margin	**45.4%**	43.9%	150bps

Full year volume was down 1.0%, reflecting the limited availability of Fruit Shoot earlier in the year. Supply returned to historical levels in January 2013 with a phased return of promotional activity in quarter two. Fruit Shoot has now returned its take-home market share to pre-recall levels and its brand perception measures are strong. Robinson's double concentrate continued to grow with the introduction of the 500ml pack this year. J_2O also grew this year, in part helped by the warm weather this summer which had a positive impact on both at-home social occasions and casual dining in the pub and club channel.

Brand contribution margin was up by 150 basis points in the year. The growth in margin was due to a combination of effective promotional management and positive product mix which drove the strong ARP growth, as well as lower raw material cost inflation.

GB carbonates

	52 weeks ended 29 September 2013 £m	52 weeks ended 30 September 2012 £m	% change actual exchange rate
Volume (millions litres)	**1,153.9**	1,154.1	0.0
ARP per litre	**46.5p**	44.9p	3.6
Revenue	**536.4**	517.9	3.6
Brand contribution	**200.1**	188.7	6.0
Brand contribution margin	**37.3%**	36.4%	90bps

In what was a competitive environment, we maintained our volume position and grew ARP, leading to revenue growth of 3.6%. Following our 2012 Olympic year share gains in carbonates, and especially on Pepsi, we are delighted that we have successfully held take-home market volume share and gained market value share.

Brand contribution was up 6.0%, with a 90bps margin improvement. This was as a result of both the focus on revenue and promotional management as well as the strong performance of the Impulse channel which benefited our overall mix.

International

	52 weeks ended 29 September 2013 £m	52 weeks ended 30 September 2012 £m	% change actual exchange rate
Volume (millions litres)	**37.7**	38.2	(1.3)
ARP per litre	**99.5p**	76.8p	29.6
Revenue	**37.5**	29.3	28.0
Brand contribution	**14.1**	8.3	69.9
Brand contribution margin	**37.6%**	28.3%	930bps

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

International delivered strong growth in both ARP and revenue, with volumes declining by 1.3%. The volume decline reflected the switch to a concentrate model for the US Fruit Shoot business that impacted the first half of the year. In addition, we saw some volume loss as a result of price increases on some low margin export volumes. This volume loss was offset by the growth of more profitable Fruit Shoot volume into Belgium and the Netherlands. Fruit Shoot has returned successfully in these markets and is performing ahead of where it was pre-recall.

The ARP growth of 29.6% in part reflects the growth of Fruit Shoot concentrate sales in the U.S. where we saw distribution in 32 states ahead of the summer period. Today we are also announcing a new agreement with PepsiCo Americas Beverages for a long-term exclusive bottling agreement that will see Fruit Shoot distribution expand to 41 states during 2014.

Ireland	52 weeks ended 29 September 2013 £m	52 weeks ended 30 September 2012 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	**199.0**	201.3	(1.1)	(1.1)
ARP per litre	**56.8p**	54.3p	4.6	2.3
Revenue	**136.9**	138.7	(1.3)	(3.5)
Brand contribution	**49.0**	44.6	9.9	7.2
Brand contribution margin	**35.8%**	32.2%	360bps	360bps

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

The underlying market conditions remained difficult in Ireland throughout 2013. In the second half of the year we saw a tangible benefit from the warm weather in July and August whilst the market in September was much more subdued. Over the year, we grew take-home market value share with a minimal loss of volume share, reflecting our focus on revenue management. The decline in the licensed wholesale business was the driver of the 3.5% revenue decline and more than offset the revenue growth in the core branded business. The licensed wholesale business margin is materially lower than the core branded business which, as a result, had a positive mix impact on brand contribution and margin.

France	52 weeks ended 29 September 2013 £m	52 weeks ended 30 September 2012 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	**277.6**	278.3	(0.3)	(0.3)
ARP per litre	**97.6p**	89.4p	9.2	6.4
Revenue	**271.0**	248.8	8.9	6.2
Brand contribution	**67.9**	59.2	14.7	11.5
Brand contribution margin	**25.1%**	23.8%	130bps	120bps

In France, we saw a marginal volume decline of 0.3%, reflecting the limited availability of Fruit Shoot earlier in the year. The syrups portfolio continued to perform well, gaining market share and benefiting from the warm weather in quarter four. Fruit Shoot is ahead of where it was pre-recall and continued to grow throughout the year, out-performing the kid's category. As a result overall revenue grew by 6.2% outperforming the total soft drinks market which, as measured by IRI, grew value by 0.9%.

Fixed costs	52 weeks ended 29 September 2013 £m	52 weeks ended 30 September 2012 £m	% change actual exchange rate
Non-brand A&P	**(7.3)**	(7.8)	6.4
Fixed supply chain	**(100.7)**	(100.3)	(0.4)
Selling costs	**(124.5)**	(118.0)	(5.5)
Overheads and other	**(118.1)**	(103.2)	(14.4)
Total	**(350.6)**	(329.3)	(6.5)
Total A&P investment	**(70.3)**	(62.5)	(12.5)
A&P as a % of revenue*	**5.4%**	5.1%	(30)bps

* excludes 3rd party revenue

Fixed costs were up by 6.5% this year and included the £8m remaining costs associated with the recall of Fruit Shoot and the cost of the expanded in-market team supporting our USA Fruit Shoot business communicated last year. In addition "overheads and other" included a provision for employee incentives triggered by the relevant performance measure, compared to a zero incentive payment in 2012.

A&P increased in both absolute terms, by £7.8m, and by 30bps as a % of net revenue which is in line with the guidance we provided at the interim results and is core to our strategy of reinvesting part of our growth in margin to build stronger brand equity in the medium term.


LA TRUFFE
du
Périgord
Teisseire
Mix
Grenadine

Exceptional and other items

In the period, we accounted for a net charge of £25.5m of pre-tax (£20.7m post tax) exceptional and other costs. These include:

- Corporate exceptional items of £9.6m costs, relating to advisory fees regarding the aborted merger with AG Barr plc, in line with previous disclosures.
- Corporate exceptional items of £23.5m, relating to the implementation of the strategic cost initiatives announced at interims in May. Cash related items totalled £10.6m with non-cash, primarily factory closure write-off costs, of £12.9m
- Other fair value movements gain of £7.6m. 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.

The cash costs of exceptional items in the period were £16.1m made up of £1.5m from the previous year and £14.6m from the current year.

Interest

The net finance charge before exceptional and other items for the 52 week period for the group was £26.9m compared with £28.3m in the same period in the prior year, reflecting the lower debt profile of the group.

Taxation

The tax charge before exceptional items was £25.5m which equates to an effective tax rate of 23.6% (52 weeks ending 30 September 2012: 25.5%). The reduction in the effective tax rate reflects the fall in the UK corporation tax rate, the revaluation of deferred tax liabilities related to the pension funding partnership and the impact of the mix of profits by business unit.

Earnings per share

Adjusted basic EPS for the period, excluding exceptional and other items and acquisition related amortisation, was 35.2p, up 29.4% on the same period last year of 27.2p.

Basic EPS (after exceptional and other items charges post-tax) for the period was 25.5p compared with 23.8p for the same period last year.

Dividends

The board is recommending a final dividend of 13.0p per share, an increase of 4.8% on the dividend declared last year, with a total value of £31.7m. The final dividend will be paid on 7 February 2014 to shareholders on record as at 6 December 2013. The ex-dividend date is 4 December 2013.

Cash flow and net debt

Underlying free cash flow was a £103.5m inflow, a 66.7% improvement compared to a £62.1m inflow the previous year. Working capital saw a small outflow of £6m primarily as a result of the stock build ahead of the closure of our two factories in GB and the year-end being one day earlier than the end of the month, whilst in other costs we saw a reduction in cash outflow during the period as there was no requirement to purchase shares to satisfy bonus schemes given the nil pay-out from December 2012. Furthermore in other costs there was a cash inflow from the exercise of options given the share price growth that the business saw. Capital expenditure was lower than our previous guidance of £40m to £50m, largely due to re-phasing into 2014. The pension contributions increase was due to the planned £2.5m increase in the GB defined benefits deficit contribution and the remainder of the full impact of the Northern Ireland deficit payments which started part way through the previous year. Overall adjusted net debt came down by over £44m and took our leverage to 2.2X EBITDA from 2.8X last year. The adjusted net debt (taking into account the foreign exchange movements on the derivatives hedging our US Private Placement debt) at 29 September 2013 was £402.3m, compared to 2012 of £446.7m.

Strategic cost savings

A dedicated project management office (PMO) has been established to oversee both the delivery and tracking of the cost and benefit analysis of the strategic initiatives that contribute to the £30m cost savings and operating model design. The Programme Change Director reports to both the Executive Team and the board on a regular basis to update them on the associated revenue costs, capital, exceptional items and risk.

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.

The group has £891m of committed debt facilities consisting of a £400m bank facility which matures in 2016 and a series of private placement notes with maturities between 2014 and 2022, providing the business with a secure funding platform. At 29 September 2013, the group's unadjusted net debt of £458.4m (excluding derivative hedges) consisted of £1.0m drawn under the group's committed bank facilities, £547.3m of private placement notes, £3.9m of accrued interest and £0.5m of finance leases, offset by net cash and cash equivalents of £91.5m and unamortised loan issue costs of £2.8m. 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 £402.3m which compares to £446.7m in 2012.

In November 2013, the group reached agreement with a number of investors in the USA private placement market to raise an additional $170.4m equivalent of funding for terms of between 7 and 12 years. This funding is subject to documentation and due diligence which is scheduled to be completed in December 2013. Where this funding is dollar-denominated this has been hedged using cross-currency interest-rate swaps to meet the group's desired funding profile and to manage the associated foreign currency risk to the profit and loss account. Further detail of the group's financial risk management objectives and policies can be found in note 24 of the consolidated financial statements.

Pensions

At 29 September 2013, the IAS19 pension deficit in respect of the group defined benefit pension schemes was £19.3m (2012: net deficit of £3.7m). This increase is predominately driven by changes to the underlying market conditions on which the valuation assumptions are based for the GB plan including a decrease in the discount rate from 4.85% at 30 September 2012 to 4.55% at the 29 September 2013. The group principal pension scheme is the Britvic Pension Plan which has both a defined benefit and defined contribution section. The defined benefit section 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 as at 31 March 2013 is currently underway, and will be completed by 30 June 2014. Paul Moody took early retirement on 26 February 2013. In accordance with agreed policy he chose to receive the portion of his pension provided by the Britvic Executive Top-up Scheme (BETUS) as a cash sum in April 2013. As a result of this, a £0.5m gain has been recognised in exceptional and other items in the income statement for the period. The amount recognised during the year as an expense in relation to the group defined contribution schemes was £11.4m (2012: £10.8m). For further disclosure, please see note 22 to the financial statements.

John Gibney
Chief Financial Officer

business resources

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

- An extensive portfolio of stills and carbonates brands, including Robinsons, Pepsi, 7UP, Tango, J_2O and Fruit Shoot. The breadth and depth of Britvic's portfolio enables it to target consumer demand across a wide range of consumption occasions, in all the major soft drinks categories and across all relevant routes to market. Britvic Ireland owns a number of leading brands in the Republic of Ireland and Northern Ireland, including Club, Ballygowan and MiWadi as well as the rights to the Pepsi, 7UP and Mountain Dew brands. In France the portfolio includes the leading syrup brand Teisseire as well as Moulin de Valdonne, Pressade and Fruit Shoot.
- A successful long-standing relationship with PepsiCo that resulted in the exclusive bottling agreement (EBA) being renewed in GB in 2003 for a further 15 years, with an extension to 2023 on admission to the London Stock Exchange. The EBA for Ireland lasts until 2015. This relationship gives Britvic the exclusive right to distribute the Pepsi and 7UP brands in GB and Ireland, access to all new carbonated drinks developed by PepsiCo for distribution in GB and Ireland and, to support the development of its carbonates offering, access to PepsiCo's consumer insight, marketing best practice, brand and product development expertise and technological know-how. Britvic has added to its portfolio with Mountain Dew Energy in GB and Ireland and has also been appointed in recent years as the exclusive GB bottler of Gatorade, Lipton Ice Tea and SoBe.
- A strong customer base. For example, in the GB take-home market, Britvic's customers include the "Big 4" supermarkets (Tesco, J Sainsbury's, Asda and Wm Morrisons) together with a number of other important grocery retailers. The group has significant supply arrangements with a number of key players in the GB pubs and clubs sector and leisure and catering channels. Through Britvic International, the group has built on the success of the Robinsons and Fruit Shoot brands by introducing these products into markets outside GB.
- Britvic also has a well-invested and flexible group production capability and distribution network that enables its soft drinks to be made available to consumers across all of its operating territories.

risks and uncertainties

Risk management process

Britvic operates a robust risk management process that has been further strengthened over recent years.

There are five stages to this process:

Risk identification → Risk analysis → Risk mitigation planning → Risk review → Risk monitoring

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 review these at least twice a year.

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.

Soft drinks market

The economic environment could reduce consumer spending on our brands

Risk: Whilst our products are relatively low value goods, they are non-essential items. Pressure on consumer spending could reduce spend on our products, or they may switch to cheaper non-branded alternatives.

Mitigation: 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 understand what the consumer wants and develop products designed to meet their spending requirements.

A change in consumer preferences could reduce sales of our brands

Risk: 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. Failure to do this could result in consumers switching away from Britvic products.

Mitigation: 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.

Increased competition could reduce our profitability through reducing the average realised price of our products or reducing sales

Risk: We operate in a highly competitive market with relatively low barriers to entry and high levels of promotional activity. There is a risk that our competitors increase their activity or new products enter the market and take market share from our products.

Mitigation: We have strong brands that show resilience even when under pressure from competitor promotional activity. In established markets, we operate a strong promotional programme ourselves and develop strategies for growth that are aligned to consumer preferences. We also continuously monitor the market and are able to develop tactics to respond to changes in the competitive environment where appropriate; however in many cases we are confident that our brand strength and understanding of the category ensure that the strategy we are following is robust. The diversification of our geographical profile also helps to reduce the risk.

Health and obesity debate could reduce sales of our products

Risk: 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.

Mitigation: We offer a range of soft drinks, many of which are low calorie products containing no sugar. Nutritional information is shown on all of our products and, in GB, we have signed up to the government's front of pack labelling scheme. We 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.

A termination or variation of the bottling and distribution arrangements with PepsiCo could significantly reduce our business in GB and Ireland

Risk: We bottle a number of PepsiCo products in GB and Ireland, including Pepsi and 7UP and this makes 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.

Mitigation: 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.

Supply risks

Increasing commodity demand and pricing could impact our profitability

Risk: 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.

Mitigation: 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

Risk: Our products are generally of very high quality and are not high risk products for causing any significant 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.

Mitigation: We have robust quality control measures and processes in place to maintain the high quality of our products supplied at all times. These have been further strengthened in response to the Fruit Shoot recall required during 2012.

Loss of a key operational site could reduce product availability and therefore sales

Risk: A severe event could lead to the loss of use of a key site of production or distribution.

Mitigation: 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

Increase in the group's funding needs or obligations in respect of our pension scheme

Risk: The required revaluations of the pension schemes may highlight a worsening deficit position that requires the company to provide additional cash contributions to meet future needs. The triennial pension valuation for the largest of our defined benefit schemes, for GB employees, will be completed during the current financial year.

Mitigation: The group pensions function works closely with the pension Trustees to ensure an appropriate portfolio is in place to fund pension requirements and spread risk in the most appropriate way. New employees of the company are enrolled into a defined contribution scheme thereby limiting future liabilities. The largest of Britvic's defined benefit schemes was closed to future accrual in April 2011 (closed to new members in 2002). This scheme is now partially funded by a Pension Funding Partnership and funding requirements have been agreed to 2017.

Future regulations that affect the sale of soft drinks may impact our profitability

Risk: 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.

Mitigation: 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.

Changes in tax legislation could impact our shareholder returns

Risk: We operate in a number of tax jurisdictions with complicated and different tax requirements and legislation regularly changes. Any changes in tax legislation or rates could potentially impact the distributable profits of the organisation. In addition, the subjective nature of some tax treatments could lead to challenge from the relevant tax authorities which could result in disputes.

At the current time, there is a risk that any potential 'sugar tax' in GB or Ireland could impact some of our products.

Mitigation: We have a dedicated tax team, supported by external advisors, who ensure that we comply with all tax regulations and requirements. We monitor likely changes in these and consider the impact that these could have on our business, taking action to mitigate this impact where possible. We have a broad portfolio of low sugar products that should not be affected by any 'sugar tax', and would look to minimise the impact on the profitability of our other products to the extent that it is possible through consumer pricing.

Macro economic environment

Macro-economic factors could adversely impact the business

Risk: 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.
Mitigation: 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.

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

Risk: 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.

Mitigation: 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

Risk: All IT networks are at risk of unwanted access which can have adverse consequences in terms of data leakage or loss, or systems failures.

Mitigation: 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.


Peace


ROBINSONS
DOUBLE CONCENTRATE
ORANGE
NO ADDED SUGAR
MAKES 20 GLASSES

governance

corporate governance report

Dear Shareholder

We believe that good governance reduces risk and adds value to our business. As such, the board is committed to high standards of corporate governance and supports the principles laid down in the revised UK Corporate Governance Code published in September 2012 by the Financial Reporting Council ('the Code').

I am pleased to introduce our Corporate Governance Report which includes individual reports from the Chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee (as part of the Directors' Remuneration Report) on pages 33 to 54. Together, these describe how we conduct our operations in line with the Code's provisions and other accepted principles of good corporate governance.

Board composition

Your board is also 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. This is particularly important to ensure that the board is best placed to support our new strategy.

With the exception of the appointment of Simon Litherland, our new Chief Executive Officer, resulting in a change to the executive membership this year, no changes have been made to the board's composition for some time. However, as part of our ongoing succession planning, we are seeking to recruit two new Non-Executive Directors to add to and to refresh the board's skills and experience during the course of the next 12-18 months. My medium term ambitions for the composition of the board are to bring in further manufacturing/FMCG and international expertise, and, without disregarding the desire to give consideration to all candidates based on merit and their overall suitability for the role, to seek to achieve a greater diversity of board members. 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 35.

For further details of the directors' biographies please see pages 26 and 27.

Board evaluation

In the spirit of continuous improvement and in seeking a regular evaluation of the board's own effectiveness, we invited Ffion Hague of Independent Board Evaluation to interview the directors and senior executives as part of a comprehensive review of the board and its committees' performance during the year. Ms Hague's findings are summarised on page 31.

Gerald Corbett
Chairman

25 November 2013

board of directors and company secretary

				
	Gerald Corbett	**Simon Litherland**	**John Gibney**	**Bob Ivell**
	Chairman of the board and Chairman of the Nomination Committee	Chief Executive Officer	Chief Financial Officer	Senior Independent Non-Executive Director and Chairman of the Remuneration Committee
Background and experience	Over a long business career, Gerald has been a director of 12 public companies, five of which he has chaired. His most recent role was as Chairman 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.	Simon Litherland joined Britvic in September 2011 to perform the newly created role of Managing Director, Britvic GB, bringing with him valuable experience he obtained from Diageo, where he was the Managing Director of the GB business. Prior to this, Simon was the Managing Director in South Africa which led to his appointment as Managing Director of Brandhouse, a joint venture involving Diageo, Heineken and Namibia Breweries.	John Gibney joined Britvic as Finance Director in 1999. His responsibilities include Finance, Legal, Estates, Risk Management and Procurement. He is also Chairman of Counterpoint, the Britvic licenced wholesale business for Ireland. Prior to joining Britvic, John was Senior Corporate Finance & Planning Manager for Bass PLC, and prior to that he was Finance Director and subsequently Deputy Managing Director of Gala Clubs.	During the 1980s, Bob Ivell was the Managing Director of Beefeater and was also on the board of Scottish & Newcastle plc as Chairman of the Retail Division between 1999 and 2004. He was the Executive Chairman of Regent Inns PLC between 2004 and 2008.
Date of appointment	Gerald was appointed to the board as Non-Executive Chairman in November 2005.	Simon was appointed to the board as Chief Executive Officer in February 2013.	John was appointed to the board as Chief Financial Officer in November 2005.	Bob was appointed to the board as a Non-Executive Director in November 2005.
External appointments	Gerald is Chairman of Betfair Group plc, Moneysupermarket.com Group plc and Towry Holdings Limited and a Non-Executive Director of Numis Corporation Plc.	Simon is a Director of The British Soft Drinks Association.	None.	Bob is Chairman of David Lloyd Leisure and Executive Chairman of Mitchells and Butlers plc.
Committee membership	Gerald is Chairman of Nomination Committee and is a member of the Remuneration Committee.	As Chief Executive Officer, Simon regularly attends Audit Committee, Remuneration Committee and Nomination Committee meetings by invitation. He is Chairman of the Executive Team.	As Chief Financial Officer, John regularly attends Audit Committee meetings by invitation. He also attends Remuneration Committee meetings for certain items of business.	Bob is Chairman of the Remuneration Committee and is a member of the Audit and Nomination Committees.

			
Joanne Averiss Non-Executive Director	**Michael Shallow** Independent Non-Executive Director and Chairman of the Audit Committee	**Ben Gordon** Independent Non-Executive Director	**Clare Thomas** Company Secretary and General Counsel
Background and Experience			
Joanne Averiss 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.	Michael was a Non-Executive Director of Spice plc from 2006 until its acquisition by Cinven in December 2010. He was the Finance Director of Greene King plc from 1991 to 2005 and, prior to that, he was an associate partner with Accenture.	Ben Gordon was the 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 and has an MBA from INSEAD.	Clare Thomas initially joined the group as interim Company Secretary and General Counsel in September 2012, a position which she took up permanently in September 2013. Clare has a corporate and commercial legal background and prior to joining Britvic was a Partner at law firm Addleshaw Goddard LLP.
Date of appointment			
Joanne was appointed to the board as a Non-Executive Director in November 2005 and is the Pepsi Group Nominee Director.	Michael was appointed to the board as a Non-Executive Director in November 2005.	Ben was appointed to the board as a Non-Executive Director in April 2008.	Clare was appointed Company Secretary in September 2012.
External appointments			
Joanne is a Trustee and Chair of the Mesen Educational Trust.	Michael is a Non-Executive Director of Domino's Pizza Group plc.	Ben is a Non-Executive Director of St. Ives plc.	Not applicable.
Committee membership			
None.	Michael is Chairman of the Audit Committee and is a member of the Nomination Committee and the Remuneration Committee.	Ben is a member of the Audit Committee, Nomination Committee and Remuneration Committee.	In addition to her attendance at board meetings, Clare attends the meetings of the Audit Committee, Nomination Committee and Remuneration Committee. Clare also attends meetings of the Executive Team.

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 52 weeks ended 29 September 2013.

2013 Board programme

The board met ten times during the year in accordance with its scheduled meeting calendar and an additional four times in connection with the merger with AG Barr plc. The attendance by each board member at scheduled meetings is shown on page 32. 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 initiatives and the company's international franchise model as set out in the Chief Executive Officer's Review on page 9. The board also attended an off-site two day strategy meeting with members of the Executive Team during the financial year.

The board

The board of directors currently has seven members, comprising the Non-Executive Chairman, Chief Executive Officer, Chief Financial Officer, three independent Non-Executive Directors and the PepsiCo nominated Non-Executive Director. At all times there has been a majority of non-executive independent directors on the board, in compliance with the Code.

The directors

The biographical details of the board members are set out on pages 26 and 27. All of the directors bring strong judgement to the board's deliberations. They have all occupied, or occupy, senior positions in UK and/or non-UK listed companies and have substantial experience in business. Other than their fees, which are disclosed on page 51, 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').

Governance framework

Shareholders

2,648 shareholders
as at 29 September 2013

Board

Non-Executive Chairman,
2 Executive Directors and
4 Non-Executive Directors

Nomination Committee

Non-Executive Chairman,
3 Non-Executive Directors

Primary responsibility for succession planning, board/director selection and board composition

Committee Report page 35

Audit Committee

3 Non-Executive Directors

Provides oversight and governance over the group's annual reporting, internal controls , risk management and relationship with external auditors

Committee Report pages 33 and 34

Remuneration Committee

3 Non-Executive Directors

Agrees remuneration policy and sets individual compensation levels for directors and senior management

Committee Report pages 36 to 54

Executive Management Level Committees

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

*Meets as and when required

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, at least annually, of medium-term plans and the annual budget. The business reports monthly on its performance against its agreed budget. The board receives a monthly update on performance and reviews any significant variances at each of its meetings. 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 32. 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 directors with their professional development.

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 our 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 the 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 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 (which comprises in addition to the two Executive Directors, the International Managing Director, the HR, IT & Change Director, the GB General Manager, the Managing Director, Britvic France, and the Commercial Director, Britvic Ireland. The Executive Team meets 12 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 to the Executive Team, 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 above.

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.

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 2014 AGM	Considered to be independent by the board
Gerald Corbett	January 2007	7	Note (1)
Joanne Averiss	January 2007	7	Note (2)
Ben Gordon	January 2009	5	Yes (2)
Bob Ivell	January 2007	7	Yes (2)
Michael Shallow	January 2007	7	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. With the exception of the PepsiCo nominated Non-Executive Director, Joanne Averiss, the Non-Executive Directors are all independent of management and free from any business or other relationship, including those relationships and circumstances referred to in provision B.1.1 of the Code that could materially interfere with the exercise of independent and objective judgement. In addition to her fiduciary obligations to act in the best interests of the company, Joanne Averiss is required under her letter of appointment to discharge her duties in the interests of the company notwithstanding her connection with PepsiCo.

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 48. These documents are available for inspection at the registered office of the company during normal business hours and at the place of the AGM from at least 15 minutes before and until the end of the meeting.

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 established a 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. No conflicts of interest have been identified during the year.

Education and development

The Company Secretary is responsible for preparing and co-ordinating an induction programme for newly appointed directors, including presentations from senior management on different aspects of the business, as well as guidance on their duties, responsibilities and liabilities as a director of a listed company. Business familiarisation involves directors visiting sites in the UK, 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.

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.

Board performance evaluation

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. This year the evaluation was conducted by Ffion Hague of Independent Board Evaluation. Ms Hague is an independent advisor and has no other connection with the company.

The evaluation process began with the evaluation team being given a comprehensive brief by the Chairman and the Company Secretary. The evaluation team observed a main board meeting and a Remuneration Committee meeting and was provided with support materials by the company for briefing purposes. Detailed interviews were then conducted with the Chairman, each board member, the Company Secretary, senior management who frequently interact with the board or its committees, and an external adviser. All views and comments contained within the board evaluation report were made by the participants during interviews and all recommendations were based on best practice as described in the Code and other current corporate governance guidelines.

Draft conclusions were discussed with the Chairman and subsequently with the whole board at its subsequent board meeting, at which Ffion Hague was present. The conclusions of that discussion were recorded in the minutes of the meeting. The evaluation team also gave feedback to the board committee chairmen on the performance of each committee. Bob Ivell, as Senior Independent Director, received the report on the Chairman and the Chairman received the report on the individual board directors. The board and committees considered the reports of their effectiveness at their respective meetings.

The report produced by Independent Board Evaluation indicated that the board is working well and that there are no significant concerns among the directors about its effectiveness. In particular the report noted that the board had been truly tested during the year as a consequence of the Fruit Shoot recall and the merger negotiations. The report also highlighted the importance of succession planning and the board is conscious that changes will be needed to its composition in the future and to support the new Chief Executive and strategy.

In light of the review by Independent Board Evaluation, 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.

As a result of recommendations made in this year's board performance evaluation, the board has agreed:

- To increase focus on non-executive succession planning and also executive talent management;
- To revisit the board skills matrix and to match candidate specifications to the new strategy;
- To agree specific board roles and to ensure development plans and a detailed induction process for new directors are put in place;
- To create more opportunities for the Non-Executive Directors, who have a long standing relationship with the senior management, to interact more frequently with senior management outside of board meetings;
- To create more opportunities for the board to discuss significant risks at board meetings, particularly in relation to the operational side of the business; and
- To improve the content and timeliness of circulating board papers in advance of board and committee meetings.

The board will continue to review its procedures, effectiveness and development in the financial year ahead, particularly in relation to succession planning and in considering afresh the balance of skills and expertise needed by the board to support the company's new strategy, giving due consideration to all aspects of diversity, including gender. Further information in these areas can be found in the Nomination Committee Report on page 35.

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;
- 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 Head of Internal Audit and Risk that the significant risks faced by the group are being identified, evaluated and appropriately managed, having regard to the balance of risk, cost and opportunity. The 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.

Risk management process

Britvic operates a robust risk management process that has been further strengthened over recent years. Further details can be found within the Risks and Uncertainties section on page 19. 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 scheduled meetings of the board and its committees

The attendance of directors at board and committee meetings during the 52 weeks ended 29 September 2013 was as follows:

	Board	Nomination Committee[1]	Remuneration Committee	Audit Committee[1]
Gerald Corbett	10	2	3	1
Simon Litherland[2]	7	-	2	1
Paul Moody[3]	4	-	1	1
Joanne Averiss	10	-	-	-
John Gibney	10	-	2	2
Bob Ivell	10	2	3	2
Michael Shallow	9	2	3	2
Ben Gordon	10	2	3	2
Total number of meetings	**10**	**2**	**3**	**2**

Notes:

1. Committee meetings scheduled to take place in September 2013 were moved to October 2013.
2. Meetings attended by Simon Litherland subsequent to his appointment on 13 February 2013.
3. Meetings attended by Paul Moody up until his retirement on 26 February 2013.

The board scheduled ten meetings during the year and additional meetings were convened to deal with specific matters which required the board's attention between scheduled meetings. Excluding ad hoc conference calls and committee meetings to approve the financial results, in total, the board met 14 times, including attendance at a dedicated two day strategy meeting with the Executive Team.

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 Business Review set out on pages 6 to 21 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 enquiries 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 enquiries 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 2014 AGM in January and to updating them on our business developments.

Michael Shallow
Chairman
Audit Committee

governance

audit committee report

Objective

To provide oversight and governance over the group's financial reporting, the internal control environment and processes in place to monitor this, risk management and 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 performance of the internal audit team;
- Reviewing risk management processes and considering the adequacy of the actions being taken to reduce the risk exposure of the group in relation to the key risks;
- Overseeing the relationship with the external auditors, reviewing their 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

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.

Meetings

The Committee meets three times a year; in November and May to provide an appropriate time 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 and the plan for the year ahead. This year the Committee meeting scheduled for September was held in October. At each meeting the performance and findings of the internal audit team are reviewed and the most recent key risks are considered.

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 Head of Audit and Risk and the external auditor, Ernst and Young LLP. A record of the meeting attendance by Committee members is set out on page 32.

Each meeting allows time for the Committee to speak with key people without the presence of the others; in particular the external auditor, the internal management team and the Head 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.

Committee meetings usually take place just 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 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 review that the half year and annual financial statements are appropriate. The review is carried out with both management and the external auditor, and focus areas include evaluating whether:

- The annual report and financial accounts represent a fair, balanced and understandable view of information for shareholders;
- 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;
- Clarity of disclosures and whether compliance to financial reporting standards is acceptable;
- Any correspondence from regulators has been received in relation to our financial reporting.

The review is based on reporting by the Group Financial Controller, as well as reports from the external auditor based on the outcomes of their half year review and annual audit.

Primary areas of judgement considered by the Committee in relation to the 2013 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 addresses this by receiving reports from management outlining the basis for assumptions used for cash generating units. 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.

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 reviews reporting on comparisons of valuations to external confirmations, assessment of hedge effectiveness and the quality of financial statement disclosures.

Revenue recognition

The group recognises revenue when goods are delivered and accepted by customers. The Committee reviews the testing and controls of the revenue cycle, including long term discounts, promotional discounts and account development funds to ensure that an IFRS compliant policy is in place and it is complied with.

Taxation

Any uncertain tax positions within the group are reviewed to ensure that the group effective tax rate is calculated at an acceptable level.

Defined benefit pension scheme valuation

The Committee reviews 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 Head 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. During the year the risk management process was developed, and improvements to the identification and review of major risks were implemented. The Committee believe that the improvements will further 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 Head 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 19 to 21.

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 2013. 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 in some detail. These key areas were primarily identified as areas of judgement and complexity and included the valuation of goodwill and indefinite lived assets, the hedging of group borrowings, 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 were invited to take the Committee through at the Committee's meeting in November. The findings were reviewed and discussed in detail by the Committee, particularly in relation to the areas highlighted. 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 question and challenge 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 was rotated on during the year. Ernst and Young LLP have been the company's auditors since its stock market listing in 2005 (8 years). During that time the external auditor has not been formally tendered; however, the Committee will continue to regularly consider this in accordance with the audit tendering provisions in the Code.

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

The group is in the process of developing a revised policy regarding the provision of non-audit services by the external auditors, based on best 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 ahead of the re-tender of the audit services which will be undertaken for the September 2015 year end. 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 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.

Committee evaluation

The Committee was included in the external board evaluation performed during the year, the details of which can be found on pages 30 and 31.

governance

nomination committee report

Gerald Corbett
Chairman
Nomination Committee

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 persons 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

The Committee comprises Independent Non-Executive Directors, Ben Gordon, Bob Ivell and Michael Shallow and myself as Chairman.

Meetings

The Committee meets as necessary and at least twice a year. A third Committee meeting which was scheduled to be held in September was moved to October 2013.

Main activities during the year

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

- the appointment of Simon Litherland as our new Chief Executive Officer;
- senior management appointments including changes in the membership of the Executive Team;
- matters relating to succession planning, in particular, the tenure of Bob Ivell, Senior Independent Director and Chairman of the Remuneration Committee, and Michael Shallow, Non-Executive Director and Chairman of the Audit Committee; and
- the results of the external evaluation of the board, the directors and the committees and, as part of that process, reviewed the continued independence of the Non-Executive Directors.

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 will 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.

Simon Litherland's appointment as Chief Executive Officer took place in February this year. Simon joined Britvic in September 2011 to perform the newly created role of Managing Director, GB. When Paul Moody, our former Chief Executive, decided to retire at the time the Office of Fair Trading referred the AG Barr plc merger in February, the board was unanimous in its decision to appoint Simon as his successor. Simon was appointed a director on the board on 13 February 2013. Further biographical details for Simon can be found on page 26.

During the year, as part of the new organisational design, a number of changes were made to the membership of the Executive Team. Martin Rose, former Supply Chain Director, and Alan Beaney, former Strategy Director, both retired at the end of the financial year. Paul Graham - GB General Manager, Kevin Donnelly - Commercial Director, Ireland, and Jean-Luc Tivolle - General Manager France, became full members of the Executive Team (and PDMRs for the purposes of the UK Listing Rules) with effect from 1 October 2013. Biographies for Paul, Kevin and Jean-Luc may be viewed on our website at www.britivic.com

Succession planning

Whilst board succession planning has been less of an area of focus during the last year, the Committee has agreed to spend more time discussing the matter in the coming year. Job profiles to commence the search for two new Non-Executive Directors to succeed Bob Ivell and Michael Shallow during the next 12-18 months have been drawn up and a shortlist of external search consultancies is being considered to assist us with this process. Bob and Michael have both been directors since the company's listing on the London Stock Exchange in 2005.

Having been the company's Chairman since 2005, my succession is something which the Committee will keep under review. For the foreseeable future, however, I am excited to be working with, and to extend my support to Simon, our new Chief Executive Officer, as he leads the business through its new strategy and organisational model.

Diversity

The board has determined it will monitor diversity through the Committee and more focus will be made in this area in the coming year and to the development of a company wide diversity policy. My medium term ambitions for the composition of the board are to bring in further manufacturing/FMCG and international expertise.

At Britvic, we see diversity as a wider topic than simply gender and the board will continue to 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.

Although we do have a number of women in senior operational roles, we recognise that there is a gender imbalance on the board. Whilst the directors do not feel in a position to publish a target of the percentage of women they aspire to having on the board, they recognise that diversity is important to the success of the business and will look to find opportunities to address this. Any woman appointed to the board, however, will be selected because they are the best candidate for the role based on merit.

Our disclosure in relation to gender diversity within our organisation can be found on page 9 within the Chief Executive Officer's Review.

Board evaluation

Details of the externally facilitated evaluation of the board, the directors and the board committees, including this Committee, can be found on pages 30 and 31.

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 at the AGM.

governance

directors' remuneration report

Bob Ivell
Chairman
The Remuneration Committee

Objective

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

Membership

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

Meetings

The Committee meets 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 its activities are set out in this report.

Committee evaluation

The Committee was included in the external board evaluation performed during the year, the details of which can be found on pages 30 and 31.

Introduction from the committee chairman

I am pleased to present the Directors' Remuneration Report for the year ended 29 September 2013, which was a particularly strong year for Britvic and our shareholders.

The company's 2013 year end has fallen one day before the new regulations relating to the changes in narrative and remuneration reporting came into force on 30 September 2013. However, to reflect good practice, this report has been prepared not only in accordance with the Companies Act 2006 and Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, but also includes the main elements of the "new reporting regime" under the regulations as amended in August 2013, which the company will be required to fully adhere to next year. The Committee has decided therefore to voluntarily include the following additional disclosures in this year's report:

- A policy table which summarises how the Committee approaches each element of remuneration including details of our recruitment and termination policy;
- Performance scenario charts showing the value of packages based on different levels of performance;
- A single total figure of remuneration for each Executive Director and a five year history of remuneration and incentive plan outcomes for the position of Chief Executive Officer (CEO); and
- A distribution statement comparing annual changes in pay spend, profit after tax, dividends and capital expenditure.

To accommodate these additions, and to proactively adopt many of the key changes in the new reporting requirements, we are presenting this report in a different format than our previous Directors' Remuneration reports. The first part of the report sets out our forward-looking directors' remuneration policy for 2014. The second part of the report provides details of the implementation of our existing policies in respect of 2013. As in previous years, at the AGM to be held on 29 January 2014, an advisory vote will be put to shareholders to approve the Directors' Remuneration Report. The board are not proposing that shareholders vote on our remuneration policy until next year's AGM.

In addition, when preparing this report, the Committee has complied with the Code and with the requirements of the UKLA Listing Rules.

We note that further guidance has been issued by the GC100 and by some institutional shareholders since the new regulations came into effect. Whilst it has not been possible to fully reflect all of this guidance in this year's report, for reasons of timing, I wanted to acknowledge the Committee's general support of the principal suggestions which are emerging. For example, we note the preference of many large shareholders for the development of a more flexible policy than that summarised in this report so that the company's remuneration policy is only put to shareholder vote once in every three years and it is how best we approach some of these emerging issues which the Committee will want to reflect on over the forthcoming year and as the relevant guidance evolves.

The year under review

During the year we dealt with a number of specific pay-related issues. These arose against the backdrop of a period of both significant change and robust performance at Britvic. For example:

- We set the remuneration arrangements of Simon Litherland when he took up the role of CEO, following Paul Moody's retirement on 26 February 2013, at the same position to allow a swift transition and agreed to review this package at the end of the financial year.
- In keeping with our market competitive remuneration policy we agreed it appropriate to move John Gibney's base salary to £345,000 to reflect his contribution during a period of significant potential change and uncertainty.
- As referred to in last year's report, we also agreed the detailed terms relating to Paul Moody's early retirement and subsequent six month consultancy arrangement. In line with normal practice for eligible employees the Committee used its discretion to allow Paul Moody to apply the Enhanced Early Retirement Facility (EERF) to his pension.
- We agreed bonus payouts for the year under review which reflected excellent progress on our new business strategy and the delivery of a material increase in shareholder value.
- We further reviewed and confirmed the award levels and performance conditions for grants made under our two share-based long-term incentive plans as well as confirming there would be no vesting of awards of certain grants made in earlier years due to the non-fulfilment of performance targets.
- In accordance with best practice, we introduced malus provisions and discretion to allow the Committee to reduce future unvested or vested but unexercised long term incentive awards in various circumstances.
- Finally, we agreed the changes in salary for the CEO and Chief Financial Officer (CFO) effective from 1 January 2014 as part of the annual pay review process for the whole company.

As Chairman of the Committee and Senior Independent Director, I am committed to ensuring an open dialogue with our shareholders. Therefore, should you have any comments in relation to the content of this report, or any issues relating to our approach to executive remuneration, please feel free to contact me at investors@britvic.co.uk.

Bob Ivell
Chairman of the Remuneration Committee


Fruit Shoot
Fruit Shoot

remuneration policy section

Our overall approach to remuneration

The principal objective of our executive remuneration policy is to support a high performance culture and the successful execution of our new business strategy. In return 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.

Our new business strategy is based on unlocking opportunities to deliver substantial value to our shareholders by sustaining market leading growth in our established markets and investing in rapid growth opportunities in new international markets. As set out in the Chief Executive Officer's Review on page 9 a key part of the strategy is to successfully secure a step change in our cost base and realising the huge potential opportunities from our investment in international markets.

The Committee believes that this requires the provision of a simple, transparent and competitive total remuneration policy that can help attract, retain and inspire the calibre of senior executive talent to deliver our ambitious growth plans.

In particular this requires:

- Competitively positioned base salary and incentive levels taking into account both our industry sector and other companies of a similar size and scope.
- An incentive mix that balances our short and medium priorities to ensure sustained long- term value creation for our shareholders.
- An incentive structure that provides an appropriate degree of variability to only reward excellent performance with superior pay opportunity.
- Benefit arrangements sufficient to maintain the overall reward package close to the competitive norms described above.
- Share ownership levels which, over time, align the actions and interests of executives with those of our long-term shareholders.

The Committee regularly reviews the remuneration policy to ensure that it is sufficiently flexible to take account of future changes in the company's business operations and environment, provides alignment to shareholder interests and that it recognises key developments in remuneration practice. The Committee believes our long-standing remuneration policy as described in this report continues to remain appropriate and that the incentive structures do not raise environmental, social or governance risks by inadvertently motivating irresponsible behaviour.

The Committee also takes account of general workforce pay and conditions when determining the remuneration of the Executive Directors and is kept abreast of all relevant issues through regular interaction with our HR function. Where our pay policy for directors differs to our pay policies for employees more widely, this reflects wider market-related influences. In keeping with typical market practice, the Committee did not consult with employees or shareholders in relation to our executive remuneration policies but believes that these policies are entirely justified and appropriate in light of our wider reward practices.

The section below provides further detail on how we apply these overriding principles to each element of the executives' remuneration packages.

Elements of the package

The table below outlines the purpose for and, where relevant, performance measures attaching to each element of the remuneration package.

Element and purpose	Policy and opportunity
Base Salary *A core element of fixed pay which reflects the individual's role and position within the group, with some adjustment to reflect their experience, capability and contribution*	To position the role and the individual fairly around mid-market derived from a peer group of similar sized UK listed companies (both pan-sector and from the food and beverages sector). The Committee used this data when giving consideration to the appropriate pay level having regard to other relevant factors including corporate and individual performance and any changes in an individual's role and responsibilities.
Benefits *To provide other standard benefits which should be valued by recipient*	To provide market competitive benefits in kind. Values are shown in later tables but may fluctuate without the Committee taking action. The company may amend the benefits available to staff from time to time, and the Executive Directors would normally be subject to the same changes.
Pension *To aid retention and to remain market-competitive*	To provide a competitive suite of post-retirement benefits.
Short-term incentive plan (STIP) (see Note 1 below) *To motivate employees and incentivise delivery of annual performance targets*	Simon Litherland's maximum bonus opportunity is 140% of salary, with 70% at target. The equivalent percentages for John Gibney are 120% and 60%, respectively. These levels were set in accordance with the same remuneration principles described above. The Committee reserves the right to adjust these levels from time to time in keeping with those objectives.

Operation and performance measures	Implementation of policy in the year
Base salaries are paid in cash and reviewed annually, with any changes normally taking effect from 1 January.	Paul Moody's salary was not increased during the year. John Gibney's salary was increased from £324,000 to £345,000 from 1 January 2013. When determining this increase, the Committee considered the overall GB salary review budget which was 3% in 2013 but considered this increase appropriate for the reasons set out in the Committee Chairman's introduction above. As an interim measure, Simon Litherland's salary was set at £510,000 upon him taking up the role as CEO and shall remain at this level until at least 31 December 2013. The Committee has been considering what the appropriate level of salary for Simon Litherland should be, and from 1 January 2014 Simon Litherland's salary is planned to increase to £560,000 and John Gibney's salary is planned to increase to £360,000 in line with both their individual and the company's strong performance, in addition to the Committee's market competitive policy.
Main benefits include annual car benefit (or allowance) and membership of the company's private medical healthcare plan, and the ability to "buy" or "sell" holiday under the company's flexible benefits plan. There is also a relocation policy which provides for reasonable expenses to be paid subject to the Committee's approval. While not considered a benefit, consistent with general market practice, executives may attend various functions representing the company whether provided by the company or by a third party. Such attendance and the resulting costs are monitored under the company's anti-bribery policy.	No changes were made in the current year and no changes are proposed in the forthcoming year.
Executive Directors can receive a cash allowance in lieu of pension contributions where they are in possession of protections from HM Revenue and Customs in relation to the Lifetime Allowance. Paul Moody and John Gibney's participation in the defined benefit section of the Britvic Pension Plan ceased on 10 April 2011 following the closure of the Plan to future accrual. They both qualify for the Enhanced Early Retirement Facility (EERF) which means that their pensions are not actuarially reduced if they retire within five years of normal pension age. However, the company has given notice to all Plan members that the EERF will be withdrawn by 11 April 2016. Paul Moody and John Gibney are also members of the Britvic Executive Top Up Scheme (BETUS), a securitised unfunded unregistered pension scheme. BETUS closed to future accrual on 10 April 2011, in line with the closure of the defined benefit section of the Britvic Pension Plan. Members of BETUS may be offered a cash out of their benefits by Britvic on a basis previously agreed by the Committee.	The cash allowance in lieu of pension contributions for Paul Moody and subsequently Simon Litherland is 24.6% of basic salary and is 22% for John Gibney. No changes were made in the current year and no changes are planned in the forthcoming year. As an early retiree, the basis of Paul Moody's retirement benefits followed the same provisions that apply to all former members in the defined benefit section of the Britvic Pension Plan who are eligible to retire before 11 April 2016 and who remain in active service with the company. He qualified for the EERF which meant that his pension was not actuarially reduced as the date of Paul Moody's retirement was within five years of his normal pension age. We also offered Paul the option to take his BETUS benefits as a cash payment which he exercised. As pre-agreed with the Committee this was based on the IAS19 value of those benefits, reduced by 10%, and reduced further to account for the National Insurance costs arising for the company as a result of making the payment as a cash lump sum.
The targets are split between profit before tax (50% of bonus opportunity), net revenue (20%) and free cash flow (30%). The Committee reserves the right to adjust these levels and/or use different targets in accordance with our remuneration principles from time to time.	Due to his exceptional performance since appointment as CEO, including the 24% increase in share price over the period to 29 September, the Committee agreed to a bonus payment equivalent to 138% of Simon Litherland's annual salary out of a maximum possible of 140%.

Element and purpose	Policy and opportunity
Long-term incentives *To motivate and incentivise delivery of sustained and exceptional performance over the medium and long-term, we operate two plans, the Performance Share Plan (PSP) and Executive Share Option Plan (ESOP)*	*ESOP (see note 2 on page 44)* The policy is to award the CEO and CFO an initial face value equal to no more than 300% and 250% of annual salary each year, respectively. *PSP (see note 3 on page 45)* The policy is to award Executive Directors shares with an initial face value equal to no more than 100% of annual salary each year.
Shareholding Guidelines *To encourage long-term share ownership by the Executive Directors so that interests are aligned with other investors*	Executive Directors are to acquire a shareholding equal to their salary within five years from the date of appointment to the board.
All-employee Share Plans *To encourage share ownership by employees, thereby allowing them to share in the long-term success of the company and align their interests with those of investors*	Executive Directors are able to participate in an all-employee share plan on the same terms as other employees.

The table below summarises the policy applied to setting the remuneration of the Chairman and Non-Executive Directors:

Element and purpose	Policy and opportunity
Chairman and Non-Executive Director fees	The fees paid to the Chairman and the fees of the other Non-Executive Directors aim to be competitive with other fully listed companies of equivalent size and complexity. Fee levels are periodically reviewed by the board (for Non-Executives) and the Committee (for the Chairman). Additional fees are paid to Non-Executive Directors who are members of and who chair a board committee and to the Senior Independent Director ('SID'). Non-Executive Directors do not participate in company incentive arrangements, and do not receive any form of pension provision.

Operation and performance measures	Implementation of policy in the year
The Committee chooses performance metrics that support the company's strategy, provide a direct link with shareholder value and ensure a clear line of sight for participants between performance and reward. For Executive Directors: *ESOP* Three year real (i.e. above inflation) EPS growth. 25% vests for achieving a challenging threshold level of real growth, with 100% vesting for achieving particularly stretching targets. *PSP* Awards are equally split between three year relative TSR and absolute ROIC targets. For the TSR element, 25% vests for median performance versus a peer group of similar sector companies, with 100% vesting at upper quartile. For the ROIC element, 25% vests for achieving a challenging threshold level of ROIC, with full vesting for reaching particularly stretching targets in light of the current economic environment. The Committee sets these measures and targets having regard both to Britvic's ambitious long-term business plan and strategic priorities. It reserves the right to use different targets in keeping with those objectives and realistic growth aspirations.	The Committee undertook a review of the existing share incentive plans at the outset of the year. Due to the merger discussions with AG Barr plc, awards under the long-term incentive plans were delayed until March 2013 rather than December 2012. Simon Litherland received on appointment ESOP and PSP awards over shares with a face value of 300% and 100% of his salary, respectively. John Gibney received ESOP and PSP awards over shares with a face value of 250% and 100% of salary respectively. Paul Moody received no awards in the year under review. In the event that awards under both plans are made in 2014, the grant date will revert back to December 2013. Malus and claw-back provisions will also be introduced into the documents governing the PSP and ESOP to ensure the Committee have the ability to respond to unexpected financial events and unacceptable behaviour in an appropriate manner. See pages 52 and 53 for description of performance conditions attaching to awards made in March 2013 and pages 44 and 45 for performance conditions agreed for awards planned for 2014.
The required shareholding is periodically reviewed and is currently set at 100% of salary. Until this holding is acquired, the Executive Directors may not sell any shares 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).	No changes were made in the current year and no changes are proposed in the forthcoming year. However, the CEO has voluntarily agreed to purchase the equivalent of £200,000 shares at the earliest opportunity following the announcement of the financial results. As a result of this purchase his total holding will be equivalent to circa 36% of his new salary from 1 January 2014. These shares will not be sold for at least three years and are intended to pro-actively strengthen his alignment with shareholder interests ahead of any future potential vesting of outstanding awards under the company's long-term incentive plans.
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 do participate in: - Free share awards, which are made annually subject to the company's performance and at the discretion of the Committee. The value of the award is discretionary and the maximum is 3% of reckonable earnings, capped at £3,000 per annum. This award is typically made in the following financial year. - Partnership shares, which are purchased by employees through payroll deductions ranging between £5 and £115 per pay period. - Matching shares which are provided by the employer to individuals purchasing partnership shares on a one for one basis up to a maximum of £50 per pay period. The Committee reserves the right to use its discretion to amend the operation of the all-employee share plan from time to time.	In light of 2012 performance against internal targets, the Committee determined that no award of free shares would be made in the year under review. However, in light of 2013 performance a free share award will be made in January 2014, up to the maximum amount described in the previous column.

Operation and performance measures	Implementation of policy in the year
Fees are paid in cash. Fees for Non-Executive Directors are reviewed annually with any changes taking effect from 1 January 2014.	On 1 January 2013, the fees were increased as follows: £230,000 for the Chairman of the board (from £227,000), £50,000 for the role of Non-Executive Director (from £48,000) with additional fees of: (i) £8,000 payable for the role of SID; and (ii) £8,000 payable where an individual chairs a board committee.

Additional information to Policy Table

1 STIP

For 2014, the Committee will maintain the same target and maximum bonus opportunity for Executive Directors as was the case in 2013.

The Committee has also decided that the key short-term operational drivers of the business used in the year under review remain appropriate. Therefore, performance targets based on profit before tax (50% of total bonus), net revenue growth (20%) and free cash flow (30% of total bonus) will be set at appropriately stretching levels. Further details of performance against these targets will be set out in the 2014 remuneration report. Given the competitive environment in which the company operates, whilst the performance measures for annual bonus are disclosed, the detailed targets are considered to be commercially sensitive and therefore not disclosed.

2 Long-term incentives - Executive Share Option Plan

Options are normally exercisable between three and ten years from the date of grant to the extent that the performance conditions have been satisfied.

In the event that grants are made in 2014, the Committee has decided to maintain the same focus on long-term EPS growth as applied in 2013 and believes that the performance range remains sufficiently stretching in the context of the emerging business outlook and growth strategy of the company. Therefore, the ESOP will operate for Executive Directors as follows and will include the malus/clawback provisions referred to in the policy table:

Face value[1] (% of salary)	• CEO: 300% • CFO: 250%
Performance metrics	• Earnings per share (EPS) – defined as the company's adjusted diluted earnings per ordinary share.
Performance condition in 2014	• 25% vests for EPS growth equivalent to RPI +3% compound per annum. • No awards will vest below this level of performance. • 100% vests for EPS growth equivalent to RPI +7% compound per annum. • Vesting is on a straight line basis between threshold and maximum. • Options lapse to the extent that the performance condition is not achieved.
Change in control provisions	• Vesting is subject to achievement of performance conditions. • Vesting is pro rated for the portion of the performance period elapsed. • At the discretion of the committee vesting may be reduced to zero or the way that performance is measured can be adjusted but should be no more or less difficult to achieve. • Normally, awards must be exercised within six months of the change in control. • Subject to consent of the company and any acquiror, awards may be rolled over into other awards with equivalent structure and terms, except for performance conditions which may become subject to the performance conditions of the acquiror.

1 Based on average mid-market price for the three days prior to grant

3 Long-term incentives - Performance Share Plan

In the event that grants are made in 2014, the Committee has decided to apply a higher ROIC range to those used for grants made in the year under review but will maintain the same relative TSR performance conditions. The higher ROIC range is designed to support the new business strategy. Therefore, the PSP will operate for Executive Directors as follows and will include the malus/clawback provisions referred to in the policy table:

Face value[1] (% of salary)	• CEO: 100% • CFO: 100%
Performance metrics	• Relative Total Shareholder Return (TSR) • Return on invested capital (ROIC) is defined as pre-exceptional operating profit after tax divided by average invested capital including goodwill (expressed as a percentage).
Performance condition in 2014[2,3]	Relative TSR portion (50%) • Peer group comprises a group of similar sector companies (18 for the last grant). • 25% vests for ranking at median. • 100% vests for ranking at or above upper quartile. • Vesting is on a straight line between threshold and maximum. ROIC portion (50%) • 25% vests for three year average ROIC of 23.4%. • 100% vests for three year average ROIC at or above 24.2%. • Vesting is on a straight line between threshold and maximum.
Change in control provisions	• Vesting is subject to achievement of performance conditions. • The extent of vesting also takes account the portion of the performance period elapsed. • At the discretion of the Committee the way that performance is measured can be adjusted but should be no more or less difficult to achieve. • Subject to consent of the company and any acquirer, awards may be rolled over into awards with equivalent structure and terms.

1 Based on the average mid-market price for the three days prior to grant

2 The comparator companies are currently: 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. The Committee retains discretion to review and amend the group of comparator companies from time to time where it is considered appropriate to do so.

3 The ROIC range has been changed from 20.7% to 21.5% which applied to awards made in 2013.

How our incentive plan targets link to our strategy

Metric	Incentive Plan	Link to strategy
Profit before tax (PBT)	Short term incentive plan	PBT is a key measure of the company's financial performance and, in particular, how successful the company has been in at accelerating its profitability from various strategic initiatives in place. For STIP purposes PBT is pre-exceptional and other items in order to reflect the financial performance of the business, although the Committee will maintain discretion to adjust outcomes downward if deemed appropriate.
Net revenue	Short term incentive plan	Reflects a core strategic objective of growing revenues in all the company's markets, particularly in emerging markets.
Free cash flow	Short term incentive plan	FCF is a good indicator of the company's financial health, which links to a key corporate objective of improving cash conversion and is vitally important in ensuring our ability to invest in key international opportunities.
Three year EPS growth	Executive share option plan	EPS is an important long-term financial metric linked to value creation for our shareholders and provides an appropriate underpin for awards to vest under the ESOP. For ESOP performance measurement, adjusted diluted EPS is used.
Three year relative total shareholder return growth	Performance share plan	TSR reflects the growth in value of the company's share price and dividends compared to broad sector peers, thereby ensuring that participants only receive rewards if they outperform a basket of other investment comparables.
ROIC	Performance share plan	ROIC is an important measure for the company to ensure it optimises its invested capital to deliver returns significantly in excess of the cost of that capital.

Recruitment remuneration policy

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 following represents the Committee's guidelines in relation to recruitment remuneration which may need to be interpreted flexibly by the Committee in relation to securing an appropriate candidate whose appointment would, in the view of the board, be in shareholders' best interests.

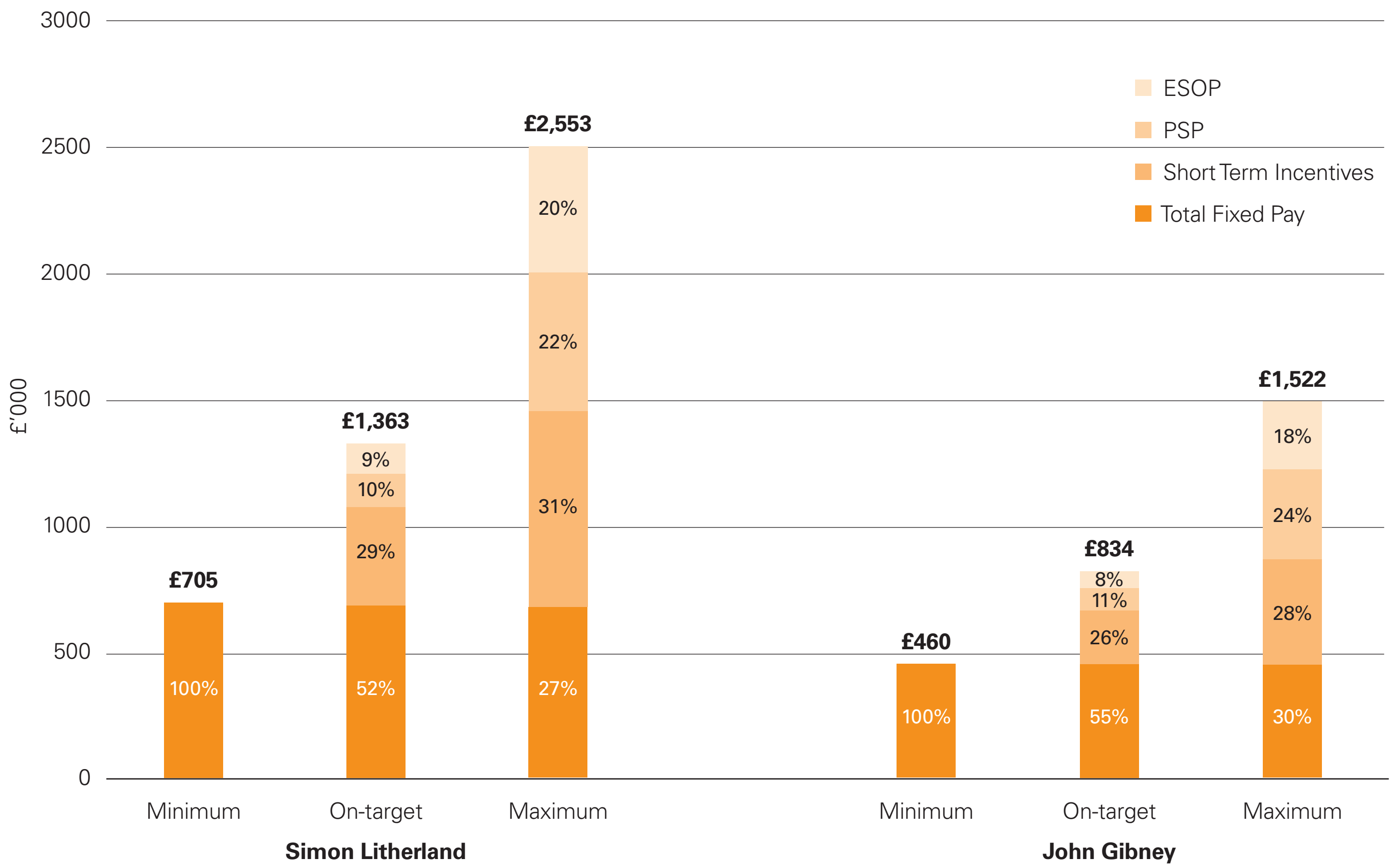
- For external appointments, the Committee may offer additional cash/share-based elements when they consider it in the best interests of the company and its shareholders.
- For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.
- For external and internal appointments, the Committee may agree that the company will meet certain relocation expenses as appropriate.
- Ignoring any special recruitment arrangements which may prove to be necessary, it is not envisaged that the annual bonus or long-term incentive compensation arrangements will operate differently (including the maximum award levels) than for the predecessor of any newly appointed executive.
- Where it is necessary to make a recruitment- related pay award to an external candidate, the company will not pay more than is necessary and will in all cases seek, in the first instance, to deliver any awards under the terms of the existing incentive pay structure. In some cases it may be necessary to make awards on terms that are more bespoke than the existing annual and equity-based pay structures at the company in order to secure a candidate.
- All awards for external appointments, whether under the STIP, ESOP, PSP or otherwise, will take account of the nature, time-horizons and performance requirements for any remuneration relinquished by the individual when leaving a previous employer, and will be appropriately discounted to ensure that the company does not, in the opinion of the Committee, "over-pay".

The elements of any reward package for a new executive recruit and the approach taken by the Committee in relation to setting each element of the package will be consistent with the Executive Directors' remuneration policy described in this report, as modified by the above statement of principles, where appropriate.

Potential rewards under various scenarios

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 previous chart has been prepared using the following assumptions:

Minimum

- Consists of base salary, benefits and pension.
- Base salary is the salary to be paid in 2014.
- Benefits measured as benefits paid in 2013 as set out in the single figure table on page 51 (which may vary, albeit not materially, over the course of next year).
- Pension based on cash allowance levels described in policy table above.

	Base Salary	Benefits	Pension	Total Fixed
Simon Litherland	£560,000	£7,500	£138,000	£705,500
John Gibney	£360,000	£21,000	£79,000	£460,000

On-target

Based on what the director would receive if performance was on-target (excl. share price appreciation and dividends):

- STIP: consists of the on-target bonus (i.e. 50% of maximum).
- ESOP: 25% (being the vesting level at threshold) of 30% of the face value of the shares under option (the 30% being a standard market value for options which have a lower per share value than the PSP awards); and
- PSP: 25% of the face value of the shares awarded (equivalent to threshold level of vesting in the plan).

Maximum

Based on the maximum remuneration receivable (excl. share price appreciation and dividends):

- STIP: consists of maximum bonus.
- ESOP: assumes maximum vesting, therefore 30% of the face value of the shares under option (the 30% being a standard market value for options before any performance conditions are applied).
- PSP: 100% of the face value of the shares awarded

Directors' service contracts

General policy

The current policy is for the notice period in the Executive Directors' service contracts to be normally no longer than one year. The service contracts of the Executive Directors at the start of 2013 included the following terms regarding notice periods:

	Effective date of contract	Unexpired term (approx. months)	Notice period from director (months)	Notice period from company (months)
Paul Moody	14 December 2005	12[1]	6	12
Simon Litherland	14 February 2013	12[1]	9[2]	18[2]
John Gibney	14 December 2005	12[1]	6	12

1. Executive Directors are appointed on 12-month rolling contracts.
2. Simon Litherland has temporary arrangements relating to notice periods which are explained in the paragraph below.

Simon Litherland was appointed CEO on 13 February 2013. Due to the ongoing uncertainty regarding the merger with AG Barr plc that existed at the time of his appointment, it was considered necessary to depart from the Committee's normal notice period policy. As a result, Simon Litherland's service contract, dated 19 March 2013, contains an initial notice period of eighteen months from the company (nine months from Simon). However, this notice period returns to a policy-compliant twelve months from the company (six months from Simon) on 19 September 2014. During the first eighteen months following the service contract date of Simon Litherland's contract, any payment in lieu of notice will take into consideration both base salary and pension allowance. In the period following this initial eighteen months, any payment in lieu of notice will be based on base salary only. For John Gibney, our standard notice period of twelve months from Britvic (six months from John) applies with payment in lieu of notice based on base salary only. In both cases, the payment in lieu of notice will be made in monthly instalments (in which case any income earned by Simon or John over the payment period will reduce the monthly amounts), however the Committee retains the discretion to make such payments as a lump sum where they consider the circumstances merit it.

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

In practice, any form of termination payment to an Executive Director would require the Committee to consider all of the relevant facts and circumstances available at that time to ensure the company is protected and to prevent any "reward for failure" being made to an Executive Director. This policy applies both to any negotiations linked to notice periods on a termination and any treatment which the Committee may choose to apply under the discretions available to it under the terms of the STIP, ESOP or PSP. The potential treatments on termination under both of these plans are summarised on the next page.

Incentives	**Good leaver** *If a leaver is deemed to be a 'good leaver'; i.e. leaving through voluntary redundancy, serious ill health or death or otherwise at the discretion of the Committee (e.g. circumstances of departure, personal contribution to company performance, how close the next vesting date is).*	**Bad leaver** *If a leaver is deemed to be a 'bad leaver'; typically voluntary resignation or leaving for disciplinary reasons*	**In the event of a change in control or a winding up of the company**
STIP	Pro-rated bonus	Awards forfeited	Pro-rated bonus
ESOP & PSP	Pro-rated award, subject to the application of the performance conditions at the normal measurement date. If the Committee determines that awards vest on cessation, they will do so subject to the performance conditions and taking account of time elapsed since the start of the relevant performance period.	All awards will normally lapse unless the Committee determines otherwise.	Awards will normally vest subject to the application of the performance conditions at the date of the event and will take account of the time elapsed since the start of the relevant performance period.
Pension	If the Executive Director is eligible for the EERF then the Committee may determine at their discretion to grant early retirement with the EERF applying. The EERF can only be applied to those who are eligible and only when taking early retirement.	No special provisions apply.	No special provisions apply.

Paul Moody

Paul Moody retired on 26 February 2013 and did not receive any severance arrangements under the terms of his contract or bonus payments in respect of 2013. As an early retiree in the defined benefit section of the Britvic Pension Plan, his retirement benefits followed the same provisions as apply to all other company employees who qualify for the Enhanced Early Retirement Facility, resulting in his pension not being actuarially reduced as the date of his retirement was within five years of his normal pension age. Further information can be found in the Pensions section on page 54. In addition, in order to provide expert support to the board in relation to discussions with the Competition Commission regarding the proposed merger with AG Barr plc, Paul was provided with a consulting services agreement with Britvic plc for a fixed period of six months following his retirement to ensure his expertise was available for as long as the board required it during that period. The agreed fee for these services is £350,000 plus expenses.

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.

Paul Moody had the following external appointments:

- Non-Executive Director of Johnson Service Group plc
- Interactive Screen Media Limited
- Director of The British Soft Drinks Association

On 5 March 2013 Paul Moody ceased to be a director of The British Soft Drinks Association Limited and was replaced by Simon Litherland. John Gibney has, following the 2013 year end, replaced Paul Moody as a director of Interactive Screen Media Limited.

Paul Moody received a fee of £30,000[1] per annum for his role as Non-Executive Director of Johnson Service Group plc.

[1] Information from latest audited Johnson Service Group plc Report and Accounts as at 31 December 2012.

Chairman and Non-Executive Directors

Under his Letter of Appointment, Gerald Corbett was appointed Chairman of the company for an initial three-year term to 14 December 2008. This has been extended until 14 December 2014 subject to annual re-election by the company's shareholders in accordance with the UK Corporate Governance Code.

The Non-Executive Directors do not have service contracts but instead have Letters of Appointment for a three-year term, subject to annual re-election by Company's shareholders in accordance with the UK Corporate Governance Code.

Non-Executive Directors:	Effective date of contract	Unexpired term (approx. months)	Notice period from director (months)	Notice period from Britvic (months)
Gerald Corbett	14 December 2011[1]	12	12	12
Joanne Averiss	14 December 2011[1]	12	3	3
Ben Gordon	15 April 2011[1]	4	3	3
Bob Ivell	14 December 2011[1]	12	3	3
Michael Shallow	14 December 2011[1]	12	3	3

1. The Non-Executive Directors' letters of appointment were extended for a further three-year term to 14 December 2014 with the exception of Ben Gordon whose letter of appointment was extended for a further three-year term to 14 April 2014.

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.

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The Remuneration Committee

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

Bob Ivell (Chairman)
Michael Shallow
Ben Gordon
Gerald Corbett

At the invitation of the Chairman of the Committee, the Chief Executive Officer and Group Human Resources Director attend the meetings of the Committee except when their own remuneration is under consideration. Details of the attendance by Committee members at Committee meetings are shown in the Corporate Governance Report on page 32.

Composition and terms of reference
The Committee's composition and terms of reference are in line with the 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:

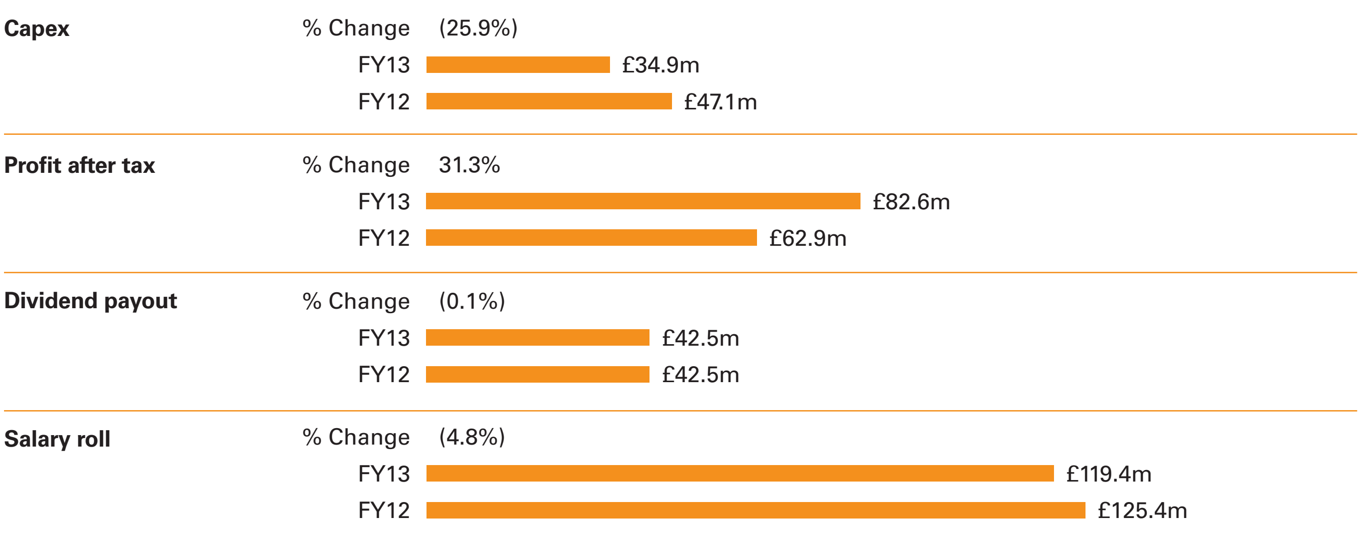
- Reviewing executives' remuneration in terms of the pay policy of the company as a whole, pay and conditions elsewhere in the group, and the overall cost to the shareholders;
- Determining, within agreed terms of reference, and taking into account corporate performance on environmental, social and governance 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; and
- Ensuring, via regular reviews, that the company's pay policies remain appropriate and relevant.

Advisors
The Committee's appointed external advisor on executive compensation issues and performance-related remuneration is Towers Watson Limited (Towers Watson). Towers Watson were appointed following an extensive review of the leading remuneration advisers as it was felt that they had the most relevant experience and expertise to advise the Committee on executive compensation issues. The company is also advised by Towers Watson on other remuneration-related issues. Towers Watson's fees in respect of advice to the Committee in the year under review were £140,408 and were charged on the basis of that firm's standard terms of business for advice provided. These fees are higher than usual due to the aborted merger discussions with AG Barr plc. During the year, Linklaters LLP and Addleshaw Goddard LLP were also engaged by the Committee to advise on contractual arrangements, share schemes and pension matters. The Committee is entirely comfortable that the advice it received from these organisations was objective and independent.

The following individuals also provided material advice or services to the Committee during the year:

- Paul Moody (former Chief Executive Officer);
- Simon Litherland (current Chief Executive Officer);
- John Gibney (Chief Financial Officer);
- Doug Frost (Group Human Resources Director); and
- Mario Yiannopoulos (Director of Compensation & Benefits).

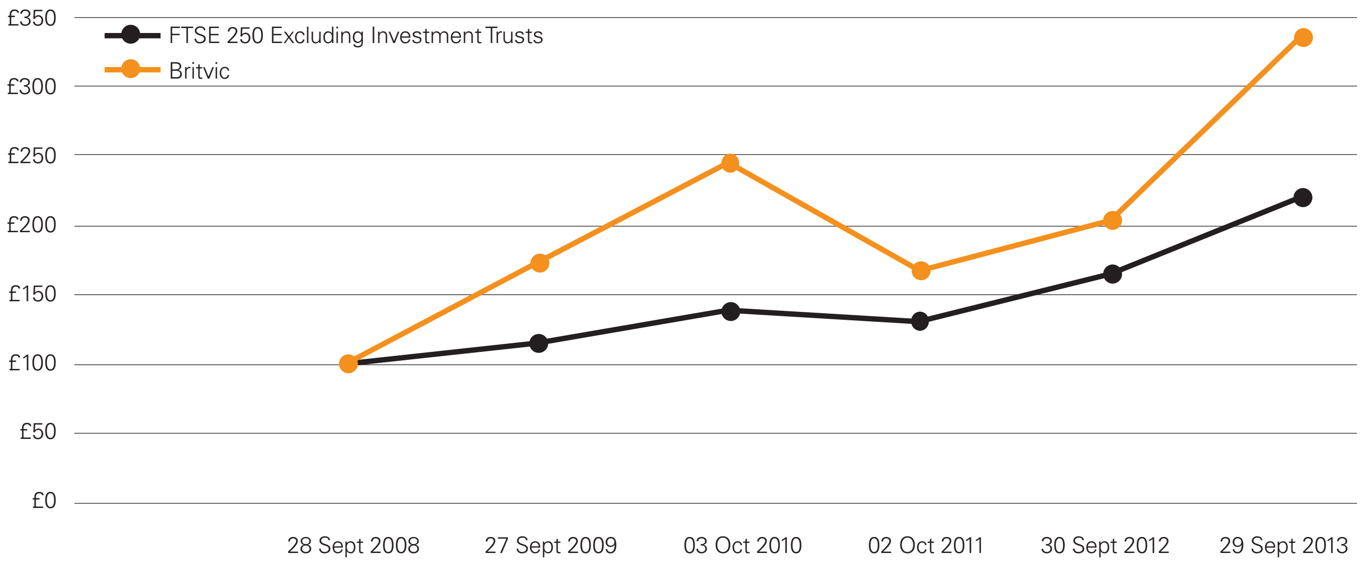
Distribution statement
The new disclosure regulations require companies to provide information on how the total remuneration paid to all employees of the company compares to any distributions made to shareholders by way of dividends and/or share buybacks. The following chart sets out this information as it applies to the company, comparing figures for the year under review and the previous year. Capital expenditure is also shown below for context given it is another relevant and significant distribution decision by the company. 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:-



Performance graph and table

The committee considers the FTSE 250 (excluding Investment Trusts Index) is a relevant index for total shareholder return and comparison disclosure as it represents a broad equity market index in which the company is a constituent member:

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



The new disclosure regulations require companies to set out certain details of the CEO's pay in the years covered by the chart above. These include details of the payments the CEO received under short and long-term incentive plans over these financial years. This information is set out below:

Financial year	2009	2010	2011	2012	2013
Paul Moody Single figure of total remuneration (£,000)	1,982.1	1,955.3	1,819.7	670.1	1,412.6[1]
Simon Litherland Single figure of total remuneration (£,000)	n/a	n/a	n/a	n/a	1,114.6[2]
Annual variable element award rates against maximum opportunity[3] (£,000)	79% 501.6	95% 637.8	0% 0.0	0% 0.0	0% for Paul Moody 0.0 98.6% for Simon Litherland 703.8
Long-term incentive vesting rates against maximum opportunity[4] (£,000)	ESOP: 100% PSP: 100% 773.8	ESOP: 100% PSP: 100% 599.6	ESOP: 86% PSP: 91% 1,279.9	ESOP: 0% PSP: 0% 0.0	ESOP: 0% PSP: 0% 0.0 n/a for Simon Litherland

1. This sum covers the period during which Paul Moody was an Executive Director up to his retirement on 26 February 2013. It includes £1.1m in respect of the EERF enhancement received to his pension at the Committee's discretion. The total calculation comprises of base salary, benefits, pension and the value of ESOP and PSP awards at year end.
2. This sum covers the period from Simon Litherland's appointment as CEO on 13 February 2013.
3. Actual amount paid.
4. Actual value of shares at the date of vesting.

Voting outcomes

The new regulations state that the Directors' Remuneration Report should include details of how shareholders cast their votes on remuneration-related resolutions at the last AGM. Of the votes cast to approve the 2012 Directors' Remuneration Report, at the AGM held on 19 March 2013, 171,751,061 (95.7%) were cast in favour of the resolution, 7,555,269 (4.2%) were cast against the resolution, and 2,582,938 votes were withheld.

Directors Remuneration Report	Votes for	Votes against	Withheld
2012	171,751,061 (95.7%)	7,555,269 (4.2%)	2,582,938
2011	154,461,496 (99.6%)	560,016 (0.4%)	6,315,270
2010	164,606,804 (99.7%)	527,943 (0.3%)	1,207,276

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Directors' remuneration

The emoluments of the directors for the year under review based on the current disclosure requirements were as follows:

	Base salary and fees[1] £'000	Taxable benefits / other[2] £'000	Performance related bonuses £'000	Total 2013 £'000	Total 2012 £'000
Executive Directors:					
Paul Moody*	273.7	38.8	-	312.5[5]	670.0
Simon Litherland**	383.0	27.8[3]	703.8	1,114.6	n/a
John Gibney	414.2	22.5	401.1	837.8	428.0
Non-Executive Directors:					
Gerald Corbett	213.7	26.9[4]	-	240.6	227.0
Joanne Averiss	49.7	-	-	49.7	48.0
Ben Gordon	49.7	-	-	49.7	48.0
Bob Ivell	65.7	-	-	65.7	64.0
Michael Shallow	57.7	-	-	57.7	56.0

* Paul Moody retired on 26 February 2013 – figures shown are for the period in the role of CEO.

** Simon Litherland was appointed CEO on 13 February 2013 having previously been MD GB from 3 October 2011 – figures shown are only for the period in the role of CEO.

1. The base salary and fees includes for Paul Moody a pro-rated base salary to 26 February 2013 of £219,692 and a pro-rated pensions cash alternative of £54,054. For Simon Litherland this number includes a pro-rated base salary from 13 February 2013 of £307,479 and a pro-rated pensions cash alternative of £75,529. For John Gibney this number includes a base salary of £339,639 and a pension cash alternative of £74,630 (being representative of earnings during the period under review). The agreed fee of £350,000 plus expenses for Paul Moody's consultancy agreement detailed on page 48 above has not been included.
2. Benefits for Paul Moody, Simon Litherland and John Gibney incorporate all taxable benefits and expense allowances arising from employment, which relate to the provision of car benefits or allowance and membership of the company's private medical healthcare plan (worth £17,242 for Paul Moody to 26 February 2013, £7,831 for Simon Litherland from 13 February 2013 and £22,488 for John Gibney). Paul Moody also received a payment of £21,577 in lieu of unused holiday allowance.
3. Includes a payment to Simon Litherland of £20,000 relating to the terms of his recruitment prior to his appointment as CEO.
4. Gerald Corbett received one-off benefits of £26,919 in relation to medical expenses.
5. A sum of £1.1m in respect of the benefit of the EERF for Paul Moody is not included within the numbers above. (See page 54 (Pension table) for additional information.)

Single figure table

The new disclosure regulations require companies to provide a single total figure of remuneration for each director, broken down by each element of pay and compared to the prior year figures. This information is set out in the table below for each of the Executive Directors. To avoid further replication this year the Non-Executive Director fees described above have not been disclosed again in the new format.

Single Total Figure of Remuneration for each director:

	Paul Moody[1]		Simon Litherland[2]		John Gibney	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Salary[5]	219.7	507.4	307.5	n/a	339.6	323.7
Benefits[3]	38.8	18.0	7.8	n/a	22.5	21.1
Other	1,100.0	-	20.0[7]	-	-	-
STIP[6]	-	-	703.8	n/a	401.1	-
LTIP[6]	-	-	-	n/a	-	-
Pension or cash in lieu[4]	54.1	144.7	75.5	n/a	74.6	83.8
Total	**1,412.6**	**670.1**	**1,114.6**	**n/a**	**837.8**	**428.6**

1. Paul Moody, former CEO, retired on 26 February 2013. The figures above have been adjusted to reflect the period of the 2013 year that Paul Moody was an Executive Director. Upon retirement Paul Moody decided to crystallise his future pension promise under BETUS early at a discount to its current value equivalent to £0.5m. The other number above includes £1.1m for the cost of the EERF. (See page 54 (Pension table) for additional information.)
2. Simon Litherland was appointed CEO on 13 February 2013, and the figures for 2013 above only reflect the period he was in role.
3. Benefits comprise car allowance and private medical insurance and life assurance. In the case of Paul Moody this number also includes payment in lieu of unused holiday allowance of £21,577.
4. All three Executive Directors have opted out of the occupational pension scheme due to HMRC protections from the Lifetime Allowance. They receive a cash sum rather than an employer contribution into the Britvic Pension Plan.
5. The Executive Directors are entitled to adjust their salary/benefit combination under flexible benefits arrangements and the figures shown are before individual selections.
6. Details of the performance measures and targets applicable to the annual bonus and long-term incentive awards are set out in the Director's Remuneration Policy table.
7. 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 but is included in the single figure above.

STIP outcomes

Although we are unable to disclose our detailed targets, the table below shows the actual out-turn against the STIP maximum for the year under review:

Target	Weighting (% of bonus maximum)	2013 maximum bonus (% of salary)		2013 bonus earned (% of salary)	
		CEO	CFO	CEO	CFO
PBT	50%	70%	60%	70%	60%
Net revenue	20%	28%	24%	26%	22%
Free cash flow	30%	42%	36%	42%	36%
Total	**100%**	**140%**	**120%**	**138%**	**118%**

1. The Committee decided that on account of Paul Moody's early retirement he would not participate in the STIP in the year under review.

Given the competitive environment in which the company operates, whilst the performance measures for annual bonus are disclosed, the detailed targets are considered commercially sensitive and are accordingly not disclosed. However, as explained on page 37, these bonus payouts reflected a strong year for the company in which excellent progress on the company's new business strategy was achieved, significant shareholder value was delivered (with our share price increasing by 58% as at 29 September 2013), both of which were underpinned by a material improvement in underlying financial performance.

Directors' interests in share options

The Executive Directors participate in the Britvic Executive Share Option Plan (on the terms and subject to the EPS growth performance condition as described on page 44.

Number of shares under option

	Date of grant	At start of year/date of appointment	Granted during year	Exercised during year	Lapsed during year	At end of year/date of cessation	Option exercise price (pence)	Date from which exercise-able	Expiry date
Paul Moody	15/12/05[1]	273,005	-	-	-	273,005	245.0	26/11/08	15/12/15
	06/12/06[1]	338,776	-	-	-	338,776	245.0	26/11/09	06/12/16
	05/12/07[1]	246,369	-	-	-	246,369	347.0	03/12/10	05/12/17
	05/12/08[2]	530,189	-	-	-	530,189	221.0	01/12/11	05/12/18
	07/12/09[2]	372,326	-	-	(372,326)	-	387.0	28/11/12	07/12/19
	07/12/10[2]	310,111	-	-	(77,528)[3]	232,583	464.4	27/11/13	07/12/20
	06/12/11[2]	452,368	-		(263,881)[3]	188,487	331.6	26/11/14	06/12/21
Total		**2,523,144**	**-**	**-**	**(713,735)**	**1,809,409**			
Simon Litherland	06/12/11[2]	174,916	-	-	-	174,916	331.6	26/11/14	06/12/21
	06/03/13[2]	-	357,881	-	-	357,881	427.5	06/03/16	06/03/23
Total		**174,916**	**357,881**	**-**	**-**	**532,797**			
John Gibney	15/12/05[1]	124,366	-	-	-	124,366	245.0	26/11/08	15/12/15
	06/12/06[1]	162,245	-	-	-	162,245	245.0	26/11/09	06/12/16
	05/12/07[1]	119,135	-	-	-	119,135	347.0	03/12/10	05/12/17
	05/12/08[2]	284,879	-	-	-	284,879	221.0	01/12/11	05/12/18
	07/12/09[2]	200,065	-	-	(200,065)	-	387.0	28/11/12	07/12/19
	07/12/10[2]	166,634	-	-	-	166,634	464.4	27/11/13	07/12/20
	06/12/11[2]	240,502	-	-	-	240,502	331.6	26/11/14	06/12/21
	06/03/13[2]	-	201,747	-	-	201,747	427.5	06/03/16	06/03/23
Total		**1,297,826**	**201,747**	**-**	**(200,065)**	**1,299,508**			

1. Awards of share options from 2005 to 2007 vested at 40% threshold (EPS growth equal to RPI + 3% compound over three years) and 100% at maximum (EPS growth equal to RPI + 7% compound over three years).
2. Awards of share options from 2008 onwards vest 25% at threshold with the EPS performance condition calibrated as detailed above.
3. Awards pro-rated as a result of leaving by retirement on 26 February 2013.

The market price of the company's shares on 29 September 2013 was 575p and the range of closing prices during the year was 364.1p to 592.0p.

Directors' interests in the Performance Share Plan

The Executive Directors participate in the Britvic Performance Share Plan (as described on page 42).

	Number of Shares							
	Date of award	At start of year/date of appointment	Awarded during year	Vested during year	Lapsed during year	At end of year/date of cessation	Market price at date of award (pence)	Vesting date
Paul Moody	07/12/09[1]	124,110	-	-	(124,110)	-	380.1	28/11/12
	07/12/10[2]	103,370	-	-	(25,843)[5]	77,527	477.0	27/11/13
	06/12/11[3]	150,790	-	-	(87,961)[5]	62,829	329.8	26/11/14
Total		**378,270**	**-**	**-**	**(237,914)**	**140,356**		
Simon Litherland	06/12/11[3]	69,966	-	-	-	69,966	329.8	26/11/14
	06/03/13[4]	-	119,294	-	-	119,294	421.2	06/03/16
Total		**69,966**	**119,294**			**189,260**		
John Gibney	07/12/09[1]	80,026	-	-	(80,026)	-	380.1	28/11/12
	07/12/10[2]	66,654	-	-	-	66,654	477.0	27/11/13
	06/12/11[3]	96,200	-	-	-	96,200	329.8	26/11/14
	06/03/13[4]	-	80,699	-	-	80,699	421.2	06/03/16
Total		**242,880**	**80,699**	**-**	**(80,026)**	**243,553**		

1. Awards of performance shares in December 2009 vest 25% at threshold and 100% at maximum (with 50% of the award subject to the TSR performance condition detailed above and 50% of the award subject to threshold ROIC of 21.9% and maximum ROIC condition of 23.2%).
2. Awards of performance shares in December 2010 vest 25% at threshold and 100% at maximum (with 50% of the award subject to the TSR performance condition detailed above and 50% of the award subject to threshold ROIC of 21.9% and maximum ROIC condition of 22.7%).
3. Awards of performance shares in December 2011 vest at 25% at threshold and 100% at maximum (with 50% of the award subject to the TSR performance condition detailed above and 50% of the award subject to threshold ROIC of 21.5% and maximum ROIC condition of 22.3%).
4. Awards of performance shares in March 2013 vest at 25% at threshold and 100% at maximum (with 50% of the award subject to the TSR performance condition detailed above and 50% of the award subject to threshold ROIC of 20.7% and maximum ROIC condition of 21.5%).
5. Awards pro-rated as a result of retirement from the business as a good leaver on 26 February 2013.

Directors' interests in shares

	Britvic plc ordinary shares of 20p each	
Executive and Non-Executive Directors	30 September 2012	29 September 2013
Paul Moody	445,040	445,246*
Simon Litherland	n/a	222
John Gibney	373,434	243,900
Gerald Corbett	103,695	103,695
Joanne Averiss	14,696	14,696
Ben Gordon	11,393	11,393
Bob Ivell	10,870	10,870
Michael Shallow	21,739	21,739

*as at date of resignation on 26 February 2013

The above shareholdings are all beneficial interests and include shares held on behalf of the Executive Directors by the Trustee of the Britvic Share Incentive Plan which is detailed on page 42. As such, they count towards the shareholding guideline described on page 42, which will be reviewed in the forthcoming year.

In the period 30 September 2013 to 25 November 2013 there has been no change in the directors' interests, other than through the monthly purchases in October and November of partnership and matching shares under the Share Incentive Plan.

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Pensions

The Executive Directors ceased participation in the defined benefit section of the Britvic Pension Plan ('the Plan') on 10 April 2011, following the closure of the Plan to future accrual. Most active members of the Plan transferred to the defined contribution section of the Plan, but the two Executive Directors opted to cease tax-relievable pension provision at the point of closure and instead now receive a cash sum in lieu of pension contributions.

The cash allowance payable:

- 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 (both Paul Moody and subsequently to Simon Litherland) and 22.0% of pensionable pay (base salary only) to the CFO.

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 which also closed to future accrual on 10 April 2011. The normal retirement age for executive directors is 60.

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 table below shows, amongst other items, as at the year end, the accrued pension should the director leave employment; the increase in the accrued pension during the year; the increase excluding inflation and member contributions; the transfer value of accrued pension; and any increase/(decrease) in this value assessed on the transfer value basis as under the Plan. This disclosure is in compliance with both the London Stock Exchange Listing Rules and the Companies Act 2006.

Name of Director	Age (last birthday) at 29/09/13	Accrued pension at 29/09/2013 £ p.a.	Increase in accrued pension[1] £ p.a.	Increase in accrued pension[2] £ p.a.	Transfer value of increase in accrued pension[3] £	Transfer value of accrued benefits - 29/09/13 £	Transfer value of accrued benefits - 30/09/12 £	Increase in transfer value over accounting period less directors' contributions[4] £
Paul Moody	56	216,600	n/a	n/a	n/a	5,970,000	4,597,900	1,372,100
John Gibney	53	197,700	5,900	(200)	(2,900)	3,690,900	3,333,800	357,100

1. Absolute increase during accounting period.
2. Increase in accrued pension during the accounting period, net of inflation (measured using the Retail Prices Index).
3. Net of inflation (measured using the Retail Prices Index) and contributions.
4. Figures for Mr Moody have been presented as at his date of retirement as described in the notes below.

The transfer value shown above has been calculated in accordance with the relevant regulations, which preclude allowance being made for any discretionary options available.

Notes in relation to Mr Gibney

The accrued pension and transfer value listed above is calculated on the basis of entitlements accrued to 10 April 2011, but calculated where relevant in line with market conditions at 29 September 2013.

The entitlement shown also includes increases to accrued pension since date of leaving defined benefit service for this member as required under the rules of the Plan and BETUS, the aim of which are 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 1 October 2013 has been included in the above figures.

Notes in relation to Mr Moody

Mr Moody retired from the Britvic Pension Plan and the Britvic Executive Top-Up Scheme on 26 February 2013, utilising the Committee's discretion to allow him to retire under the EERF. The accrued pension quoted above is calculated as the member's pension (prior to commutation of pension for tax free cash) as at 26 February 2013, on the basis of entitlements accrued to 10 April 2011. Mr Moody retired before receiving any pension increase on his accrued pension subsequent to 30 September 2012; we have therefore not disclosed any figures relating to increases in accrued pension for this financial year. The transfer value listed above is calculated as the transfer value of his early retirement pension as at 26 February 2013 (prior to commutation of pension for tax free cash) and following the enhancement received through the EERF, using market conditions as at 29 September 2013. The increase in the transfer value as a result of access to the EERF was £1.1m.

The associated total liabilities of the BETUS in relation to Paul Moody were approximately £3.8m on an IAS19 basis. In order to reduce the BETUS related company balance sheet exposure sooner, the Committee agreed to a cash payment to the former CEO of £2.9m to eliminate all current and future entitlement under BETUS for Paul Moody. Taking into account employer NIC costs, this represents a saving of £0.5m to the company.

On behalf of the board

Bob Ivell
Chairman of the Remuneration Committee

25 November 2013

directors' report

for the 52 weeks ended 29 September 2013

The directors present their report and the audited consolidated financial statements of the company and the group for the 52 weeks ended 29 September 2013.

In support of the new requirements introduced by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 which became effective on 1 October, 2013, the directors have voluntarily included disclosures in this annual report in relation to gender and human rights which may be found in the Chief Executive Officer's Strategic Review on page 9 and on the company's greenhouse gas (GHG) emissions which are set out on page 57 of this Directors' Report.

Certain information required for disclosure in this report is provided in other appropriate sections of the annual report. These include the Business Review, the Corporate Governance, Audit Committee, Nomination Committee and Directors' Remuneration Reports and the Group Financial Statements, and these are, accordingly, incorporated into this report by reference.

Principal activities

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

Business review

A detailed review of the group's business is contained within the Chairman's Statement, the Chief Executive Officer's Strategic Review and the Chief Financial Officer's Review on pages 8 to 21. The information contained in those sections fulfils the requirements of the Business Review, as required by Section 417 of the Companies Act 2006 and should be treated as forming part of this report.

Results and dividends

The group's profit for the 52 weeks ended 29 September 2013 before taxation attributable to the equity shareholders amounted to £82.6 million (2012: £77.5 million) and the profit after taxation amounted to £61.9 million (2012: £57.4 million).

An interim dividend of 5.4p (2012: 5.3p) per ordinary share was paid on 12 July 2013.

The directors have proposed a final dividend of 13.0p (2012: 12.4p) per ordinary share payable on 7 February 2014 to shareholders on the register at the close of business on 4 December 2013, giving a total dividend in respect of 2013 of 18.4p (2012: 17.7p).

Annual general meeting (AGM)

The company's AGM will be held at Nomura, One Angel Lane, London EC4R 3AB at 11.00a.m. on 29 January 2014. 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 (Articles)

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 52 weeks ended 29 September 2013: Gerald Corbett, Simon Litherland (appointed 13 February 2013), Paul Moody (resigned on 26 February 2013), Joanne Averiss, John Gibney, Ben Gordon, Bob Ivell and Michael Shallow.

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 at 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 re-election at the AGM. The biographical details of the directors are set out on pages 26 and 27 of this report.

Directors' interests

The directors' interests in ordinary shares of the company are shown within the Directors' Remuneration Report on pages 36 to 54. No director has any other interest in any shares or loan stock of any group company.

Other than Joanne Averiss, who is a director of a number of PepsiCo's subsidiaries, no director was or is materially interested in any contract other than his service contract, subsisting during or existing at the end of the 52 weeks ended 29 September 2013 which was significant in relation to the group's business. Further details of Joanne Averiss' appointment are set out on pages 27 and 30 in the Corporate Governance Report.

Directors' liabilities

As at the date of this report, indemnities are in force under which the company has agreed, to the extent permitted by law and the company's articles, 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. This is contained within the Directors' Remuneration Report on pages 36 to 54.

Employee involvement

The group uses a number of ways to engage employees on matters that impact them and the performance of the group. These include road shows at key sites by members of the Executive Team, regular team meetings, the publication of a bi-monthly internal newsletter, "Britvic Life", together with the "b.link+" intranet site providing easy access to the latest company information as well as company policies and vacancies. The company organises quarterly formal business performance updates for employees, which are cascaded by line managers. An Employee Involvement Forum was established in 2004 through which nominated representatives ensure that employees' views are taken into account regarding issues that are likely to affect them. In addition, where the group has entered into a recognition agreement with a trade union, it fulfils its obligations to consult and negotiate accordingly. The group approaches these relationships from a partnership perspective. A robust employee opinion survey process is also in place to ensure that employees are given a voice in the organisation and that the group can take action based on employee feedback. This covers a variety of topics including leadership & line management, employee wellbeing, career development, training, communications and corporate responsibility commitments.

All eligible employees are able to participate in the Britvic Share Incentive Plan which gives them the opportunity to purchase ordinary shares in the company using money deducted from their pre-tax salary, and to receive matching shares from the company, up to a maximum of £50 per four week pay period.

Equal opportunities

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

Disabled persons

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

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

Greenhouse gas (GHG) emissions

The table below sets out the quantities of GHG emissions in tonnes of carbon dioxide equivalent (CO_2e) for the 52 weeks ended 29 September 2013. The directors are making this disclosure for the first time, ahead of the new requirements for companies to disclose their GHG emissions in periods ending on or after 30 September 2013.

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, 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.

2012-2013	Tonnes CO_2e
Total CO_2e emissions	68,036
Emissions from:	
Combustion of fuel & operation of facilities	23,418
Electricity, heat, steam and cooling purchased for our own use	44,617
Intensity measure:	
Emissions reported above normalised to per tonne of product output	0.03357 Tonnes CO_2e/ Tonnage produced

Notes:

1. Emissions relate to those generated by our manufacturing, office and distribution sites in GB, Ireland and France.
2. Transport emissions, which are considered to be 'Scope 3', have not been included because our distribution network is sub-contracted to a third party.
3. Emissions outside of our responsibility and under the control of a third party have also been excluded.

Supplier payment policy

It is the group's policy to agree terms and conditions for its business transactions with all suppliers. Payment is made in accordance with these terms provided the supplier meets its obligations. The average number of days of payments outstanding for the group at 29 September 2013 was 46 (2012: 51).

Charitable and political donations

During the 52 weeks ended 29 September 2013, the group and its subsidiaries donated £0.7 million for charitable purposes (2012: £1.6 million). This included cash and product donations directly to charitable organisations and other investment in support of community programmes including employee volunteering.

No political donations were made by the group and its subsidiaries (2012: Nil).

Major shareholders

At 25 November 2013 the company has been notified, pursuant to DTR5 of the Financial Services 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	20,073,633	8.24%	Direct/ Indirect
Prudential plc	12,324,136	5.07%	Direct
PepsiCo, Inc.	11,813,032	4.88%	Direct
TIAA-CREF Investment Management, LLC	7,415,047	3.03%	Direct

Share capital

As at 29 September 2013, the company's issued share capital comprised a single class of shares divided into ordinary shares of £0.20 each (referred to as ordinary shares). Full details of the ordinary shares in issue are given in note 20 to the financial statements on page 90.

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 of proxies in relation to resolutions to be passed at the general meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the general meeting and published on the company's website after the meeting.

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

- Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws).
- Pursuant to the Listing Rules of the Financial Services Authority whereby certain employees of the company require the approval of the company to deal in 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 2013, the Trustees held 0.07% (2012: 0.05%) of the issued share capital of the company.

Similarly, if IFG Trust (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 2013 (2012: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 20.

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 16 and in more detail within Note 24 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 Business Overview and Business Review on pages 1 to 21. 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 AGM.

By order of the board

Clare Thomas
Company Secretary

25 November 2013

statement of **directors' responsibilities** in relation to the financial statements

The directors have prepared the financial statements for the group in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and for the company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

In the case of UK GAAP financial statements, under English company law it is the directors' responsibility to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

Disclosure and transparency rules

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

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

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

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. Having taken advice from the Audit and Risk Committee, the board considers the annual report and financial statements, taken as a whole, as fair, balanced and understandable to assess the company's performance, business model and strategy.

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


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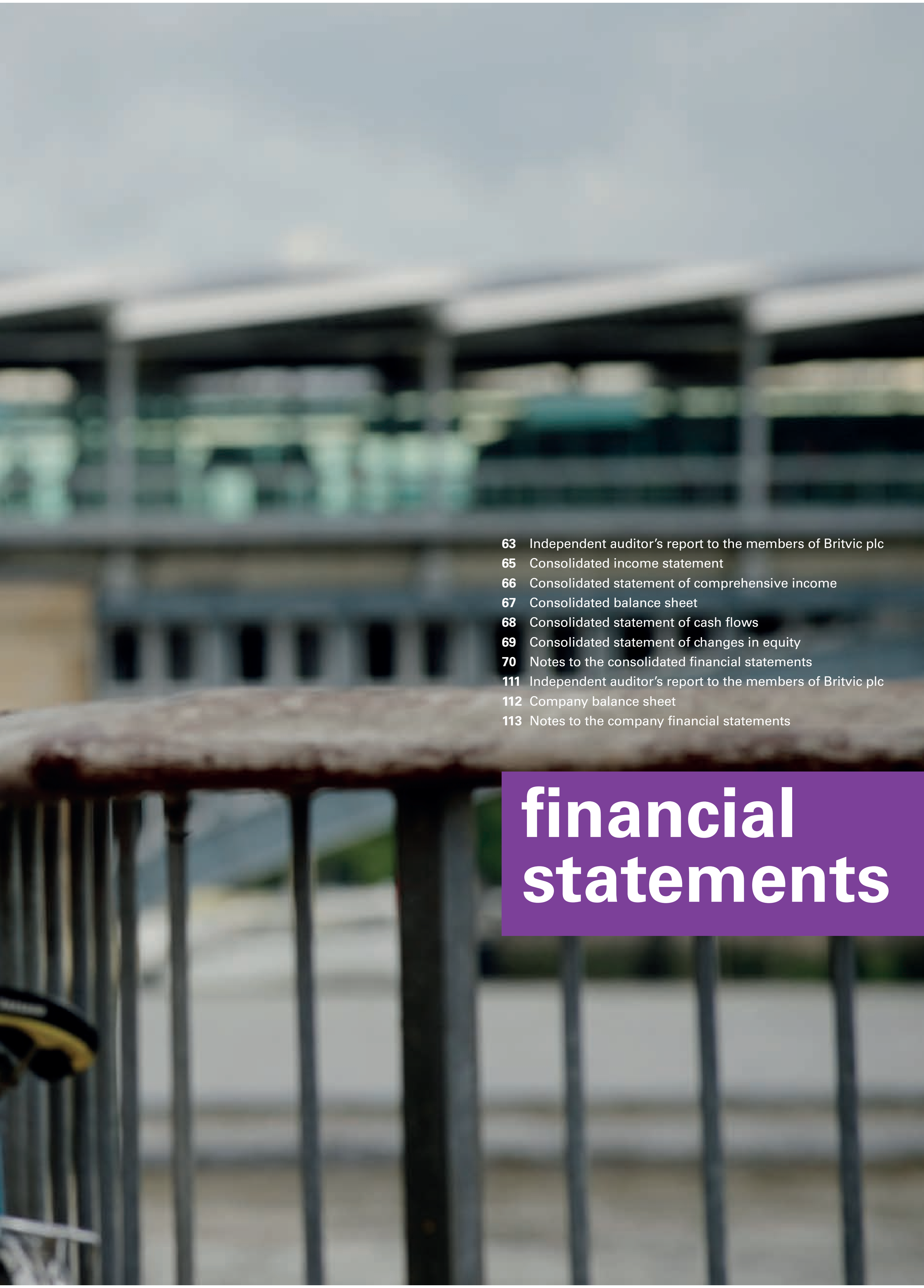

financial statements


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independent auditor's report to the members of Britvic plc

We have audited the group financial statements of Britvic plc for the 52 week period ended 29 September 2013 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with 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 59, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's affairs as at 29 September 2013 and of its profit for the 52 week period then ended:
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

Our assessment of risks 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;
- the accounting for the Group's derivatives and hedging activities;
- revenue recognition – in particular the treatment of long term discounts, promotional discounts and account development funds and the timing of revenue recognition;
- the accounting for the defined benefit pension scheme; and
- the risk of management override of internal control

Our application of materiality
Materiality is a key part of planning and executing our audit strategy. For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. As we develop our audit strategy, we determine materially at the overall financial statement level and at the individual account level. Performance materiality is the application of materiality at the individual account level.

Planning the audit solely to detect individually material misstatements overlooks the fact that the aggregate of individually immaterial misstatements may cause the financial statements to be materially misstated, and leaves no margin for possible undetected misstatements. Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined materiality for the group to be £5.2 million (2012: £5.1 million), which is approximately 5% (2012: 5%) of adjusted pre-tax profit. We used adjusted pre-tax profits to exclude those items classified as exceptional items within the financial statements. 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% (2012: 75%) of planning materiality, namely £3.9 million (2012: £3.8 million). Our objective in adopting this approach was to ensure that the total detected and undetected audit differences did not exceed our planning materiality of £5.2 million for the financial statements as a whole.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.26 million (2012: £0.25 million), as well as differences below that threshold that, in our view warranted reporting on qualitative grounds.

An overview of the scope of our audit

In assessing the risk of material misstatement to the consolidated financial statements, our Group audit scope focused on three operating locations, of which one was subject to a full scope audit for the 52 week period ended 29 september 2013. The remaining two operating locations 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 locations. The audit of these three locations was performed at a materiality level calculated by reference to a proportion of Group materiality appropriate to the relevant scale of the individual business unit. Together with the Group Functions, which were also subject to a full scope audit these locations represent the principal business units of the Group and account for 100% of the Group's total assets, 100% of the Group's revenue and 100% of the Group's operating profit.

The Senior Statutory Auditor also leads the audit at the full scope location and has visited one of the specific scope locations during the year. For all locations in scope in addition to the locations visited the group audit team remained in continuous contact with component teams and reviewed the work on key audit areas.

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 challenged management's assessment of impairment, including 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; and
- we ensured that the financial statement disclosures met the requirements of accounting standards.

The accounting for the Group's derivatives and hedging activities

- we obtained direct external confirmations of the valuation for each of the derivative instruments held and tested a sample of valuations to ensure they had been reasonably calculated;
- we evaluated 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 long term discounts, promotional discounts and account development funds and the timing of revenue recognition

- we tested a sample of long term discounts, promotional discounts and account development funds to ensure the revenue recognition policies adopted complied with IFRS;
- we carried out testing relating to controls over revenue recognition, including the timing of revenue recognition;
- we performed analytical procedures, 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 accounting for the defined benefit pension

- we reviewed and challenged the assumptions used in the pension liability valuations 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;
- we tested a sample of the pension asset valuations to ensure they had been reasonably calculated; and
- we ensured that the financial statement disclosures were in accordance with accounting standards.

The risk management override of internal control

- we performed tailored procedures, sufficient to address the identified risk in respect of subjective areas which were considered to be most susceptible to management override.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the 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:

- 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.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 59, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Other matter

We have reported separately on the parent company financial statements of Britvic plc for the 52 weeks ended 29 September 2013 and on the information in the Director's Remuneration Report that is described as having been audited.

Simon O'Neill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor Birmingham

25 November 2013

consolidated income statement

For the 52 weeks ended 29 September 2013

		52 weeks ended 29 September 2013			52 weeks ended 30 September 2012		
	Note	**Before exceptional & other items £m**	**Exceptional & other items* £m**	**Total £m**	Before exceptional & other items £m	Exceptional & other items* £m	Total £m
Revenue		**1,321.9**	**-**	**1,321.9**	1,256.4	-	1,256.4
Cost of sales		**(646.9)**	**-**	**(646.9)**	(624.6)	-	(624.6)
Gross profit		**675.0**	**-**	**675.0**	631.8	-	631.8
Selling and distribution costs		**(351.5)**	**-**	**(351.5)**	(353.3)	-	(353.3)
Administration expenses		**(188.5)**	**(26.2)**	**(214.7)**	(165.8)	(4.8)	(170.6)
Operating profit / (loss)	6	**135.0**	**(26.2)**	**108.8**	112.7	(4.8)	107.9
Finance costs	9	**(26.9)**	**0.7**	**(26.2)**	(28.3)	(2.1)	(30.4)
Profit / (loss) before tax		**108.1**	**(25.5)**	**82.6**	84.4	(6.9)	77.5
Taxation	10	**(25.5)**	**4.8**	**(20.7)**	(21.5)	1.4	(20.1)
Profit / (loss) for the period attributable to the equity shareholders		**82.6**	**(20.7)**	**61.9**	62.9	(5.5)	57.4
Earnings per share							
Basic earnings per share	11			**25.5p**			23.8p
Diluted earnings per share	11			**25.3p**			22.4p
Adjusted basic earnings per share**	11			**35.2p**			27.2p
Adjusted diluted earnings per share**	11			**34.9p**			26.5p

* 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

For the 52 weeks ended 29 September 2013

	Note	**52 weeks ended 29 September 2013 £m**	52 weeks ended 30 September 2012 £m
Profit for the period attributable to the equity shareholders		**61.9**	57.4
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Actuarial (losses)/gains on defined benefit pension schemes	22	**(32.4)**	9.2
Deferred tax on actuarial (losses)/gains on defined benefit pension schemes	10	**4.4**	(7.9)
Current tax on additional pension contributions	10	**3.1**	4.6
		(24.9)	5.9
Items that may be subsequently reclassified to profit or loss			
Losses in the period in respect of cash flow hedges	25	**(1.4)**	(17.0)
Amounts recycled to the income statement in respect of cash flow hedges	25	**0.1**	9.5
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	10	**0.4**	2.1
Exchange differences on translation of foreign operations	25	**-**	(3.9)
Tax on exchange differences accounted for in the translation reserve	10	**(2.9)**	4.0
Deferred tax on other temporary differences	10	**0.2**	-
		(3.6)	(5.3)
Other comprehensive income for the period, net of tax		**(28.5)**	0.6
Total comprehensive income for the period attributable to the equity shareholders		**33.4**	58.0

consolidated balance sheet

As at 29 September 2013

	Note	2013 £m	2012 £m
Assets			
Non-current assets			
Property, plant and equipment	13	**215.7**	236.6
Intangible assets	14	**317.0**	305.2
Other receivables	16	**3.8**	3.6
Other financial assets	25	**62.5**	92.1
Pension asset	22	**0.1**	7.5
		599.1	645.0
Current assets			
Inventories	17	**90.8**	73.8
Trade and other receivables	18	**266.1**	257.4
Other financial assets	25	**12.8**	0.1
Cash and cash equivalents	19	**94.0**	49.5
		463.7	380.8
Total assets		**1,062.8**	1,025.8
Current liabilities			
Trade and other payables	23	**(381.5)**	(357.2)
Bank overdrafts	19	**(2.5)**	(1.9)
Interest bearing loans and borrowings	21	**(91.6)**	(0.6)
Other financial liabilities	25	**(1.4)**	(4.4)
Current income tax payable		**(17.0)**	(7.8)
Provisions	27	**(10.5)**	-
		(504.5)	(371.9)
Non-current liabilities			
Interest bearing loans and borrowings	21	**(458.3)**	(558.7)
Deferred tax liabilities	10e	**(27.8)**	(34.1)
Pension liability	22	**(19.4)**	(11.2)
Other financial liabilities	25	**(10.0)**	(10.9)
Other non-current liabilities	26	**(1.9)**	(1.9)
		(517.4)	(616.8)
Total liabilities		**(1,021.9)**	(988.7)
Net assets		**40.9**	37.1
Capital and reserves			
Issued share capital	20	**49.0**	48.5
Share premium account		**25.0**	17.7
Own shares reserve		**(1.1)**	(0.8)
Share scheme reserve		**7.5**	4.2
Hedging reserve		**2.7**	3.6
Translation reserve		**19.6**	22.5
Merger reserve		**87.3**	87.3
Retained losses		**(149.1)**	(145.9)
Total equity		**40.9**	37.1

The financial statements were approved by the board of directors and authorised for issue on 25 November 2013.
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 29 September 2013

	Note	**2013 £m**	2012 £m
Cash flows from operating activities			
Profit before tax		**82.6**	77.5
Finance costs	9	**26.2**	30.4
Other financial instruments		**(6.0)**	(1.4)
Impairment of property, plant and equipment and intangible assets	13,14	**12.9**	14.9
Depreciation	13	**36.6**	34.4
Amortisation	14	**7.1**	9.5
Share based payments	28	**6.2**	3.0
Net pension charge less contributions		**(17.2)**	(31.1)
(Increase)/decrease in inventory		**(14.9)**	10.9
Increase in trade and other receivables		**(4.7)**	(2.0)
Increase/(decrease) in trade and other payables		**9.9**	(2.8)
Increase in provisions		**10.5**	-
Loss on disposal of tangible and intangible assets		**3.8**	1.5
Income tax paid		**(11.2)**	(12.5)
Net cash flows from operating activities		**141.8**	132.3
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**0.3**	2.2
Purchases of property, plant and equipment		**(26.3)**	(43.9)
Purchases of intangible assets		**(8.9)**	(5.4)
Net cash flows used in investing activities		**(34.9)**	(47.1)
Cash flows from financing activities			
Finance costs		**-**	(0.1)
Interest paid		**(26.6)**	(28.5)
Interest bearing loans repaid		**(0.9)**	(1.0)
Issue of shares		**7.1**	2.0
Purchase of own shares		**-**	(9.3)
Dividends paid to equity shareholders	12	**(42.5)**	(42.5)
Net cash flows used in financing activities		**(62.9)**	(79.4)
Net increase in cash and cash equivalents		**44.0**	5.8
Cash and cash equivalents at beginning of period		**47.6**	43.0
Exchange rate differences	29	**(0.1)**	(1.2)
Cash and cash equivalents at the end of the period	19	**91.5**	47.6

consolidated statement of changes in equity

For the 52 weeks ended 29 September 2013

	Issued share capital £m	Share premium account £m	Own shares reserve £m	Share scheme reserve £m	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Retained losses £m	**Total £m**
At 2 October 2011	**48.3**	**15.0**	**(1.0)**	**7.8**	**9.0**	**22.4**	**87.3**	**(166.3)**	**22.5**
Profit for the period	-	-	-	-	-	-	-	57.4	**57.4**
Other comprehensive income	-	-	-	-	(5.4)	0.1	-	5.9	**0.6**
	-	-	-	-	(5.4)	0.1	-	63.3	**58.0**
Issue of shares	0.2	2.7	(2.4)	-	-	-	-	-	**0.5**
Own shares purchased for share schemes	-	-	(9.3)	-	-	-	-	-	**(9.3)**
Own shares utilised for share schemes	-	-	11.9	(5.6)	-	-	-	(2.0)	**4.3**
Movement in share based schemes	-	-	-	2.0	-	-	-	-	**2.0**
Current tax on share based payments	-	-	-	-	-	-	-	0.6	**0.6**
Deferred tax on share based payments	-	-	-	-	-	-	-	1.0	**1.0**
Payment of dividend	-	-	-	-	-	-	-	(42.5)	**(42.5)**
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**

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 31.

The financial statements were authorised for issue by the board of directors on 25 November 2013.

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. For further detail, please refer to note 32.

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.

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 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. 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.

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

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. 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.

3. Accounting policies continued

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

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.

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.

Impairment of assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects senior management's estimate of the cost of capital. Impairment losses of continuing operations are recognised in the 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.

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.

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.

3. Accounting policies continued

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.

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 any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are measured at fair value based on market price information and in the case of quoted securities, the published bid price. Plan liabilities are measured on an actuarial basis, using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the plan liabilities.

The movement in the defined benefit pension asset or liability in the balance sheet consists of four main elements:

- The service cost of providing pension benefits to employees for the period which is recognised in the consolidated income statement.
- A charge representing the unwinding of the discount on the plan liabilities during the year which is included within administrative expenses.
- A credit representing the expected return on the plan assets during the year which is included within administrative expenses. This credit is based on the market value of the plan assets, and expected rates of return, at the beginning of the period.
- Actuarial gains and losses. These may result from: differences between the expected return and the actual return on plan assets; differences between the actuarial assumptions underlying the plan liabilities and actual experience during the year; or changes in the actuarial assumptions used in the valuation of the plan liabilities. Actuarial gains and losses, and taxation thereon, are recognised immediately in other comprehensive income.

3. Accounting policies continued

Changes to benefits under a defined benefit plan are accounted for as follows:

- Past service cost is the increase in the present value of the defined benefit obligation for employee service in prior periods, resulting from changes to post-employment benefits. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested.
- When a settlement (eliminating all obligations for part or all of the benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the consolidated income statement during the period in which the settlement or curtailment occurs.

Any net pension assets arising are assessed for restrictions.

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.

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.

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

Provision is made when collection of the full amount is no longer considered probable. Balances are written off when the probability of recovery is assessed as being remote.

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

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

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.

3. Accounting policies continued

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.

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 22.

Impairment of goodwill and intangible assets with indefinite lives
Determining whether goodwill and intangible assets with indefinite lives are impaired requires an estimation of the value in use of the cash generating units to which the goodwill / intangible asset has been allocated. The value in use calculation requires an estimate of the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Further details are given in note 15.

3. Accounting policies continued

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 21 and 25.

New standards adopted in the current period
During the period, the group adopted a number of interpretations and amendments to standards which had an immaterial impact on the consolidated financial statements of the group.

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 but are not yet effective:

		Effective date – periods commencing on or after
International Financial Reporting Standards (IFRS)		
IFRS 7	Amendment to IFRS 7 – Offsetting of assets and liabilities	1 January 2013
IFRS 9	Financial Instruments – Classification and measurement	1 January 2015
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosures of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
International Accounting Standards (IAS)		
IAS 19	IAS 19 (revised 2011) - Employee benefits	1 January 2013
IAS 27	IAS 27 (revised 2011) – Separate financial statements	1 January 2013
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	Amendment to IFRS 9 – Novation of derivatives and continuation of hedge accounting	1 January 2014
Other		
Annual improvements	Annual improvements 2011	1 January 2013
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, with the exception of IAS 19 revised which is not anticipated to have a material impact on net assets, but the impact on the reported income of the group is not possible to determine as it will depend on conditions at the time of adoption.

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. The effect at the date of adoption will depend on market interest rates, rates of return and the actual mix of scheme assets at that time. Other changes will include the treatment of expenses paid in relation to the plans and the narrative disclosures. The directors consider that this change will not have a material impact on the group consolidated results.

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.

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

52 weeks ended 29 September 2013	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	International £m	Adjustments £m	Total £m
Revenue								
- External	340.1	536.4	**876.5**	136.9	271.0	37.5	-	**1,321.9**
- Inter-segment***	22.9	8.3	**31.2**	18.0	1.4	-	(50.6)	**-**
	363.0	**544.7**	**907.7**	**154.9**	**272.4**	**37.5**	**(50.6)**	**1,321.9**
Brand contribution	**154.5**	**200.1**	**354.6**	**49.0**	**67.9**	**14.1**	**-**	**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**

52 weeks ended 30 September 2012	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	International £m	Adjustments £m	Total £m
Revenue								
- External	321.7	517.9	**839.6**	138.7	248.8	29.3	-	**1,256.4**
- Inter-segment***	15.0	9.6	**24.6**	8.0	0.8	-	(33.4)	**-**
	336.7	**527.5**	**864.2**	**146.7**	**249.6**	**29.3**	**(33.4)**	**1,256.4**
Brand contribution	**141.2**	**188.7**	**329.9**	**44.6**	**59.2**	**8.3**	**-**	**442.0**
Non-brand advertising & promotion*								(7.8)
Fixed supply chain**								(100.3)
Selling costs**								(118.0)
Overheads and other costs*								(103.2)
Operating profit before exceptional & other items								112.7
Finance costs before exceptional & other items								(28.3)
Exceptional & other items								**(6.9)**
Profit before tax								**77.5**

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

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

*** Inter-segment revenues are eliminated on consolidation.

4. Segmental reporting continued

Geographic information

Revenues from external customers

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

	2013 £m	2012 £m
United Kingdom	940.3	900.4
Republic of Ireland	110.6	107.2
France	271.0	248.8
Total revenue	**1,321.9**	**1,256.4**

Non-current assets

	2013 £m	2012 £m
United Kingdom	236.7	260.1
Republic of Ireland	107.8	104.8
France	192.0	181.3
Total	**536.5**	**546.2**

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

5. Exceptional and other items

Exceptional and other items are those items of financial performance that management believe should be separately disclosed by virtue of the size, nature and infrequency of the events giving rise to them to allow shareholders to better understand 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.

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

		52 weeks ended 29 September 2013 £m	52 weeks ended 30 September 2012 £m
Net pension gain	(a)	**-**	21.1
Asset impairments	(b)	**(12.9)**	(14.9)
Strategic restructuring costs	(c)	**(10.6)**	(11.0)
Aborted merger costs	(d)	**(9.6)**	-
Property and relocation costs	(e)	**-**	(1.3)
Other fair value movements*	(f)	**7.6**	(0.8)
Total exceptional and other items before tax		**(25.5)**	**(6.9)**

* For the 52 weeks ended 29 September 2013, a gain of £6.9m is included within administration expenses (52 weeks ended 30 September 2012: £1.3m gain) and a gain of £0.7m is included within finance costs (52 weeks ended 30 September 2012: £2.1m loss) in the consolidated income statement.

a) In 2012, the net pension gain related to an Ireland pension curtailment gain.

b) In 2013, asset impairments relates to the planned closure of two factories as part of the strategic cost initiatives announced in May 2013.

In 2012, asset impairments related to the impairment of SAP implementation costs in Ireland.

c) Strategic restructuring costs in 2013 relate to the implementation of cost initiatives announced in May 2013, including costs associated with the closure of two factories and planned changes to the business operating model.

In 2012, restructuring costs included GB-related restructuring costs of £3.7m, Ireland restructuring costs of £5.2m and corporate acquisition due diligence costs of £2.1m.

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

e) In 2012, property and relocation costs related to the transfer of the Britvic plc head office from Chelmsford to Hemel Hempstead and a credit against an onerous lease provision relating to rental income received from a sublet during that year.

f) Other fair value movements relate to the fair value movement of derivative financial instruments where hedge accounting cannot be applied.

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

6. Operating profit/(loss)

This is stated after charging:

	2013 £m	2012 £m
Cost of inventories recognised as an expense	**646.9**	624.6
Including: write-down of inventories to net realisable value	**1.5**	3.6
Research and development expenditure written off	**0.6**	0.6
Net foreign currency exchange differences	**1.1**	2.4
Depreciation of property, plant and equipment	**36.6**	34.4
Amortisation of intangible assets	**7.1**	9.5
Operating lease payments – minimum lease payments	**13.1**	21.4

7. Auditor's remuneration

	2013 £m	2012 £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	**-**	0.2
Corporate finance services (excluding amounts included above in tax advisory and other assurance services)	**0.7**	1.2
Other non-audit services not covered above	**1.6**	1.3
Total non-audit services	**2.4**	2.7
Total fees	**3.0**	3.3

8. Staff costs

	2013 £m	2012 £m
Wages and salaries*	**119.4**	125.4
Social security costs	**20.3**	19.0
Net pension charge/(income) (note 22)**	**8.7**	(7.3)
Expense of share based compensation (note 28)	**6.2**	3.0
	154.6	140.1

* £6.7m (2012: £6.4m) of this is included within 'strategic restructuring costs' in exceptional and other items (note 5).

** In 2012, the pension income includes a curtailment gain of £21.3m in relation to changes in the Ireland defined benefit pension plan which is included within exceptional and other items (note 5).

	2013 £m	2012 £m
Directors' emoluments	**2.7**	1.5
Aggregate gains made by directors on exercise of options	**-**	0.7

	2013 No.	2012 No.
Number of directors accruing benefits under defined benefit schemes	**-**	-

8. Staff costs continued

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

	2013 No.	2012 No.
Distribution	**331**	370
Production	**1,508**	1,465
Sales and marketing	**979**	1,038
Administration	**458**	464
	3,276	3,337

9. Finance costs

	2013 £m	2012 £m
Bank loans, overdrafts and loan notes	**26.9**	28.3
Fair value movement on interest rate swap (see note 25)	**(0.7)**	2.1
Total finance costs	**26.2**	30.4

10. Taxation

a) Tax on profit on continuing operations

			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 actuarial losses on defined benefit pension schemes			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

a) Tax on profit on continuing operations continued

	2012		
	Before exceptional & other items £m	Exceptional & other items £m	Total £m
Income statement			
Current income tax			
Current income tax (charge) / credit	(13.0)	3.2	(9.8)
Amounts underprovided in previous years	(2.1)	(0.3)	(2.4)
Total current income tax (charge) / credit	(15.1)	2.9	(12.2)
Deferred income tax			
Origination and reversal of temporary differences	(8.8)	(1.7)	(10.5)
Impact of change in UK tax rate on deferred tax liability	2.0	0.2	2.2
Amounts overprovided in previous years	0.4	-	0.4
Total deferred tax charge	(6.4)	(1.5)	(7.9)
Total tax (charge) / credit in the income statement	(21.5)	1.4	(20.1)
Statement of comprehensive income			
Current tax on additional pension contributions			4.6
Deferred tax on actuarial losses on defined benefit pension schemes			(7.9)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve			2.1
Tax on exchange differences accounted for in the translation reserve			4.0
Total tax credit in the statement of comprehensive income			2.8
Statement of changes in equity			
Current tax on share options exercised			0.6
Deferred tax on share options granted to employees			1.0
Total tax credit in the statement of changes in equity			1.6

10. Taxation continued

b) Reconciliation of the total tax charge

The tax expense in the consolidated income statement is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.5% (2012: 25%). The differences are reconciled below:

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%**

2012	Before exceptional & other items £m	Exceptional & other items £m	Total £m
Profit / (loss) before tax	84.4	(6.9)	77.5
Profit / (loss) multiplied by the UK average rate of corporation tax of 25%	(21.1)	1.7	(19.4)
Permanent differences	1.2	(0.6)	0.6
Impact of change in UK tax rate on deferred tax liability	2.0	0.2	2.2
Tax underprovided in previous years	(1.7)	(0.3)	(2.0)
Overseas tax rates	(1.9)	0.4	(1.5)
	(21.5)	1.4	(20.1)
Effective income tax rate	25.5%		25.9%

c) Unrecognised tax items

The temporary differences associated with investments in subsidiaries for which a deferred tax liability has not been recognised total £5.6m (2012: £3.8m). 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.

A deferred tax asset of £0.4m (2012: £nil) has not been recognised in respect of tax losses.

d) Impact of rate change

Finance Act 2013 enacted reductions in the UK corporation tax rate from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. The effect of the new rate is to reduce the deferred tax provision by a net £2.1m, comprising a credit of £3.2m to the income statement and a charge of £1.1m to the consolidated statement of comprehensive income.

10. Taxation continued

e) Deferred tax

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

	2013 £m	2012 £m
Deferred tax liability		
Accelerated capital allowances	**(6.8)**	(9.8)
Acquisition fair value adjustments	**(17.6)**	(17.8)
Other temporary differences	**(0.1)**	(0.1)
Post employment benefits	**(13.5)**	(19.5)
Deferred tax liability	**(38.0)**	(47.2)
Deferred tax asset		
Employee incentive plan	**3.7**	3.6
Unutilised losses incurred in overseas jurisdictions	**5.1**	4.4
Other temporary differences	**1.4**	5.1
Deferred tax asset	**10.2**	13.1
Net deferred tax liability	**(27.8)**	(34.1)

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:

	2013 £m	2012 £m
Net deferred tax assets	**-**	-
Net deferred tax liabilities	**(27.8)**	(34.1)
	(27.8)	(34.1)

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

	2013 £m	2012 £m
Employee incentive plan	**0.4**	(1.1)
Accelerated capital allowances	**3.0**	7.8
Post employment benefits	**1.5**	(19.0)
Acquisition fair value adjustments	**1.3**	0.9
Unutilised losses incurred in overseas jurisdictions	**0.7**	3.1
Other temporary differences	**(4.1)**	0.4
Deferred tax credit/(charge)	**2.8**	(7.9)

In 2013, £2.6m credit of the group's overall deferred tax credit relates to exceptional items (2012: £1.5m charge).

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:

	2013 £m	2012 £m
Basic earnings per share		
Profit for the period attributable to equity shareholders	**61.9**	57.4
Weighted average number of ordinary shares in issue for basic earnings per share	**243.2**	241.6
Basic earnings per share	**25.5p**	23.8p
Diluted earnings per share		
Profit for the period attributable to equity shareholders	**61.9**	57.4
Weighted average number of ordinary shares in issue for diluted earnings per share	**244.7**	256.6
Diluted earnings per share	**25.3p**	22.4p

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.

The group modifies adjusted diluted earnings per share to exclude the impact of share options that have been granted but not yet vested, if applicable.

	Note	2013 £m	2012 £m
Adjusted basic earnings per share			
Profit for the period attributable to equity shareholders		**61.9**	57.4
Add: Net impact of exceptional and other items		**20.7**	5.5
Add: Intangible assets amortisation (acquisition related)	14	**2.9**	2.9
		85.5	65.8
Weighted average number of ordinary shares in issue for basic earnings per share		**243.2**	241.6
Adjusted basic earnings per share		**35.2p**	27.2p
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		**85.5**	65.8
Weighted average number of ordinary shares in issue for diluted earnings per share		**244.7**	248.8
Adjusted diluted earnings per share		**34.9p**	26.5p

12. Dividends paid and proposed

	2013 £m	2012 £m
Declared and paid during the period		
Equity dividends on ordinary shares		
Final dividend for 2012: 12.4p per share (2011: 12.6p per share)	**29.6**	29.9
Interim dividend for 2013: 5.4p per share (2012: 5.3p per share)	**12.9**	12.6
Dividends paid	**42.5**	42.5
Proposed		
Final dividend for 2013: 13.0p per share (2012: 12.4p per share)	**31.7**	30.1

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 2 October 2011, net of accumulated depreciation and impairment	**59.9**	**28.7**	**105.1**	**50.1**	**243.8**
Exchange differences	(1.4)	(0.6)	(2.9)	(0.1)	(5.0)
Additions	3.5	0.4	20.2	15.5	39.6
Disposals at cost	(0.9)	-	(12.1)	(7.5)	(20.5)
Depreciation eliminated on disposals	0.1	-	11.0	6.3	17.4
Depreciation charge for the year	(2.1)	(0.7)	(19.6)	(12.0)	(34.4)
Impairment	-	-	-	(4.3)	(4.3)
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**
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**
At 30 September 2012					
Cost (gross carrying amount)	77.9	39.9	255.1	166.6	539.5
Accumulated depreciation and impairment	(18.8)	(12.1)	(153.4)	(118.6)	(302.9)
Net carrying amount	59.1	27.8	101.7	48.0	236.6

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

Finance leases
The net book value of freehold land and buildings and plant and machinery includes £0.2m and £0.1m respectively (2012: £0.2m and £0.3m 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 2 October 2011, net of accumulated amortisation	**99.9**	**22.6**	**40.3**	**32.3**	**142.8**	**337.9**
Exchange differences	(7.4)	(1.6)	(2.9)	(0.2)	(5.9)	(18.0)
Additions	-	-	-	5.4	-	5.4
Amortisation charge for the period	-	(0.7)*	(2.2)*	(6.6)	-	(9.5)
Impairment	-	-	-	(10.6)	-	(10.6)
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**
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**
At 30 September 2012						
Cost (gross carrying amount)	120.1	23.6	47.2	56.0	198.9	445.8
Accumulated amortisation and impairment	(27.6)	(3.3)	(12.0)	(35.7)	(62.0)	(140.6)
Net carrying amount	92.5	20.3	35.2	20.3	136.9	305.2

* Acquisition related amortisation (see note 11).

** The impairment in 2013 relates 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 29 September 2013 these intangible assets have a remaining useful life of 29 years. The franchise agreement itself has a contract life less than the useful economic life. The useful economic life has been determined on the basis that the renewal of the contract is highly probable.

Customer lists

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 29 September 2013 these intangible assets have a remaining useful life of 17 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 29 September 2013 these intangible assets have a remaining useful life of between 4 and 14 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 29 September 2013 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:

	2013 £m	2012 £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
Water business	**-**	1.7
Britvic Ireland	**16.6**	15.8
Britvic France	**61.2**	58.1
	139.1	136.9

	2013 £m	2012 £m
Trademarks with indefinite lives		
Britvic Ireland		
Britvic	**6.3**	6.0
Cidona	**5.5**	5.3
Mi Wadi	**8.6**	8.1
Ballygowan	**2.4**	2.2
Club	**14.2**	13.5
	37.0	35.1
Britvic France		
Teisseire	**47.9**	45.4
Moulin de Valdonne	**3.9**	3.7
Pressade	**4.5**	4.3
Fruité	**4.2**	4.0
	60.5	57.4
Total Trademarks	**97.5**	92.5

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 and the impairment of goodwill related to the Water business.

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 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 29 September 2013	At 30 September 2012
Britvic GB	8%	11%
Britvic Ireland	10%	11%
Britvic France	10%	12%

Cash flows beyond a one year period are extrapolated based on growth and discount rates as described on page 86.

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15. Impairment testing of intangible assets continued

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
Following the strategic cost initiative announcement in May 2013, the carrying value of goodwill relating to the Water business of £1.7m has been impaired, and the impairment charge recognised within exceptional and other items (see note 5).

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.

16. Other receivables (non-current)

	2013 £m	2012 £m
Operating lease premiums	**1.8**	2.3
Prepayments	**1.5**	1.3
Other	**0.5**	-
Total other receivables (non-current)	**3.8**	3.6

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

17. Inventories

	2013 £m	2012 £m
Raw materials	**27.1**	22.2
Finished goods	**54.9**	42.5
Consumable stores	**7.0**	7.2
Returnable packaging	**1.8**	1.9
Total inventories at lower of cost and net realisable value	**90.8**	73.8

18. Trade and other receivables (current)

	2013 £m	2012 £m
Trade receivables	**236.4**	207.7
Other receivables	**10.1**	19.7
Prepayments	**19.6**	30.0
	266.1	257.4

Trade receivables are non-interest bearing and are generally on credit terms usual for the markets in which the group operates. As at 29 September 2013, trade receivables at nominal value of £1.6m (2012: £2.5m) were impaired and fully provided against. Movements in the provision for impairment of receivables were as follows:

	Total £m
At 2 October 2011	1.2
Charge for period	1.9
Utilised	(0.5)
Unused amounts reversed	(0.1)
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**

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:

			Past due but not impaired				
	Total £m	Neither past due nor impaired £m	<30 days £m	30 – 60 days £m	60 – 90 days £m	90 – 120 days £m	> 120 days £m
2013	**236.4**	**218.1**	**7.3**	**4.1**	**0.9**	**1.2**	**4.8**
2012	207.7	196.5	6.7	0.3	2.0	0.5	1.7

The credit quality of trade receivables that are neither past due nor impaired is considered good. Refer to note 24 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

	2013 £m	2012 £m
Cash at bank and in hand	**94.0**	49.5
Cash and cash equivalents	**94.0**	49.5
Bank overdrafts	**(2.5)**	(1.9)
Cash and cash equivalents in the statement of cash flows	**91.5**	47.6

During the year, short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is equal to the book value.

At 29 September 2013 the group had available £400.0m (2012: £400.0m) of un-drawn committed borrowing facilities in respect of which all conditions precedent had been met.

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

20. 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 2 October 2011	241,400,052	48,280,010
Shares issued	944,499	188,900
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**

Of the issued and fully paid ordinary shares, 231,547 shares (2012: 217,994 shares) are own shares held by an employee benefit trust. This equates to £46,309 (2012: £43,599) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes detailed in note 28.

An explanation of the group's capital management process and objectives is set out in note 24.

21. Interest bearing loans and borrowings

	2013 £m	2012 £m
Current		
Finance leases	**(0.2)**	(0.3)
Bank loans	**(0.2)**	(0.3)
Private placement notes	**(92.1)**	-
Less: unamortised issue costs	**0.9**	-
Total current	**(91.6)**	(0.6)

	2013 £m	2012 £m
Non-current		
Finance leases	**(0.3)**	(0.5)
Bank loans	**(0.8)**	(1.1)
Private placement notes	**(459.1)**	(560.8)
Less: unamortised issue costs	**1.9**	3.7
Total non-current	**(458.3)**	(558.7)
Total interest bearing loans and borrowings	**(549.9)**	(559.3)

21. 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:

	2013 £m	2012 £m
Finance leases	**(0.5)**	(0.8)
2007 Notes	**(270.3)**	(269.9)
2009 Notes	**(164.8)**	(171.8)
2010 Notes	**(112.2)**	(114.5)
Accrued interest	**(3.9)**	(4.6)
Bank loans	**(1.0)**	(1.4)
Capitalised issue costs	**2.8**	3.7
	(549.9)	(559.3)

Analysis of changes in interest-bearing loans and borrowings

	2013 £m	2012 £m
At the beginning of the period	**(559.3)**	(573.2)
Net loans repaid	**0.6**	0.7
Repayment of finance leases	**0.4**	0.3
Amortisation and write off of issue costs	**(0.9)**	(0.9)
Net translation gain / fair value adjustment	**8.6**	13.5
Accrued interest	**0.7**	0.3
At the end of the period	**(549.9)**	(559.3)
Derivatives hedging balance sheet debt*	**56.1**	65.0
Debt translated at contracted rate	**(493.8)**	(494.3)

* 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 (2012: December 2018).

Loans outstanding at 29 September 2013 attract interest at an average rate of 4.03% for euro denominated loans (2012: 4.16%). There were no sterling denominated bank loans outstanding at 29 September 2013 (2012: £nil).

Private placement notes

2007 Notes

On 20 February 2007, Britvic plc issued US$375m and £38m of Senior Notes ('the 2007 Notes') in the United States Private Placement market (USPP). The amount, maturity and interest terms of the Notes are shown in the table below:

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

Britvic plc makes quarterly or semi-annual interest payments in US dollars and sterling under these notes. The 2007 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the company. In order to manage the risk of foreign currency and interest rate fluctuations, the group has entered into currency interest rate swaps whereby fixed / floating US dollar interest is swapped for fixed sterling interest. The swap contracts have the same duration and other critical terms as the borrowings which they hedge and are designated as part of effective hedge relationships (see note 25).

2009 Notes

On 17 December 2009, Britvic plc issued US$250.0m of Senior Notes in the United States Private Placement market ('the 2009 Notes'). The 2009 Notes are additional borrowings to the 2007 Notes.

Britvic plc makes semi-annual interest payments in US dollars under these notes. The 2009 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the group.

In order to manage foreign exchange risk, interest rate risk and to ensure an appropriate mix of sterling and euro funding, the group has entered into a number of cross currency interest rate swaps. The 2009 Notes were swapped into floating rate sterling and euro liabilities through a series of US dollar to sterling and, with the exception of series A, sterling to euro swap instruments. These cross currency interest rate swap contracts have the same duration and other critical terms as the relevant borrowings they hedge and are designated as part of effective hedge relationships (see note 25).

21. Interest bearing loans and borrowings continued

The amount, maturity and interest terms of the 2009 Notes are shown in the table below:

Series	Tranche	Maturity date	Amount	Interest terms	Swap terms
A	5 year	17 December 2014	US$30m	US$ fixed at 4.07%	UK£ LIBOR + 1.44%
B	7 year	17 December 2016	US$75m	US$ fixed at 4.77%	EURIBOR + 1.69%
C	8 year	17 December 2017	US$25m	US$ fixed at 4.94%	EURIBOR + 1.70%
D	10 year	17 December 2019	US$120m	US$ fixed at 5.24%	EURIBOR + 1.75%

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 a portion of this liability, €75.0m of interest rate swaps were transacted into a fixed rate euro liability with an effective date of December 2010. These interest rate swaps do not form part of an effective hedge relationship.

2010 Notes
On 17 December 2010, Britvic plc issued US$163m and £7.5m of Senior Notes in the United States Private Placement market ('the 2010 Notes'). The 2010 Notes are additional borrowings to the 2007 and 2009 Notes.

Britvic plc makes semi-annual interest payments in US dollars and sterling under these notes. The 2010 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the group.

In order to manage foreign exchange risk, interest rate risk and to ensure an appropriate mix of sterling and euro funding, the group has entered into a number of cross currency interest rate swaps. The 2010 Notes were swapped into a mix of fixed and floating rate sterling and fixed euro liabilities through a series of US dollar to sterling and sterling to euro swap instruments. These cross currency interest rate swap contracts have the same duration and other critical terms as the relevant borrowings they hedge and are designated as part of effective hedge relationships (see note 25).

The amount, maturity and interest terms of the 2010 Notes are shown in the table below:

Series	Tranche	Maturity date	Amount	Interest terms	Swap terms
A	7 year	17 December 2017	£7.5m	UK£ fixed at 3.74%	N/A
B	7 year	17 December 2017	US$25m	US$ fixed at 3.45%	UK£ fixed 3.85%
			US$25m	US$ fixed at 3.45%	€ fixed 3.34%
C	10 year	17 December 2020	US$37m	US$ fixed at 4.04%	UK£ LIBOR +1.24%
			US$23m	US$ fixed at 4.04%	€ fixed 3.85%
			US$10m	US$ fixed at 4.04%	UK£ fixed 4.49%
D	12 year	17 December 2022	US$18m	US$ fixed at 4.14%	UK£ LIBOR +1.18%
			US$25m	US$ fixed at 4.14%	€ fixed 3.97%

The 2010 USPP cross currency swaps converted an amount of US dollar borrowings into a floating rate sterling liability. To mitigate exposure to interest rates on a portion of this liability, £20.0m of 2-year interest rate swaps were transacted with an effective date of December 2011. These interest rate swaps do not form part of an effective hedge relationship.

2014 Notes
In November 2013, the group reached agreement with a number of investors in the US private placement market to raise an additional $170.4m equivalent of funding for terms of between 7 and 12 years. This funding is subject to documentation and due diligence which is scheduled to be completed in December 2013. Where this funding is dollar-denominated this has been hedged using cross-currency interest-rate swaps to meet the group's desired funding profile and to manage the associated foreign currency risk to the profit and loss account.

22. 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 to the Plan 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 2010. The 31 March 2013 valuation is currently underway and is expected to be completed by 30 June 2014. Changes to the contributions payable could result.

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.

Properties were transferred to Britvic PP at a value of £28.6m and 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.

22. Pensions continued

The BPP is entitled to a share of the profits in Britvic SLP for the next 13 years. 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 2013 to 2017. During this year £12.5m of additional contributions were paid to the BPP, of which £7.5m was paid by the group and £5.0m relates to income received from the pension funding partnership structure.

The amount recognised as an expense in relation to the BPP defined contribution scheme in the consolidated income statement for 2013 was £10.6m (2012: £10.5m).

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) 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.

In relation to the Britvic Ireland Pension Plan (BIPP), following the changes made in 2012 no deficit recovery contributions are currently required. The next 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 2013 was £0.8m (2012: £0.3m).

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

The assets and liabilities of the pension schemes were valued on an IAS 19 basis at 29 September 2013 by Towers Watson (BPP), Invesco (BIPP) and Buck (BNIPP).

Included within the pension liability on the consolidated balance sheet is an accrual of £2.1m (2012: £1.8m) in respect of Britvic France. The liability represents an unfunded pension obligation made up of two components being retirement indemnities of £1.9m (2012: £1.6m) and long-service cash payments due on retirement of £0.2m (2012: £0.2m).

Principal assumptions

Financial assumptions

	2013 % ROI	**2013 % NI**	**2013 % GB**	2012 % ROI	2012 % NI	2012 % GB
Discount rate	**4.25**	**4.60**	**4.55**	4.20	4.70	4.85
Rate of compensation increase	**3.00**	**3.75**	**n/a**	3.00	3.60	n/a
Expected long term return on plan assets	**4.25**	**5.21**	**4.84**	4.85	5.21	5.61
Pension increases	**-**	**1.95-2.45**	**1.95-3.05**	-	1.65-2.05	1.80-2.75
Inflation assumption	**2.00**	**2.45**	**3.35**	2.00	2.00	2.90

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

Demographic assumptions

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

	2013 Years ROI	**2013 Years NI**	**2013 Years GB**	2012 Years ROI	2012 Years NI	2012 Years GB
Current pensioners (at age 65) – males	**22.7**	**22.0**	**22.2**	23.1	21.0	22.1
Current pensioners (at age 65) – females	**24.5**	**25.0**	**24.8**	24.7	23.8	24.7
Future pensioners currently aged 45 (at age 65) – males	**25.6**	**23.3**	**24.4**	25.8	22.8	24.3
Future pensioners currently aged 45 (at age 65) – females	**26.8**	**26.6**	**27.1**	26.9	25.3	27.0

22. Pensions 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 plan liabilities**	**Impact on NI plan liabilities**	**Impact on GB plan liabilities**
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £1.2m	Decrease/increase by £0.5m	Decrease/increase by £11.0m
Inflation rate	Increase/decrease by 0.1%	Increase/decrease by £0.6m	Increase/decrease by £0.3m	Increase/decrease by £8.4m
Mortality rate	Increase/decrease in life expectancy by one year	Increase/decrease by £0.8m	Increase/decrease by £0.8m	Increase/decrease by £16.3m

Net benefit income/(expense)

	ROI £m	**NI £m**	**GB £m**	**2013 Total £m**
Current service cost	**(0.8)**	**(0.2)**	**-**	**(1.0)**
Interest cost on benefit obligation	**(2.4)**	**(1.2)**	**(24.0)**	**(27.6)**
Expected return on plan assets	**2.4**	**1.2**	**23.9**	**27.5**
Settlement gain	**-**	**-**	**3.8**	**3.8**
Net income / (expense)	**(0.8)**	**(0.2)**	**3.7**	**2.7**

	ROI £m	NI £m	GB £m	2012 Total £m
Current service cost	(0.9)	(0.2)	-	(1.1)
Interest cost on benefit obligation	(3.4)	(1.3)	(26.5)	(31.2)
Expected return on plan assets	2.5	1.2	25.9	29.6
Curtailment gain	21.3	-	-	21.3
Net income / (expense)	19.5	(0.3)	(0.6)	18.6

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.

The settlement gain in 2013 has been recognised due to the arrangement reached with the former chief executive upon his retirement relating to his benefits under BETUS. The gain realised on the extinguishment of this liability has been recognised in exceptional and other items in the income statement.

The ROI curtailment gain in 2012 was recognised under IAS19 Employee Benefits arising from the removal of the guaranteed pension indexation.

Taken to the statement of comprehensive income

	ROI £m	**NI £m**	**GB £m**	**2013 Total £m**
Actual return on scheme assets	**3.5**	**2.2**	**39.9**	**45.6**
Less: Expected return on scheme assets	**(2.4)**	**(1.2)**	**(23.9)**	**(27.5)**
	1.1	**1.0**	**16.0**	**18.1**
Other actuarial gains/ (losses)	**4.1**	**0.8**	**(55.4)**	**(50.5)**
Actuarial gains/(losses) taken to the statement of comprehensive income	**5.2**	**1.8**	**(39.4)**	**(32.4)**

	ROI £m	NI £m	GB £m	2012 Total £m
Actual return on scheme assets	6.4	2.4	55.6	64.4
Less: Expected return on scheme assets	(2.5)	(1.2)	(25.9)	(29.6)
	3.9	1.2	29.7	34.8
Other actuarial losses	(12.3)	(0.4)	(12.9)	(25.6)
Actuarial (losses)/gains taken to the statement of comprehensive income	(8.4)	0.8	16.8	9.2

22. Pensions continued

Net (liability)/asset

	ROI £m	NI £m	GB £m	2013 Total £m
Present value of benefit obligation	**(54.8)**	**(26.6)**	**(562.4)**	**(643.8)**
Fair value of plan assets	**53.2**	**26.7**	**546.7**	**626.6**
Net (liability)/asset	**(1.6)**	**0.1**	**(15.7)**	**(17.2)**

	ROI £m	NI £m	GB £m	2012 Total £m
Present value of benefit obligation	(53.6)	(26.8)	(503.9)	(584.3)
Fair value of plan assets	47.2	23.8	511.4	582.4
Net (liability)/asset	(6.4)	(3.0)	7.5	(1.9)

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

	ROI £m	NI £m	GB £m	2013 Total £m
At 30 September 2012	**(53.6)**	**(26.8)**	**(503.9)**	**(584.3)**
Exchange differences	**(3.0)**	**-**	**-**	**(3.0)**
Settlement gain	**-**	**-**	**3.8**	**3.8**
Current service cost	**(0.8)**	**(0.2)**	**-**	**(1.0)**
Member contributions	**(0.3)**	**-**	**-**	**(0.3)**
Interest cost on benefit obligation	**(2.4)**	**(1.2)**	**(24.0)**	**(27.6)**
Benefits paid	**1.2**	**0.8**	**17.1**	**19.1**
Actuarial gains/(losses)	**4.1**	**0.8**	**(55.4)**	**(50.5)**
At 29 September 2013	**(54.8)**	**(26.6)**	**(562.4)**	**(643.8)**

	ROI £m	NI £m	GB £m	2012 Total £m
At 2 October 2011	(64.4)	(25.4)	(481.2)	(571.0)
Exchange differences	4.7	-	-	4.7
Curtailment gain	21.3	-	-	21.3
Current service cost	(0.9)	(0.2)	-	(1.1)
Member contributions	(0.4)	-	-	(0.4)
Interest cost on benefit obligation	(3.4)	(1.3)	(26.5)	(31.2)
Benefits paid	1.8	0.5	16.7	19.0
Actuarial losses	(12.3)	(0.4)	(12.9)	(25.6)
At 30 September 2012	(53.6)	(26.8)	(503.9)	(584.3)

22. Pensions continued

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

	ROI £m	NI £m	GB £m	2013 Total £m
At 30 September 2012	**47.2**	**23.8**	**511.4**	**582.4**
Exchange differences	**2.6**	**-**	**-**	**2.6**
Expected return on plan assets	**2.4**	**1.2**	**23.9**	**27.5**
Actuarial gains	**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)**	**(17.1)**	**(19.1)**
At 29 September 2013	**53.2**	**26.7**	**546.7**	**626.6**

	ROI £m	NI £m	GB £m	2012 Total £m
At 2 October 2011	44.5	20.3	462.5	527.3
Exchange differences	(3.6)	-	-	(3.6)
Expected return on plan assets	2.5	1.2	25.9	29.6
Actuarial gains	3.9	1.2	29.7	34.8
Employer contributions	1.3	1.6	10.0	12.9
Member contributions	0.4	-	-	0.4
Benefits paid	(1.8)	(0.5)	(16.7)	(19.0)
At 30 September 2012	47.2	23.8	511.4	582.4

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

	ROI £m	NI £m	GB £m	2013 Total £m	2013 Total %
Equities	**30.7**	**13.8**	**225.3**	**269.8**	**43**
Bonds and gilts	**21.9**	**12.6**	**310.7**	**345.2**	**55**
Properties	**0.6**	**-**	**7.6**	**8.2**	**1**
Cash	**-**	**0.3**	**3.1**	**3.4**	**1**
Total	**53.2**	**26.7**	**546.7**	**626.6**	**100**

	ROI £m	NI £m	GB £m	2012 Total £m	2012 Total %
Equities	24.7	11.7	249.8	286.2	49
Bonds and gilts	18.8	11.9	236.6	267.3	46
Properties	3.7	-	21.7	25.4	4
Cash	-	0.2	3.3	3.5	1
Total	47.2	23.8	511.4	582.4	100

Analysis of expected return on assets by categories of scheme assets

	ROI £m	NI £m	GB £m	2013 Total £m	2013 Total %
Equities & real estate	**2.0**	**0.9**	**16.3**	**19.2**	**70**
Bonds and gilts	**0.4**	**0.3**	**7.5**	**8.2**	**30**
Cash	**0.0**	**0.0**	**0.1**	**0.1**	**0**
Total	**2.4**	**1.2**	**23.9**	**27.5**	**100**

	ROI £m	NI £m	GB £m	2012 Total £m	2012 Total %
Equities & real estate	2.0	0.8	16.5	19.3	65
Bonds and gilts	0.5	0.3	9.2	10.0	34
Cash	-	0.1	0.2	0.3	1
Total	2.5	1.2	25.9	29.6	100

22. Pensions continued

History of experience gains and losses

	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
Fair value of schemes assets	**626.6**	582.4	527.3	523.8	461.9
Present value of defined benefit obligations	**(643.8)**	(584.3)	(571.0)	(641.0)	(547.0)
Deficit in the schemes	**(17.2)**	(1.9)	(43.7)	(117.2)	(85.1)
Experience adjustments arising on plan liabilities	**6.1**	-	1.5	36.7	2.0
Experience adjustments arising on plan assets	**18.3**	(34.8)	(26.7)	27.2	(2.7)

The cumulative amount of actuarial gains and losses recognised since 4 October 2004 in the group statement of comprehensive income is an overall loss of £81.6m (2012: loss of £49.2m). The directors are unable to determine how much of the pension scheme deficit recognised on transition to IFRS and taken direct to equity of £1.3m is attributable to actuarial gains and losses since the inception of those pension schemes. Consequently, the directors are unable to determine the amount of actuarial gains and losses that would have been recognised in the group statement of comprehensive income before 4 October 2004.

Normal contributions of £1.0m are expected to be paid into the defined benefit pension schemes during the 2014 financial year. Additional contributions of £21.5m are expected to be paid into the defined benefit pension schemes during the 2014 financial year, of which £16.5m is expected to be paid by the group and £5.0m by the partnership.

23. Trade and other payables (current)

	2013 £m	2012 £m
Trade payables	**237.1**	230.9
Other payables	**4.9**	8.5
Accruals and deferred income	**99.2**	92.2
Other taxes and social security	**40.3**	25.6
	381.5	357.2

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

24. 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 23 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 exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group's policy is to manage its interest cost by maintaining a mix of fixed and variable 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 which are designated to hedge underlying debt obligations. At 29 September 2013 after taking into account the effect of these instruments, approximately 97% of the group's borrowings are at a fixed rate of interest (2012: 86%).

24. Financial risk management objectives and policies continued

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
2013			
Sterling	**200**	**-**	**18.7**
	(200)	**-**	**(22.1)**
Euro	**200**	**0.7**	**6.5**
	(200)	**(0.8)**	**(7.6)**
2012			
Sterling	200	(0.2)	24.5
	(200)	0.2	(27.6)
Euro	200	1.6	7.0
	(200)	(1.8)	(8.4)

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 made in the currencies of US dollars and euros. As at 29 September 2013 the group has hedged 65% (2012: 69%) 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.

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
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)**
2012			
Sterling / euro	10	(0.6)	5.1
	(10)	0.6	(5.1)
Sterling / US dollar	10	-	0.9
	(10)	-	(0.9)
Euro / US dollar	10	-	0.9
	(10)	-	(0.9)

24. Financial risk management objectives and policies continued

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
2013	**10**	**0.8**
	(10)	**(0.8)**
2012	10	1.5
	(10)	(1.5)

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 £1.0m of outstanding Britvic France bank loans are secured. At 29 September 2013, £91.6m of the group's debt will mature in less than one year (2012: £0.6m).

The table below summarises the maturity profile of the group's financial liabilities at 29 September 2013 based on contractual undiscounted payments:

2013	**Less than 1 year £m**	**1 to 5 years £m**	**> 5 years £m**	**Total £m**
Secured 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	**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

24. Financial risk management objectives and policies continued

2012	Less than 1 year £m	1 to 5 years £m	> 5 years £m	Total £m
Secured bank loans	0.3	0.9	0.2	1.4
Private placement notes	27.4	331.2	320.1	678.7
Derivatives hedging private placement notes - payments	18.5	243.4	265.2	527.1
Derivatives hedging private placement notes - receipts	(24.8)	(271.6)	(286.3)	(582.7)
	21.1	303.0	299.0	623.1
Interest rate swap - payments	1.6	3.5	-	5.1
Interest rate swap - receipts	(0.8)	(1.5)	-	(2.3)
	0.8	2.0	-	2.8
Trade and other payables	324.3	-	-	324.3
Finance leases	0.3	0.5	-	0.8
Other financial liabilities	4.4	-	-	4.4
	351.2	306.4	299.2	956.8

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 25.

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.

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)**
Level 3	**-**	**-**
Total	**75.3**	**(11.4)**

2012	Assets £m	Liabilities £m
Level 1	-	-
Level 2		
- Derivatives used for hedging	92.2	(6.9)
- Financial instruments at fair value through profit or loss	-	(8.4)
Level 3	-	-
Total	92.2	(15.3)

24. Financial risk management objectives and policies continued

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

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

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

The group monitors capital on the basis of the 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 29. 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.

25. Derivatives and hedge relationships

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

	Book value 2013 £m	**Fair value 2013 £m**	Book value 2012 £m	Fair value 2012 £m
Financial assets				
Cash and cash equivalents	**94.0**	**94.0**	49.5	49.5
Cross currency interest rate swaps *	**62.5**	**62.5**	92.1	92.1
Cross currency interest rate swaps **	**11.4**	**11.4**	-	-
Forward currency contracts **	**0.1**	**0.1**	0.1	0.1
Share swaps **	**1.3**	**1.3**	-	-
	169.3	**169.3**	141.7	141.7
Financial liabilities				
Interest-bearing loans and borrowings (bank loans and private placement notes):				
Fixed rate borrowings	**(540.1)**	**(572.6)**	(549.2)	(598.9)
Floating rate borrowings	**(9.3)**	**(9.3)**	(9.3)	(9.3)
Bank overdrafts	**(2.5)**	**(2.5)**	(1.9)	(1.9)
Finance leases	**(0.5)**	**(0.5)**	(0.8)	(0.8)
Forward currency contracts ***	**(1.2)**	**(1.2)**	(1.9)	(1.9)
Foreign exchange swaps ***	**(0.1)**	**(0.1)**	(0.2)	(0.2)
Cross currency interest rate swaps ****	**(7.3)**	**(7.3)**	(5.0)	(5.0)
Interest rate swaps ***	**(0.1)**	**(0.1)**	-	-
Interest rate swaps ****	**(2.7)**	**(2.7)**	(3.5)	(3.5)
Share swaps ***	**-**	**-**	(2.3)	(2.3)
Share swaps ****	**-**	**-**	(2.4)	(2.4)
	(563.8)	**(596.3)**	(576.5)	(626.2)

* Included within 'Non-current assets: other financial assets' on the consolidated balance sheet.
** Included within 'Current assets: other financial assets' on the consolidated balance sheet.
*** Included within 'Current liabilities: other financial liabilities' on the consolidated balance sheet.
**** Included within 'Non-current liabilities: other financial liabilities' on the consolidated balance sheet.

Non-derivative financial assets are categorised as loans and receivables as defined in IAS 39 'Financial instruments – recognition and measurement'. Non-derivative financial liabilities are all carried at amortised cost.

The fair value of derivatives, which are quoted at market price, has been calculated by discounting the expected future cash flows at prevailing interest rates.

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

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

25. Derivatives and hedge relationships continued

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.

From the 2010 USPP issuance an amount of $55m was swapped into a floating rate sterling liability. To mitigate exposure for a proportion of this liability, £20.0m of 2-year interest rate swaps were transacted with an effective date of December 2011.

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 €82.5m of euro / sterling FX swaps were in existence at 29 September 2013 (2012: €83.0m).

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:

	2013 £m	2012 £m
Consolidated balance sheet		
Non-current assets: other financial assets		
Fair value of the 2007 USD GBP cross currency fixed interest rate swaps [1]	**36.9**	49.9
Fair value of the 2009 USD GBP cross currency floating interest rate swaps [3]	**20.2**	27.1
Fair value of the 2009 GBP euro cross currency floating interest rate swaps [2]	**5.4**	11.1
Fair value of the 2010 USD GBP cross currency floating interest rate swaps [3]	**-**	1.6
Fair value of the 2010 GBP euro cross currency fixed interest rate swaps [2]	**-**	2.4
	62.5	92.1
Current assets: other financial assets		
Fair value of the 2007 USD GBP cross currency fixed interest rate swaps [1]	**11.4**	-
Fair value of forward currency contracts [1]	**0.1**	0.1
Fair value of share swaps	**1.3**	-
	12.8	0.1
Current liabilities: other financial liabilities		
Fair value of forward currency contracts [1]	**(1.2)**	(1.9)
Fair value of share swaps	**-**	(2.3)
Fair value of foreign exchange swaps	**(0.1)**	(0.2)
Fair value of interest rate swaps	**(0.1)**	-
	(1.4)	(4.4)
Non-current liabilities: other financial liabilities		
Fair value of the 2010 USD GBP cross currency fixed interest rate swaps [1]	**(4.9)**	(5.0)
Fair value of the 2010 GBP euro cross currency fixed interest rate swaps [2]	**(1.6)**	-
Fair value of the 2010 USD GBP cross currency floating interest rate swaps [3]	**(0.8)**	-
Fair value of share swaps	**-**	(2.4)
Fair value of interest rate swaps	**(2.7)**	(3.5)
	(10.0)	(10.9)

[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

25. Derivatives and hedge relationships continued

There have been no significant changes to derivative contracts designated as part of effective hedge relationships in the period. As at the 29 September 2013 these hedging relationships are categorised as follows:

Cash flow hedges
Forward currency contracts
At 29 September 2013, the group held 99 (2012: 68) US dollar and 47 (2012: 38) euro forward exchange contracts (the 'forward currency contracts') designated as hedges of expected future purchases from suppliers in US dollars and euros which the group believe to be highly probable transactions. The forward currency contracts are being used to hedge the foreign currency risk of these highly probable transactions.

The forward currency contracts hedge the expected future purchases in the period to 15 October 2014 and have been assessed as part of effective cash flow hedge relationships. At the period end there is a net unrealised loss of £1.2m (2012: net unrealised loss of £1.8m), with a related deferred tax asset of £0.3m (2012: related deferred tax asset of £0.4m), which has been included in equity in respect of these contacts.

The terms of these forward contracts are detailed in the table below.

Forward contracts to hedge expected future purchases	Maturity range	Average exchange rate
2013		
£ / US$ 20.9m	**Oct 2013 to Oct 2014**	**$1.56/£**
£ / € 77.6m	**Oct 2013 to Sep 2014**	**€1.18/£**
€ / US$ 21.2m	**Oct 2013 to Sep 2014**	**$1.33/€**
2012		
£ / US$ 13.8m	Oct 2012 to Sep 2013	$1.57/£
£ / € 64.3m	Oct 2012 to Sep 2013	€1.22/£
€ / US$ 14.0m	Oct 2012 to Mar 2013	$1.27/€

Cross currency interest rate swaps
2007 Notes / 2007 USD GBP cross currency interest rate swaps
The group continues to have a number of cross currency interest rate swaps relating to the 2007 Notes. These cross currency interest rate swaps (the '2007 cross currency interest rate swaps') have the effect of fixing the borrowings into sterling and the rate of interest payable on the 2007 Notes.

The 2007 cross currency interest rate swap instruments have the same duration and other critical terms as the 2007 Notes and continue to be designated as part of a cash flow hedge relationship with the 2007 Notes. This has been assessed to be a highly effective relationship as at 29 September 2013.

The fair value of the 2007 cross currency interest rate swap instruments on the balance sheet at 29 September 2013 is:

	2013 £m	2012 £m
Consolidated balance sheet		
Non-current assets: other financial assets		
Fair value of the 2007 USD GBP cross currency fixed interest rate swaps	**36.9**	49.9
Current assets: other financial assets		
Fair value of the 2007 USD GBP cross currency fixed interest rate swaps	**11.4**	-

The movement in the fair value has been taken to the consolidated statement of comprehensive income. A total loss of £0.4m (2012: £8.7m gain) has been recycled to the consolidated income statement in the year to match the foreign exchange gain on the 2007 Notes.

Within equity there is a net unrealised gain of £6.5m (2012: net unrealised gain of £8.4m) with a related deferred tax liability of £1.3m (2012: deferred tax liability of £1.9m) in respect of the 2007 cross currency interest rate swap instruments.

2010 Notes / 2010 USD GBP cross currency fixed interest rate swaps
The group continues to have a number of cross currency interest rate swaps relating to the 2010 Notes. These instruments swap the principal and interest from US dollars into sterling (the '2010 USD GBP cross currency fixed interest rate swaps').

The 2010 USD GBP cross currency interest rate swaps, which swap interest from fixed US dollar to fixed sterling, are designated as part of a cash flow hedge relationship with the future cash flows associated with the 2010 Notes. This has been assessed to be a highly effective relationship as at 29 September 2013.

25. Derivatives and hedge relationships continued

The fair value of these instruments on the balance sheet at 29 September 2013 is:

	2013 £m	2012 £m
Consolidated balance sheet		
Non-current liabilities: other financial liabilities		
Fair value of the 2010 USD GBP cross currency fixed interest rate swaps	**(4.9)**	(5.0)

The movement in fair value has been taken to the consolidated statement of comprehensive income. A total loss of £0.1m (2012: £2.5m gain) has been recycled to the consolidated income statement to match the foreign exchange gain on the 2010 Notes.

Within equity there is a net unrealised loss of £1.9m (2012: net unrealised loss of £1.9m) with a related deferred tax asset of £0.4m (2012: deferred tax asset of £0.4m) in respect of the 2010 cross currency interest rate swap instruments.

Fair value hedges
2009 Notes / 2009 USD GBP cross currency interest rate swaps
The group continues to have a number of cross currency interest rate swaps in respect of the 2009 Notes. These instruments swap the principal and interest from fixed US dollar into floating sterling (the '2009 USD GBP cross currency interest rate swaps').

The 2009 USD GBP cross currency interest rate swaps are designated as part of a fair value hedge relationship with the 2009 Notes. The fair value movements on the 2009 USD GBP cross currency interest rate instruments are recorded in the consolidated income statement, as is the fair value movement in the 2009 Notes.

The 2009 USD GBP cross currency interest rate swap contracts have the same duration and other critical terms as the 2009 Notes they hedge. The 2009 USD GBP cross currency interest rate swaps have been assessed as part of a highly effective hedge relationship as at 29 September 2013.

The fair value of the swap instruments at 29 September 2013, included within 'Non-current assets: other financial assets' on the consolidated balance sheet, was £20.2m (2012: Non-current assets: other financial assets £27.1m).

2010 Notes / 2010 USD GBP cross currency floating interest rate swaps
The group has entered into swap instruments which swap the principal and fixed rate interest of the 2010 Notes to floating sterling ('2010 USD GBP cross currency floating interest rate swaps'). These instruments are designated as part of a fair value hedge relationship with the 2010 Notes.

The fair value movements on the 2010 USD GBP cross currency floating interest rate swaps are recorded in the consolidated income statement, as is the fair value movement of the hedged item. The swap contracts have the same duration and other critical terms as the 2010 Notes they hedge.

The 2010 USD GBP cross currency floating interest rate swaps have been assessed as part of a highly effective hedge relationship as at 29 September 2013.

The fair value of the swap instruments at 29 September 2013, included within 'Non-current liabilities: other financial liabilities' on the consolidated balance sheet was £0.8m (2012: Non-current assets: other financial assets £1.6m).

Net investment hedges
2009 GBP euro cross currency interest rate swaps
These instruments swap floating sterling liabilities into floating euro liabilities. They have been designated as part of an effective hedge of the net investment in Britvic Ireland.

The 2009 GBP euro 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 this euro investment. Movements in the fair value of the 2009 GBP euro cross currency interest rate swaps are taken to equity where they offset foreign exchange movements on the translation of the net investment in Britvic Ireland.

The fair value of the 2009 GBP euro cross currency interest rate swaps at 29 September 2013, included within 'Non-current assets: other financial assets' on the consolidated balance sheet is £5.4m (2012: 'Non-current assets: other financial assets' of £11.1m). No ineffectiveness has been recognised in the consolidated income statement (2012: £nil).

2010 GBP euro cross currency interest rate swaps
These instruments swap fixed sterling liabilities arising from the 2010 USD GBP cross currency fixed interest rate swaps into fixed euro liabilities and have been designated as part of an effective hedge of the net investment in Britvic France.

The 2010 GBP euro 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 this euro investment. Movements in the fair value of the 2010 GBP euro cross currency interest rate swaps are taken to equity where they offset foreign exchange movements on the translation of the net investment in Britvic France.

The fair value of the 2010 GBP euro cross currency interest rate swaps at 29 September 2013, included within 'Non-current liabilities: other financial liabilities' on the consolidated balance sheet is £1.6m (2012: 'Non-current assets: other financial assets' of £2.4m). No ineffectiveness has been recognised in the consolidated income statement (2012: £nil).

25. Derivatives and hedge relationships continued

The impact on the consolidated statement of comprehensive income of the derivatives and hedge relationships described above is summarised in the table below.

	2013 £m	2012 £m
Consolidated statement of comprehensive income		
Amounts recycled to the income statement in respect of cash flow hedges		
Forward currency contracts*	**0.6**	(1.7)
2007 cross currency interest rate swaps**	**(0.4)**	8.7
2010 cross currency interest rate swaps**	**(0.1)**	2.5
	0.1	9.5
Gains/(losses) in the period in respect of cash flow hedges		
Forward currency contracts	**0.1**	(1.6)
2007 cross currency interest rate swaps	**(1.6)**	(11.7)
2010 cross currency interest rate swaps	**0.1**	(3.7)
	(1.4)	(17.0)
Exchange differences on translation of foreign operations		
Movement on 2009 GBP euro cross currency interest rate swaps	**(5.7)**	10.5
Movement on 2010 GBP euro cross currency interest rate swaps	**(4.0)**	3.5
Exchange movements on translation of foreign operations	**9.7**	(17.9)
	-	(3.9)

* Offsetting amounts recorded in cost of sales.

** Offsetting amounts recorded in finance costs.

26. Other non-current liabilities

	2013 £m	2012 £m
Firm commitment	**1.9**	1.9

A firm commitment exists in respect of the receipt of the 2009 and 2010 Notes.

27. 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 used 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

* Included within trade and other payables in 2012

Restructuring provisions

During the 52 week period ended 29 September 2013, the group committed to a restructuring plan to reduce costs across the supply chain and back office functions. Following the announcement of the plan, the group recognised a provision of £11.4m for expected restructuring costs, including contract termination costs, consultation fees and employee termination benefits. Estimated costs were based on the terms of relevant contracts. It is expected that the remaining provision will be utilised within 2014.

Other provisions

Other provisions at 29 September 2013 and 30 September 2012, primarily relate to onerous lease provisions that have arisen due to the exit of certain group premises, and range from 3 to 10 years.

28. Share-based payments

The expense recognised for share-based payments in respect of employee services received during the 52 weeks ended 29 September 2013, including national insurance of £1.1m (2012: £0.4m) and dividend equivalents of £nil (2012: £1.0m), is £6.2m (2012: £3.0m). 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 (2012: £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.

	No. of shares	
	2013	2012
Annual free shares award	-	-
Matching shares award – 1 free share for every ordinary share purchased	185,563	281,662

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% (2012: 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 as at 2 October 2011	8,764,386	314.8
Granted during the period	2,175,767	331.6
Exercised during the period	(244,499)	233.1
Forfeited during the period	(246,138)	406.4
Lapsed during the period	(9,496)	347.0
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**
Exercisable at 29 September 2013	**2,739,540**	**257.1**

The weighted average share price at the date of exercise for share options exercised during the period was 491.1p (2012: 362.2p).

The share options outstanding as at 29 September 2013 had a weighted average remaining contractual life of 6.8 years (2012: 6.7 years) and the range of exercise prices was 221.0p – 464.6p (2012: 221.0p – 464.6p).

The weighted average fair value of options granted during the period was 79.8p (2012: 58.2p).

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.

28. Share-based payments continued

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% (2012: 25%) will vest, rising on a straight-line basis to 100% vesting at upper quartile.

For the award granted during the 52 weeks ended 29 September 2013, the ROIC performance condition requires the company's ROIC to be at least 21.5% (2012: 22.3%) over the three year performance period for the award to vest in full. If ROIC is 20.7% (2012: 21.5%) over the performance period, 25% (2012: 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% (2012: 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 2 October 2011	584,781	1,095,428	584,779
Granted during the period	-	14,997	-
Vested during the period*	(532,156)	(916,249)	(532,157)
Outstanding at 30 September 2012 and 29 September 2013	**52,625**	**194,176**	**52,622**

	Number of nil cost options subject to TSR condition	Number of nil cost options subject to EPS condition	Number of nil cost options subject to ROIC condition
Outstanding at 2 October 2011	699,278	1,342,025	699,278
Granted during the period	481,128	1,001,479	481,128
Forfeited during the period	(62,591)	(313,138)	(62,591)
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**

* The share price on the date of vesting was 329.8p.

There were no nil cost options exercisable at 29 September 2013 (2012: nil).

The nil cost options outstanding as at 29 September 2013 had a weighted average remaining contracted life of 8.2 years (TSR condition) (2012: 8.2 years), 8.3 years (EPS condition) (2012: 8.0 years) and 8.2 years (ROIC condition) (2012: 8.2 years).

The weighted average fair value of nil cost options granted during the period was 203.1p (TSR condition) (2012: 194.2p), 381.5p (EPS condition) (2012: 323.0p) and 250.2p (ROIC condition) (2012: 322.7p).

28. Share-based payments continued

The Britvic Performance Share Plan (PSP)
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 29 September 2013. The comparative shows the inputs to the model used in respect of the awards granted during the 52 weeks ended 30 September 2012.

	2013	2012
Dividend yield (%)	**4.45**	3.6
Expected volatility (%)	**32.2**	27.9
Risk-free interest rate (%)	**0.8**	0.8
Expected life of option (years)	**5.0**	5.0
Share price at date of grant (pence)	**421.0**	329.8
Exercise price (pence)	**427.5**	331.6

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

29. Notes to the consolidated cash flow statement

Analysis of net debt

	2012 £m	Cash flows £m	Exchange differences £m	Other movement £m	**2013 £m**
Cash at bank and in hand	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)**

	2011 £m	Cash flows £m	Exchange differences £m	Other movement £m	**2012 £m**
Cash at bank and in hand	43.0	7.7	(1.2)	-	**49.5**
Bank overdrafts	-	(1.9)	-	-	**(1.9)**
Debt due within one year	-	-	-	(0.6)	**(0.6)**
Debt due after more than one year	(573.2)	1.0	13.5	-	**(558.7)**
	(530.2)	6.8	12.3	(0.6)	**(511.7)**
Derivatives hedging the balance sheet debt*	78.2	-	(13.2)	-	**65.0**
Adjusted net debt	(452.0)	6.8	(0.9)	(0.6)	**(446.7)**

* 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.

30. Commitments and contingencies

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

			2013
	Land and buildings £m	Other £m	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

			2012
	Land and buildings £m	Other £m	Total £m
Within one year	3.1	10.3	13.4
After one year but not more than five years	13.4	17.0	30.4
After more than five years	44.0	0.2	44.2
	60.5	27.5	88.0

Finance lease commitments
Future minimum lease payments under finance leases are as follows:

	2013 £m	2012 £m
Within one year	0.2	0.3
After one year but not more than five years	0.3	0.5
More than five years	-	-
	0.5	0.8

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 29 September 2013, the group has commitments of £8.0m (2012: £3.3m) relating to the acquisition of new plant and machinery.

Contingent liabilities
The group had no material contingent liabilities at 29 September 2013 (2012: none).

31. 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.

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
Britvic Property Partnership	Financing company	Scotland	100
Britvic North America LLC	Marketing and distribution of soft drinks	USA	100
Britvic France SNC	Holding partnership	France	100
Fruité Entreprises SA	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

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.

	2013 £m	2012 £m
Short-term employee benefits	**6.6**	3.0
Post-employment benefits	**0.1**	0.6
Share-based payment	**1.1**	0.4
	7.8	4.0

See note 8 for details of directors' emoluments.

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

32. 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 29 September 2013, the consolidated balance sheet is showing a net assets position of £40.9m (30 September 2012: net assets of £37.1m).

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 £491.2m of private placement notes with maturity dates between 2014 and 2022 and a £400.0m bank facility maturing in March 2016. In addition, it is expected that additional private placement notes will be secured in December 2013 subject to completion of documentation and due diligence (see note 21).

independent auditor's report to the members of Britvic plc

We have audited the parent company financial statements of Britvic plc for the 52 week period ended 29 September 2013 which comprise the Company Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with 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 59, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 29 September 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; 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.

Other matter

We have reported separately on the group financial statements of Britvic plc for the 52 week period ended 29 September 2013.

Simon O'Neill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

25 November 2013

company balance sheet

At 29 September 2013

	Note	2013 £m	2012 £m
Non-current assets			
Investments in group undertakings	6	**748.7**	742.5
Other financial assets	11	**62.5**	92.1
		811.2	834.6
Current assets			
Trade and other receivables	8	**59.2**	3.1
Deferred tax asset	7	**0.7**	0.9
Other financial assets	11	**11.4**	-
		71.3	4.0
Current liabilities			
Trade and other payables	9	**(69.8)**	(14.1)
Interest bearing loans and borrowings	10	**(117.9)**	(22.4)
Other financial liabilities	11	**(0.1)**	(0.2)
		(187.8)	(36.7)
Net current liabilities		**(116.5)**	(32.7)
Total assets less current liabilities		**694.7**	801.9
Non-current liabilities			
Interest bearing loans and borrowings	10	**(457.2)**	(557.1)
Other financial liabilities	11	**(10.0)**	(8.6)
Other non-current liabilities	12	**(1.9)**	(1.9)
		(469.1)	(567.6)
Net assets		**225.6**	234.3
Capital and reserves			
Issued share capital	13	**49.0**	48.5
Share premium account	14	**25.0**	17.7
Own shares reserve	14	**(1.1)**	(0.8)
Share scheme reserve	14	**7.5**	4.2
Hedging reserve	14	**4.6**	6.4
Merger reserve	14	**87.3**	87.3
Retained earnings	14	**53.3**	71.0
Equity shareholders' funds		**225.6**	234.3

The financial statements were approved by the board of directors and authorised for issue on 25 November 2013. 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.

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/loss of the company

The company made a profit of £23.4m in the period (2012: loss £25.3m).

5. Directors' remuneration

The remuneration of the directors of the company is borne by another group company.

	2013 £m	2012 £m
Directors' emoluments	**2.7**	1.5
Aggregate gains made by directors on exercise of options	**-**	0.7

	2013 No.	2012 No.
Number of directors accruing benefits under defined benefit schemes	**-**	-

6. Investments in group undertakings

	2013 £m	2012 £m
Cost and net book value at the beginning of the period	**742.5**	739.5
Capital contribution	**6.2**	3.0
Cost and net book value at the end of the period	**748.7**	742.5

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
Britvic Property Partnership	Financing company	Scotland	100
Britvic North America LLC	Marketing and distribution of Soft drinks	USA	100
Britvic France SNC	Holding partnership	France	100
Fruité Entreprises SA	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

7. Deferred tax

	2013 £m	2012 £m
Opening balance	**0.9**	1.4
Profit and loss account	**(0.2)**	(0.5)
Closing balance	**0.7**	0.9
Analysed as tax on timing differences related to:		
Other	**0.7**	0.9

8. Trade and other receivables

	2013 £m	2012 £m
Amounts due from subsidiary undertakings	**59.2**	3.0
Other receivables	**-**	0.1
	59.2	3.1

9. Trade and other payables

	2013 £m	2012 £m
Amounts due to subsidiary undertakings	**(68.7)**	(13.6)
Accruals and deferred income	**(1.1)**	(0.5)
	(69.8)	(14.1)

10. Interest bearing loans and borrowings

	2013 £m	2012 £m
Current		
Bank overdrafts	**(26.7)**	(22.4)
Private placement notes	**(92.1)**	-
Unamortised issue costs	**0.9**	-
Total current	**(117.9)**	(22.4)
Non-current		
Private placement notes	**(459.1)**	(560.8)
Unamortised issue costs	**1.9**	3.7
Total non-current	**(457.2)**	(557.1)

Private placement notes

2007 Notes

On 20 February 2007, Britvic plc issued US$375m and £38m of Senior Notes ('the 2007 Notes') in the United States Private Placement market. The amount, maturity and interest terms of the 2007 Notes are shown in the table below:

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

10. Interest bearing loans and borrowings continued

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

2009 Notes
On 17 December 2009, Britvic plc issued US$250m of Senior Notes in the United States Private Placement market ('the 2009 Notes'). The 2009 Notes are additional borrowings to the 2007 Notes.

Britvic plc makes semi-annual interest payments in US dollars. The 2009 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the group.

In order to manage foreign exchange risk, interest rate risk and to ensure an appropriate mix of sterling and euro funding, the company has entered into a number of new cross currency interest rate swaps. The 2009 Notes were swapped into floating rate sterling and euro liabilities through a series of US dollar to sterling and sterling to euro swap instruments. The US dollar to sterling cross currency interest rate swap contracts have the same duration and other critical terms as the relevant borrowings they hedge and are designated as part of effective hedge relationships.

The amount, maturity and interest terms of the 2009 Notes are shown in the table below:

Series	Tranche	Maturity date	Amount	Interest terms	Swap terms
A	5 year	17 December 2014	US$30m	US$ fixed at 4.07%	UK£ LIBOR + 1.44%
B	7 year	17 December 2016	US$75m	US$ fixed at 4.77%	EURIBOR + 1.69%
C	8 year	17 December 2017	US$25m	US$ fixed at 4.94%	EURIBOR + 1.70%
D	10 year	17 December 2019	US$120m	US$ fixed at 5.24%	EURIBOR + 1.75%

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 a portion of this liability, €75.0m of interest rate swaps were transacted. These interest rate swaps do not form part of an effective hedge relationship.

2010 Notes
On 17 December 2010, the company issued US$163.0m and £7.5m of Senior Notes in the United States Private Placement market ('the 2010 Notes'). The 2010 Notes are additional borrowings to the 2007 Notes and the 2009 Notes.

Britvic plc makes semi-annual interest payments in US dollars and sterling under these notes. The 2010 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the group.

In order to manage foreign exchange risk, interest rate risk and to ensure an appropriate mix of sterling and euro funding, the company has entered into a number of cross currency interest rate swaps. The 2010 Notes were swapped into a mix of fixed and floating rate sterling and euro liabilities through a series of US dollar to sterling and sterling to euro swap instruments. These cross currency swap contracts have the same duration and other critical terms as the relevant borrowings they hedge and are designated as part of effective hedge relationships.

The amount, maturity and interest terms of the 2010 Notes are shown in the table below:

Series	Tranche	Maturity date	Amount	Interest terms	Swap terms
A	7 year	17 December 2017	£7.5m	UK£ fixed at 3.74%	N/A
B	7 year	17 December 2017	US$25m	US$ fixed at 3.45%	UK£ fixed 3.85%
			US$25m	US$ fixed at 3.45%	€ fixed 3.34%
C	10 year	17 December 2020	US$37m	US$ fixed at 4.04%	UK£ LIBOR +1.24%
			US$23m	US$ fixed at 4.04%	€ fixed 3.85%
			US$10m	US$ fixed at 4.04%	UK£ fixed 4.49%
D	12 year	17 December 2022	US$18m	US$ fixed at 4.14%	UK£ LIBOR +1.18%
			US$25m	US$ fixed at 4.14%	€ fixed 3.97%

The 2010 USPP cross currency swaps converted an amount of US dollar borrowings into a floating rate sterling liability. To mitigate exposure to interest rates on a portion of this liability, £20.0m of 2-year interest rate swaps were transacted with an effective date of December 2011. These interest rate swaps do not form part of an effective hedge relationship.

2014 Notes
In November 2013, the group reached agreement with a number of investors in the US private placement market to raise an additional $170.4m equivalent of funding for terms of between 7 and 12 years. This funding is subject to documentation and due diligence which is scheduled to be completed in December 2013. Where this funding is dollar-denominated this has been hedged using cross-currency interest-rate swaps to meet the group's desired funding profile and to manage the associated foreign currency risk to the profit and loss account.

11. Other financial asset and financial liabilities

	2013 £m	2012 £m
Other financial assets: non-current		
Cross currency interest rate swaps relating to the 2007 Notes	**36.9**	49.9
Cross currency interest rate swaps relating to the 2009 Notes	**25.6**	38.2
Cross currency interest rate swaps relating to the 2010 Notes	**-**	4.0
	62.5	92.1
Other financial assets: current		
Cross currency interest rate swaps relating to the 2007 Notes	**11.4**	-
	11.4	-
Other financial liabilities: current		
Foreign exchange swaps	**-**	(0.2)
Interest rate swaps	**(0.1)**	-
	(0.1)	(0.2)
Other financial liabilities: non-current		
Cross currency interest rate swaps relating to the 2010 Notes	**(7.3)**	(5.0)
Interest rate swaps	**(2.7)**	(3.6)
	(10.0)	(8.6)

12. Other non-current liabilities

	2013 £m	2012 £m
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 2 October 2011	241,400,052	48,280,010
Shares issued	944,499	188,900
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**

Of the issued and fully paid ordinary shares, 231,547 shares (2012: 217,994 shares) are own shares held by an employee benefit trust. This equates to £46,309 (2012: £43,599) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes detailed in note 28.

An explanation of the group's capital management process and objectives is set out in note 24 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 30 September 2012	**48.5**	**17.7**	**(0.8)**	**4.2**	**6.4**	**87.3**	**71.0**	**234.3**
Profit for the year	-	-	-	-	-	-	23.4	**23.4**
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**
Movement in cash flow hedges	-	-	-	-	(1.8)	-	-	**(1.8)**
Payment of dividend	-	-	-	-	-	-	(42.5)	**(42.5)**
At 29 September 2013	**49.0**	**25.0**	**(1.1)**	**7.5**	**4.6**	**87.3**	**53.3**	**225.6**

15. Dividends paid and proposed

	2013 £m	2012 £m
Declared and paid during the period		
Equity dividends on ordinary shares		
Final dividend for 2012: 12.4p per share (2011: 12.6p per share)	**29.6**	29.9
Interim dividend for 2013: 5.4p per share (2012: 5.3p per share)	**12.9**	12.6
Dividends paid	**42.5**	42.5
Proposed		
Final dividend for 2013: 13.0p per share (2012: 12.4p per share)	**31.7**	30.1

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.

shareholder information

Shareholder information

Shareholder profile as at 29 September 2013

Range of holdings	Number of shareholders	Percentage of total shareholders	Ordinary shares (million)	Percentage of issued share capital
1 - 199	204	7.70%	13,516	0.01%
200 - 499	278	10.50%	91,330	0.04%
500 - 999	424	16.01%	296,889	0.12%
1000 - 4999	1,079	40.75%	2,278,188	0.93%
5000 - 9999	226	8.53%	1,462,922	0.60%
10000 - 49999	174	6.57%	4,125,813	1.68%
50000 - 99999	68	2.57%	5,057,231	2.06%
100000 - 499999	116	4.38%	25,955,294	10.59%
500000 - 999999	24	0.91%	16,886,381	6.89%
1000000 Plus	55	2.08%	188,923,464	77.08%
	2,648	**100.00%**	**245,091,028**	**100.00%**

Category	Number of shareholders	Percentage of total shareholders	Ordinary shares (million)	Percentage of issued share capital
Private Individuals	1,635	61.75%	5,262,629	2.15%
Nominee Companies	579	21.87%	219,923,541	89.73%
Limited and Public Limited Companies	371	14.01%	13,471,898	5.50%
Other Corporate Bodies	60	2.27%	6,227,663	2.54%
Pension Funds, Insurance Companies and Banks	3	0.11%	205,297	0.08%
	2,648	100.00%	245,091,028	100.00%

2013 Dividends

	Payment Date	Amount per share
Interim	**12 July 2013**	**5.4p**
Final	**7 February 2014**	**13.0p**

Dividend mandates

Shareholders who wish dividends to be paid directly into a bank or building society account should contact the Registrar for a dividend mandate form or the form can be downloaded from the company's website http://ir.britvic.com/shareholder-centre/dividends.aspx

This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

Dividend reinvestment plan (DRIP)

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

Share dealing services

The company's registrar, Equiniti Financial Services Limited, offers 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

Britvic American Depository Receipts (ADRs) 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 2013
Record date	6 December 2013
Annual general meeting	29 January 2014
Payment of final dividend	7 February 2014
Interim results announcement	21 May 2014

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: investors@britvic.co.uk

This report is available to download via the company's website http://ir.britvic.com/results-and-presentations/results-and-presentations/2013.aspx

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.

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.

Definitions

(1) 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.

(2) 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 (2012: £2.9m as reported last year). EBITA margin is the EBITA as a proportion of group revenues.

(3) 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 243.2m (2012: 241.6m).

(4) Underlying free cash flow is defined as net cash flow excluding movements in borrowings, dividend payments and exceptional and other items.

(5) Group adjusted net debt is defined as group net debt, adding back the impact of derivatives hedging the balance sheet debt.

(6) 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.

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

The auditors have reported on the 2013 and 2012 accounts. Their reports for both years were unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

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