Britvic plc Preliminary Results – 26 November 2013

Britvic plc announces its preliminary results for the 52 weeks ended 29 September 2013[1] [2]

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

Financial highlights:

- Full year revenue growth of 4.4% to £1,321.9m
- Strong EBITA growth of 18.4% to £137.9m with a 120bps improvement in margin
- Brand contribution growth across all business units
- Strong free cash flow generation of £103.5m, resulting in a 9.9% reduction in adjusted net debt
- Adjusted net debt /EBITDA ratio reduced to 2.2x from 2.8x
- Adjusted earnings per share up 27.5% to 35.2p and full year dividend increases by 4.0% to 18.4p

Strategic highlights:

- Strategic initiatives remain on-track to deliver £30m of cost savings per annum by 2016, £10m of which will be invested into the international growth opportunities
- Agreement concluded with PepsiCo Americas Beverages (PAB) for a 15 year bottling agreement for further manufacturing and distribution in the USA. As a result Fruit Shoot will be distributed in 41 states during 2014
- Fruit Shoot market share in GB back at pre-recall levels and ahead internationally

	52 weeks ended 29 September 2013 £m[1]	52 weeks ended 30 September 2012 £m [1]	% change actual exchange rate	% change constant[2] exchange rate
Group Revenue	1,321.9	1,256.4	5.2%	4.4%
Group EBITA[2]	137.9	115.6	19.3%	18.4%
EBITA Margin[2]	10.4%	9.2%	120bps	120bps
Group EBIT	135.0	112.7	19.8%	18.8%
Group Profit Before Tax	108.1	84.4	28.1%	26.7%
Group Profit After Tax	82.6	62.9	31.3%	29.5%
Group Profit After Tax, After Exceptional And Other Items	61.9	57.4	7.8%	6.5%
Adjusted Earnings Per Share[3]	35.2p	27.2p	29.4%	27.5%
Weighted Average No. of Shares	243.2	241.6	0.7%	-
Full year Dividend Per Share	18.4p	17.7p	4.0%	-
Underlying Free Cash flow [4]	103.5	62.1	66.7%	-
Group Adjusted Net Debt [5]	(402.3)	(446.7)	9.9%	-
Adjusted Net Debt: EBITDA	2.2X	2.8X	0.6X	-
ROIC[6]	21.3%	16.4%	490bps	-

The board is proposing a final dividend per share of 13.0p, resulting in the full year dividend being ahead of last year by 4.0%. This reflects the board's confidence in the future prospects for our business, the strong free cash flow generation and our stated progressive dividend policy.

Simon Litherland, Chief Executive Officer commented:

"We have delivered a strong financial performance in a year of significant change for our business. We have grown revenue and price in all of our business units and gained market value share, resulting in operating profit growth in excess of 18%. We have also reduced debt by nearly 10%, on the back of improved free cash flow generation. We have made good progress on the strategic initiatives that we communicated back in May and remain on-track to deliver £30m per annum of cost savings from 2016. Today's announcement of a new agreement with PepsiCo Americas Beverages (PAB) for significant additional expansion in the USA is further evidence of the growth opportunities that exist for our brands internationally.

"While we anticipate that the consumer environment will remain challenging in 2014, trading in the new financial year is slightly ahead of a strong first quarter performance last year and we are confident of delivering EBIT in the range of £148m to £156m for the full year."

For further information please contact:

Investors:	
Rupen Shah / Steve Nightingale	+44 (0)1442 284330
Media:	
Susan Turner / Marisa Fitch	+44 (0)7808 098579 / +44 (0)7808 098292
Mike Smith/Nick Cosgrove (Brunswick)	+44 (0)207 4045959

There will be a live webcast of the presentation given today at 10:00am by Simon Litherland (Chief Executive Officer) and John Gibney (Chief Financial Officer). The webcast will be available at http://ir.britvic.com/, with a transcript available in due course. There will also be a conference call today at 2.30pm GMT (9.30am Eastern Standard Time) to provide investors and analysts with an opportunity to ask questions.

UK Access Number	**0203 139 4830**
UK Toll Free	**0808 2370030**
US Access Number	**1 718 873 9077**
US Toll Free	**1866 928 7517**
Participant PIN Code	**68613470#**

A recording of the call will be available for seven days.

Toll Access Number	**+ 44 (0) 203 426 2807**
UK Toll Free Number	**0808 237 0026**
Conference Reference	**643633#**

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.

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 Profit Before Tax	84.4	0.9	85.3
Group Profit After Tax (PAT)	62.9	0.9	63.8
Group PAT, After Exceptional And Other Items	57.4	0.7	58.1
Group EBITA (3)	115.6	0.9	116.5
Adjusted Earnings Per Share (4)	27.2p	0.4p	27.6p

The preliminary results announcement for the 52 week period ended 29 September 2013 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The preliminary statement of results was approved by the board on 25 November 2013. The preliminary statement of results does not represent the full group financial statements of Britvic plc and its subsidiaries which will be delivered to the Registrar of Companies in due course. The preliminary statement of results have, however, been extracted from the statutory accounts for the 52 week period ended 29 September 2013 on which an unqualified report, which did not contain an emphasis of matter reference or a statement under Section 498 (2) or (3) of Companies Act 2006, has been made by the company's auditors. The financial information for the 52 week period ended 30 September 2012 has been extracted from the Britvic Annual Report for that period as filed with the Registrar of Companies.

Notes to editors

About Britvic

Britvic is one of the leading branded soft drinks businesses in Europe. The company leverages its own leading brand portfolio including Robinsons, Tango, J_2O, Fruit Shoot, Teisseire and MiWadi with PepsiCo brands such as Pepsi, 7UP and Mountain Dew Energy which Britvic produces and sells in GB and Ireland under exclusive PepsiCo agreements.

Britvic is the largest supplier of branded still soft drinks in Great Britain (GB) and the number two supplier of branded carbonated soft drinks in GB. Britvic is an industry leader in the island of Ireland with brands such as MiWadi and Ballygowan, and in France with brands such as Teisseire and Fruité. Britvic is growing its reach into other territories through franchising, export and licensing. Britvic's management team has successfully developed the business through a clear strategy of organic growth and international expansion based on creating and building scale brands. Britvic is listed on the London Stock Exchange under the code BVIC and is a constituent of the FTSE 250 index.

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.

Market data

GB take-home market data referred to in this announcement is supplied by Nielsen and runs to 28 September 2013. Britvic GB pub & club market data referred to in this announcement is supplied by CGA and runs to August 2013. ROI grocery market data referred to in this announcement is supplied by Nielsen and runs to 6 October 2013. ROI pub and club market data is also supplied by Nielsen and runs to the end of September 2013. French market data is supplied by IRI and runs to 22 September 2013.

Next scheduled announcement

Britvic will publish its quarter one interim management statement on 29 January 2014.

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 in 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
- Today 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.

Chief Financial Officer's Review

The following is based on Britvic's results for the 52 weeks ended 29 September 2013 (1) (2) *

*Definitions can be found on page 3 of this document

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.

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 to 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 a 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 revenue 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.

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 A.G. 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 committee 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 28 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.

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.

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.

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:

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	Share premium account	Own shares reserve	Share scheme reserve	Hedging reserve	Translation reserve	Merger reserve	Retained losses	**Total**
	£m	£m	£m	£m	£m	£m	£m	£m	**£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.

3. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis, over the useful economic life of that asset as follows:

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

Land is not depreciated.

Freehold properties are depreciated over 50 years.

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

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Accounting policies (continued)

Intangible assets (continued)

Software Costs

Software expenditure is recognised as an intangible asset only after its technical feasibility and commercial viability can be demonstrated. Acquired computer software licences and software developed in-house are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Accounting policies (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Accounting policies (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Accounting policies (continued)

Cash and cash equivalents

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

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 Groups 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Accounting policies (continued)

Key judgements and sources of estimation uncertainty

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Accounting policies (continued)

New standards adopted in the current period

During the period, the group adopted a number of interpretations and amendments to standards 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**	**GB Carbs**	**Ireland**	**France**	**International**	**Adjustments**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue							
- External	340.1	536.4	136.9	271.0	37.5	-	**1,321.9**
- Inter-segment***	22.9	8.3	18.0	1.4	-	(50.6)	**-**
	363.0	**544.7**	**154.9**	**272.4**	**37.5**	**(50.6)**	**1,321.9**
Brand contribution	**154.5**	**200.1**	**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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Segmental reporting (continued)

52 weeks ended 30 September 2012	GB Stills £m	GB Carbs £m	Ireland £m	France £m	International £m	Adjustments £m	Total £m
Revenue							
- External	321.7	517.9	138.7	248.8	29.3	-	**1,256.4**
- Inter-segment***	15.0	9.6	8.0	0.8	-	(33.4)	**-**
	336.7	**527.5**	**146.7**	**249.6**	**29.3**	**(33.4)**	**1,256.4**
Brand contribution	**141.2**	**188.7**	**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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Taxation (continued)

a) Tax on profit on continuing operations (continued)

			2012
	Before exceptional & other items	Exceptional & other items	Total
	£m	£m	£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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	**Exceptional & other items**	**Total**
	£m	**£m**	**£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	Exceptional & other items	Total
	£m	£m	£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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Taxation (continued)

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.

e) Deferred tax

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

	2013	2012
	£m	£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	2012
	£m	£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	2012
	£m	£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	2012
	£m	£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.

		2013	2012
	Note	**£m**	£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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Dividends paid and proposed

	2013	2012
	£m	£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	**Leasehold land and buildings**	**Plant and machinery**	**Fixtures, fittings, tools and equipment**	**Total**
	£m	**£m**	**£m**	**£m**	**£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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Intangible assets

	Trademarks	Franchise rights	Customer lists	Software costs	Goodwill	Total
	£m	£m	£m	£m	£m	£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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Intangible assets (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2012
	£m	£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	2012
	£m	£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 below.

15. Impairment testing of intangible assets (continued)

Method of impairment testing (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	2012
	£m	£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	2012
	£m	£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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Trade and other receivables (current)

	2013	2012
	£m	£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	Neither past due nor impaired	<30 days	30 – 60 days	60 – 90 days	90 – 120 days	> 120 days
	£m	£m	£m	£m	£m	£m	£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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Interest bearing loans and borrowings

	2013	2012
	£m	£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	2012
	£m	£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)

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

	2013	2012
	£m	£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	2012
	£m	£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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Interest bearing loans and borrowings (continued)

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).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Interest bearing loans and borrowings (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Pensions (continued)

Principal assumptions

Financial assumptions

	2013	**2013**	**2013**	2012	2012	2012
	%	**%**	**%**	%	%	%
	ROI	**NI**	**GB**	ROI	NI	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	**2013**	**2013**	2012	2012	2012
	Years	**Years**	**Years**	Years	Years	Years
	ROI	**NI**	**GB**	ROI	NI	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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Pensions (continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Pensions (continued)

Analysis of expected return on assets by categories of scheme assets

	ROI	NI	GB	2013 Total	2013 Total
	£m	£m	£m	£m	%
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	NI	GB	2012 Total	2012 Total
	£m	£m	£m	£m	%
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

History of experience gains and losses

	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£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	2012
	£m	£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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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%).

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	Effect on equity
		£m	£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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

	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)

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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. Financial risk management objectives and policies (continued)

Liquidity risk

The group monitors its risk of a shortage of funds using rolling cash flow forecasts. These forecasts consider the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations. The objective of the group's liquidity policy is to maintain a balance between continuity of funds and flexibility through the use of bank loans and overdrafts and long term private placement issuance. The bank loans entered into under the £400.0m bank facility are unsecured however £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:

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

	Less than 1 year	**1 to 5 years**	**> 5 years**	**Total**
2012	**£m**	**£m**	**£m**	**£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

24. Financial risk management objectives and policies (continued)

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**	**Liabilities**
	£m	**£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**	**Liabilities**
	£m	**£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)**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Derivatives and hedge relationships (continued)

Derivatives not designated as part of hedge relationships (continued)

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	2012
	£m	£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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Derivatives and hedge relationships (continued)

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.

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).

25. Derivatives and hedge relationships (continued)

Net investment hedges (continued)

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).

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

	2013	2012
	£m	£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	2012
	£m	£m
Firm Commitment	**1.9**	1.9

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. Commitments and contingencies

Operating lease commitments

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

			2013
	Land and buildings	**Other**	**Total**
	£m	**£m**	**£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	Other	Total
	£m	£m	£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	2012
	£m	£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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2012
	£m	£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).