BRITANNIA SOFT DRINKS LIMITED

Financial Statements 29 September 2001

together with directors' report and report of the auditors

Registered Number: 47094

AJUBUAOP
A43 0390
COMPANIES HOUSE 10/05/02

BRITANNIA SOFT DRINKS LIMITED

Directors' report
For the 52 weeks ended 29 September 2001.

The directors present their annual report on the affairs of the Group, together with the financial statements and report of the auditors, for the 52 weeks ended 29 September 2001.

Principal activities and business review
The principal activities of the Group continue to be the manufacture and sale of soft drinks.

Turnover for the year was £571,078,000.

The profit for the year before taxation amounted to £50,957,000.

After charging taxation of £18,291,000 and eliminating minority interests of £498,000 the profit for the year was £32,168,000.

Events since the balance sheet date
On 12th October 2001, the company's share capital and share premium were reduced under a court approved reduction of capital. The share capital of £138,854,000 divided into 138,854,000 ordinary shares of £1 each was reduced to £11,811,000 divided into 11,811,000 ordinary shares of £1 each. The company's share premium account was reduced from £12,957,000 to nil. The total reduction of capital of £140,000,000 has been transferred to a distributable reserve.

Research and development
Research and development work undertaken by the Group continues to focus on product quality, operational efficiencies and new initiatives. Responsibility rests with the operating functions of the Company with particular emphasis placed on new packaging and product development to ensure that the Company can meet the demands of a competitive and changing market.

Results and dividends
Results, dividends proposed and recommended transfers to reserves are as follows:

	£'000
Group profit for the year after taxation and minority interests	32,168
Dividends	
- final proposed of 9.63p per share payable 27 September 2002	(13,364)
Transfer to profit and loss reserves	18,804

BRITANNIA SOFT DRINKS LIMITED

Directors and their interests

The following served as directors of the Company during the year.

R C North	-	Chairman
S J Davies		
M R C Fearn	-	Appointed 29th January 2001
C Heath		
D J Houghton (Ms)		
K Naffah	-	Appointed 31st January 2001
D H Richardson		
M R Thompson	-	Appointed 28th November 2000
E J Denning	-	Resigned 31st January 2001
A S Perelman	-	Resigned 29th January 2001

The directors and their families had the following interests in the ordinary shares of Six Continents PLC at 29 September 2001 and 30 September 2000.

Name of director	Fully paid ordinary shares in Six Continents PLC (Number of Shares)	
	2001	2000
S J Davies	**66,070**	59,091
K Naffah	**14,298**	14,269*
C Heath	**448**	448
D J Houghton (Ms)	**1,947**	1,947
M R Thompson	**24,646**	24,646**
	107,409	100,401

* As at 31st January 2001
** As at 28th November 2000

Notes

The above shareholdings, which are all beneficial, include ordinary shares held on behalf of directors by trustees under the Six Continents Employee Profit Share Scheme, and in the case of Mr S J Davies, shares held under the Six Continents Long Term Incentive Plan.

The interests of Mr R C North, who is also a director of Six Continents PLC, are reported in that Company's accounts.

There were no changes to the directors' interests shown above between 29 September 2001 and 5 December 2001.

None of the directors has a beneficial interest in the shares, debentures or loan stocks issued by Six Continents PLC or any of its subsidiaries.

BRITANNIA SOFT DRINKS LIMITED

Directors' options in ordinary shares in Six Continents PLC

Name		29 Sept 2001	Granted during year	Exercised	Expired	30 Sept 2000	Weighted Average Option Price	Option Price	Market Price (*)
S J Davies									
				263				654p	739p
			154					626p	
			35,400					723p	
	A	**27,300**					850p		
	B	**118,718**					647p		
		146,018	35,554	263	-	110,727	685p	-	-
K Naffah									
			57,000					723p	
	A	**43,900**					801p		
	B	**108,199**					682p		
		152,099	57,000	-	-	99,600*	716p	-	-
D J Houghton (Ms)									
	A	**10,700**					932p		
	B	-					-		
		10,700	-	-	-	10,700	932p-	-	-
M R Thompson									
			29,300					723p	
	A	**5,600**					883p		
	B	**106,400**					716p		
		112,000	29,300	-	-	82,700**	724p	-	-

(*) Middle market price on the date of exercise of option
* As at 31st January 2001, being date of appointment
** As at 28th November 2000, being date of appointment

Options are held under the Six Continents Executive Share Option Schemes and the Six Continents Employee Savings Share Schemes.

Shares under option at the end of the year are designed as:-

A - Where the options are exercisable (Their exercise prices are both above and below the market price for the Company's Shares at 29 September 2001)

B - Where the options are not exercisable

The market price on 29 September 2001 was 620p per share.

Options above granted during the year under the Six Continents Executive Share Option Scheme are exercisable between 2001 and 2011, and under the Six Continents Employee Savings Share Scheme in 2003 and 2004.

BRITANNIA SOFT DRINKS LIMITED

Contracts and arrangements
There were no contracts of significance in relation to the Company's business in which directors of the Company or any connected persons had a material interest at the end of the financial year or at any time during the year. There were no arrangements in place at the end of the financial year or at any time during the year to which the Company was a party whose objects enable the directors or connected persons to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the Group's share schemes which provide arrangements by which executive directors may receive shares in Six Continents PLC. Details of these schemes are contained in the Six Continents PLC financial statements.

Fixed assets
Information relating to changes in fixed assets is given in notes 8, 9 and 10 to the accounts. In the opinion of the directors there is no material difference between the book and the current value of interests in land and buildings.

Supplier payment policy
The Company agrees payment terms with all of its main suppliers and abides by these terms subject to satisfactory performance by the supplier. Amounts owed to other suppliers are settled on or before the end of the month following receipt of a valid invoice. At 29 September 2001, trade creditors outstanding represented approximately 34 days purchases from suppliers comprising trade creditors.

Charitable and political contributions
The Group contributed £33,262 to charities and nil for political purposes.

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that all employees be given equal opportunities in respect of training, career development and promotion.

Employee consultation
The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. The group has widely established arrangements involving briefing group consultancy committees and the publication of Company newspapers, there has been an increasing use of video programmes as part of the general process of employee consultation.

All eligible employees are able to participate in the Six Continents Employee Share Ownership Scheme and the Six Continents Employee Savings Share Scheme. It is Group policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin and that equal opportunity shall be given to all employees.

Close company status
The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

Auditors
On the 28th June 2001, Ernst & Young transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28th June 2001.

The directors will place a resolution before the Annual General Meeting to re-appoint Ernst & Young LLP as auditors for the ensuing year.

Liability insurance for Company officers.
As permitted by the Companies Act 1985, the Company has maintained insurance cover for the directors against liabilities in relation to the Company.

By Order of the board

D BUCKBY
Secretary

Britvic House
Chelmsford

5 December 2001

BRITANNIA SOFT DRINKS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in relation to financial statements

The following statement, which should be read in conjunction with the Report of the Auditors set out on page 7, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss for the financial year.

Following discussions with the auditors, the directors consider that in preparing the financial statements on pages 8 to 31 inclusive, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

BRITANNIA SOFT DRINKS LIMITED

INDEPENDENT AUDITORS' REPORT

to the members of Britannia Soft Drinks Limited

We have audited the group's financial statements for the year ended 29 September 2001 which comprise Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Total Recognised Gains and Losses and the related notes 1 to 23. These financial statements have been prepared on the basis of the accounting policies set out on pages 8 and 9.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 29 September 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

ERNST & YOUNG LLP
Registered Auditor

Nottingham
10 December 2001

BRITANNIA SOFT DRINKS LIMITED

ACCOUNTING POLICIES

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2001

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets. They have been drawn up to comply with applicable accounting standards.

b) Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates ruling on the dates of the transactions, adjusted for the effects of any hedging arrangements. Assets and liabilities denominated in foreign currencies are translated into sterling at the relevant rates of exchange ruling at the balance sheet date.

The results of overseas operations are translated into sterling at weighted average rates of exchange for the period. Exchange differences arising from the retranslation of opening net assets (including goodwill) denominated in foreign currencies are taken directly to reserves, net of exchange differences arising from the retranslation of foreign currency borrowings used to hedge those net assets. All other exchange differences are taken to the profit and loss account.

c) Intangible fixed assets

Goodwill includes purchased goodwill and adjustments necessary in ascribing fair values to the separable net assets relating to the soft drinks businesses acquired. The goodwill is being written off over its useful economic life, estimated at 20 years.

No value is attributed to trademarks, concessions, patents and similar rights and assets, including management contracts.

Costs incurred on trademarks, concessions, patents and similar rights, whether purchased or created by the Company, are expensed in the profit and loss account in the period in which they are incurred.

d) Investments

Fixed asset investments are stated at cost less any provision for diminution in value.

e) Leases

Assets held under finance leases are capitalised in the balance sheet and included within tangible fixed assets and are depreciated at the appropriate rates. The capital element of future lease payments is included in borrowings. The interest element of the lease obligations is charged to the profit and loss account.

The cost of operating leases is charged to the profit and loss account as incurred.

f) Pensions

The Group principally operates two pension plans covering the majority of permanent full time UK employees, both of which are of the defined benefit type. The assets of the plans are held in separate trustee administered funds. The cost of providing these pension benefits, both regular pension cost and variations in regular pension cost, is charged to the profit and loss account over the average expected service lives of current employees. Differences between the amount charged in the profit and loss account and the payment made to the plans are treated as either provisions or prepayments in the balance sheet.

g) Research and development

Expenditure on research and development is charged to the profit and loss account as incurred.

BRITANNIA SOFT DRINKS LIMITED

h) Stocks

Stocks are stated at the lower of cost, including an appropriate element of production overhead cost, and net realisable value.

i) Tangible fixed assets and depreciation

(i) Freehold and leasehold properties are stated at cost, less depreciation where relevant. All other fixed assets are stated at cost. The transitional rules of FRS15 have been adopted for properties and, accordingly, the carrying value of properties at 30 September 1999 (most of which had been revalued that year) has been retained as cost.

(ii) Surpluses arising from the professional valuations of properties are taken direct to the revaluation reserve. Valuation surpluses realised on sale are transferred from the revaluation reserve to the profit and loss account reserve. Any deficit arising from the professional valuation of properties which results in an impairment is taken direct to the revaluation reserve and eliminated against the revaluation reserve in respect of that property with any excess being charged to the profit and loss account.

(iii) Freehold land is not depreciated.

(iv) Freehold properties are written off over 50 years.

(v) Leasehold properties are written off over 50 years or over the unexpired term of the lease when less than 50 years.

(vi) Cost of plant, machinery, fixtures, fittings, tools and equipment (owned or leased) is spread, by equal instalments, over the estimated useful lives of the relevant assets, namely:

Plant and machinery	4 - 20 years
Equipment in retail outlets	3 - 10 years
Information technology equipment	3 - 5 years
Vehicles	3 - 10 years

(vii) Interest payable in respect of certain major projects is capitalised to the extent that it relates to the period prior to the project becoming operational.

j) Taxation

(i) Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the foreseeable future. Where this policy gives rise to a balance which will be offset against future tax liabilities, this balance is carried forward as a debtor. No liability is considered to arise for deferred taxation in respect of UK industrial buildings allowances as the properties are expected to be used in the business for periods longer than that for which the allowances could be reclaimed on disposal. Similarly, no liability is considered to exist for taxation deferred by UK roll-over relief due to the level of continuing capital investment.

k) Turnover

Turnover represents sales (excluding VAT and similar taxes and intra-group transactions) of goods and services, net of discounts, provided in the normal course of business.

l) Basis of Consolidation

The group accounts consolidate the accounts of Britannia Soft Drinks Ltd. and all its subsidiary undertakings drawn up to 30 September each year.

BRITANNIA SOFT DRINKS LIMITED

GROUP CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2001

	Notes	2001 £000	2000 £000
Turnover	1	571,078	538,749
Costs and overheads, less other income	2	(517,932)	(499,029)
Operating profit		53,146	39,720
Profit on disposal of fixed assets:			
Profit on sale of property	4	1,149	1,007
Profit on ordinary activities before interest		54,295	40,727
Other interest receivable and similar income	5	487	68
Interest payable and similar charges	5	(3,825)	(5,160)
Profit on ordinary activities before taxation		50,957	35,635
Tax on profit on ordinary activities	6	(18,291)	(12,546)
Profit on ordinary activities after taxation		32,666	23,089
Minority interests		(498)	(429)
Profit for the financial year		32,168	22,660
Dividends	7	(13,364)	(9,697)
Retained profit for the year	17	18,804	12,963

BRITANNIA SOFT DRINKS LIMITED

COMPANY PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2001

	Notes	2001 £000	2000 £000
Other income less costs and overheads	2	13,364	9,697
Profit on ordinary activities before interest		13,364	9,697
Other interest receivable and similar income	5	2,613	3,809
Interest payable and similar charges	5	(2,613)	(3,809)
Profit on ordinary activities before taxation		13,364	9,697
Tax on profit on ordinary activities	6	74	-
Profit on ordinary activities after taxation		13,438	9,697
Dividends	7	(13,364)	(9,697)
Retained profit for the year		74	-

BRITANNIA SOFT DRINKS LIMITED

STATEMENT OF TOTAL RECOGNISED GROUP GAINS AND LOSSES

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2001

	2001 £000	2000 £000
Profit for the financial year	32,168	22,660
Total recognised gains relating to the year	32,168	22,660

HISTORICAL COST GROUP PROFITS AND LOSSES

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2001

	Notes	2001 £000	2000 £000
Profit on ordinary activities before taxation		50,957	35,635
Realisation of property revaluation gains / (losses) of previous periods	17	1,069	(237)
Difference between historical cost depreciation charge and actual depreciation charge	17	(353)	(402)
Historical cost profit on ordinary activities before taxation		51,673	34,996
Historical cost profit retained after taxation, minority interests and dividends		19,520	12,324

RECONCILIATION OF MOVEMENT IN GROUP SHAREHOLDERS' FUNDS

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2001

	Notes	2001 £000	2000 £000
Profit attributable to ordinary shareholders		32,168	22,660
Ordinary dividends	7	(13,364)	(9,697)
		18,804	12,963
Net addition to shareholders' funds		18,804	12,963
Opening shareholders' funds		251,254	238,291
Closing shareholders' funds		270,058	251,254

BRITANNIA SOFT DRINKS LIMITED

GROUP BALANCE SHEET

AT 29 SEPTEMBER 2001

	Notes	2001 £000	2000 £000
Fixed Assets			
Intangible assets	8	84,418	92,608
Tangible assets	9	232,053	241,740
		316,471	334,348
Current Assets			
Stocks	11	34,003	34,874
Debtors	12	83,303	96,495
Cash at bank and in hand		23,515	12,226
		140,821	143,595
Creditors			
Amounts falling due within one year	13	(163,311)	(182,952)
Net Current (Liabilities)		(22,490)	(39,357)
Total Assets less Current Liabilities		293,981	294,991
Creditors			
Amounts falling due after more than one year	14	(2,833)	(22,833)
Minority interests		(21,090)	(20,904)
		270,058	251,254
Capital and Reserves			
Called up share capital	16	138,703	138,703
Share premium	17	12,957	12,957
Revaluation reserve	17	1,639	2,355
Other reserves	17	4,582	4,582
Profit and loss account	17	112,177	92,657
Shareholders' Funds		270,058	251,254

Debtors include amounts recoverable after one year of £350,008 (2000 - £3,169,301) (see note 12)

The directors approved the financial statements on 5 December 2001.

R C North

S J Davies

BRITANNIA SOFT DRINKS LIMITED

COMPANY BALANCE SHEET

AT 29 SEPTEMBER 2001

	Notes	2001 £000	2000 £000
Fixed Assets			
Investments	10	169,536	209,536
Current Assets			
Debtors	12	20,292	16,792
Cash at Bank		0	0
		20,292	16,792
Creditors			
Amounts falling due within one year	13	(33,437)	(50,011)
Net current Liabilities		(13,145)	(33,219)
Total Assets less Current Liabilities		156,391	176,317
Creditors			
Amounts falling due after more than one year	14	0	(20,000)
		156,391	156,317
Capital and Reserves			
Called up share capital	16	138,703	138,703
Share premium	17	12,957	12,957
Other reserves	17	4,570	4,570
Profit and loss account	17	161	87
Shareholders' Funds		156,391	156,317

The directors approved the financial statements on 5 December 2001.

R C North

S J Davies

BRITANNIA SOFT DRINKS LIMITED

GROUP CONSOLIDATED CASH FLOW STATEMENT

FOR THE 52 WEEKS ENDED 29 SEPTEMBER 2001

	Notes	2001 £000	2001 £000	2000 £000	2000 £000
Net cash inflow from operating activities	18(a)		124,506		77,258
Returns on investment and servicing of finance					
Interest paid		(3,825)		(4,722)	
Dividends paid to minority		(256)		(234)	
Interest received		487		68	
Net cash outflow from returns on investments and servicing of finance			(3,594)		(4,888)
Taxation					
UK corporation tax paid		(15,754)		(13,245)	
Tax paid			(15,754)		(13,245)
Capital expenditure					
Purchase of tangible fixed assets		(33,675)		(30,896)	
Sale of fixed assets		6,991		7,067	
Sale of Investments		-		114	
Net cash outflow for capital expenditure			(26,684)		(23,715)
Acquisitions & Disposals					
Acquisitions of business (including expenses)		-		(9,536)	
Cash balances acquired		-		499	
Net Cash outflow from acquisitions and disposals			-		(9,037)
Equity dividends paid			(9,697)		(8,371)
Net cash inflow before financing			68,777		18,002
Financing					
Debt due within a year:					
(Decrease) in unsecured loan		(20,028)		-	
Debt due beyond a year:					
Repayment of unsecured loan		(20,000)		-	
Net cash outflow from financing	18(b)		(40,028)		-
Increase / (Decrease) in cash	18(b)		28,749		18,002

BRITANNIA SOFT DRINKS LIMITED

Reconciliation of net cashflow to movement in net debt	Notes	2001 £000	2000 £000
Increase / (Decrease) in cash in the period		28,749	18,002
Cash out flow from decrease in debt		40,028	-
Change in net debt resulting from cash flows	18(b)	68,777	18,002
Other non cash movements	18(b)	-	(7,194)
Movement in net debt in the period			
Net debt at beginning of year		(72,428)	(83,236)
Net debt at end of year	18(b)	(3,651)	(72,428)

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

1. TURNOVER

Turnover is attributable to one activity.

Turnover is stated after deducting trade discounts and is analysed by geographical destination as follows:

	2001 £000	2000 £000
United Kingdom	563,270	533,229
Rest of Europe / Middle East	7,109	5,147
Other regions	699	373
	571,078	538,749

The turnover is predominately sourced from the United Kingdom.

2. COSTS AND OVERHEADS LESS OTHER INCOME

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Change in stocks of finished goods	266	(582)	-	-
Raw materials, consumables and excise duty	242,120	237,905	-	-
Other external charges	153,554	144,063	245	-
Staff costs (note 3)	77,226	75,367	-	-
Depreciation on tangible fixed assets				
- owned	36,576	34,689	-	-
- held under finance lease	-	-	-	-
Amortisation of goodwill	8,190	7,587	-	-
Income from shares in Group companies	-	-	(13,307)	(9,697)
	517,932	499,029	(13,062)	(9,697)

The following amounts are included above :

Hire of plant and machinery - under operating leases	4,595	4,684
Auditors' remuneration		
- audit work	97	120
- non audit work	-	24
Property rentals	2,345	2,488
Research and development expenditure	648	1,309

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

3. STAFF

a) Costs

Particulars of employees (including executive directors) are shown below:

	2001 £000	2000 £000
Wages and salaries	64,895	63,371
Employee profit share scheme	2,548	2,454
Social security costs	6,424	6,396
Other pension costs	3,359	3,146
	77,226	75,367

b) Average number of employees

The average weekly number of persons employed by the Group during the year, including part time employees was as follows:

	2001 NUMBER	2000 NUMBER
Administration	303	304
Distribution	572	517
Production	1,234	1,107
Sales and marketing	729	834
	2,838	2,762

c) Pensions

Retirement and death benefits are provided for eligible Group employees in the United Kingdom principally by the Six Continents Employees' Security Plan and the Six Continents Executive Pension Plan. Members of these plans are contracted out of the State Earnings Related Pension Scheme. The plans are externally funded defined benefit schemes based upon final pay levels. The assets of these plans are mainly held in self-administered trust funds separated from the Group's assets.

Actuarial valuations were completed as at 31 March 1999 which confirmed that members' accrued benefits based on service completed to that date and on rates of pensionable pay then current were fully covered by the assets of the plan. *Particulars of the actuarial valuations are given in the financial statements of Six Continents PLC .*

A surplus of assets in excess of liabilities identified in 1999 has been dealt with as a variation from regular pension cost over the average remaining service lives of employees. This has resulted in a reduction of £4,619,000 (2000 - £4,619,000) to the charge in the current financial year.

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

3. STAFF (Continued)

d) Directors' remuneration
The directors' remuneration was:

	Total		Highest Paid Director	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Fees as a director	205	194	205	194
Other emoluments	10	12	10	12
Bonuses	365	93	365	93
Gains on Options	-	2	-	2
	580	301	580	301
Deferred pension			119	104

One of the directors exercised share options during the year (2000 - 1), and also one director was granted shares under the Six Continents Long Term Incentive Plan. One director has retirement benefits accruing under a defined benefit scheme (2000 - 1).

4. EXCEPTIONAL ITEMS

	2001 £000	2000 £000
Profit on sale of property (See note 6)	1,149	1,007
	1,149	1,007

5. INTEREST RECEIVABLE AND PAYABLE AND SIMILAR INCOME AND CHARGES

		Group		Company	
		2001 £000	2000 £000	2001 £000	2000 £000
a)	Interest receivable	487	68	2,613	3,809
b)	Interest payable				
	Bank loans, overdrafts and other loans	1,212	1,351	-	-
	Parent Undertaking	2,613	3,809	2,613	3,809
		3,825	5,160	2,613	3,809

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Charge / (Credit) for the year				
- current year	18,291	13,334	(74)	-
- prior year	-	(788)	-	-
	18,291	12,546	(74)	-

UK corporation tax has been calculated on taxable profits at 30% (2000 – 30%).

The charge for taxation for the year has been increased by approximately £1,334,000 (2000 increased by £67,000) being timing differences on capital allowances and depreciation and increased by £20,000 (2000 increased by £172,000) being other timing differences.

The revaluation of property in previous years has no impact on the deferred tax charge as there is no intention to sell these properties.

The profit on the sale of property during the year £1,149,000 has generated a tax liability of £Nil.

The taxation credit in the company arises through the surrender of trading losses to other group companies for group relief.

The potential amounts of deferred taxation for timing differences, none of which are provided for, are as follows:-

	2001 £000	2000 £000
Excess of capital allowances over depreciation for:		
Plant and equipment	17,635	19,819
Industrial buildings	9,343	10,575
Pension contributions	-	9
Other	(26)	(39)
	26,952	30,364

7. DIVIDENDS

	Group and Company	
	2001 £000	2000 £000
Proposed final dividend of 9.63p per share (2000 – 6.99 p)	13,364	9,697

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

8. INTANGIBLE FIXED ASSETS

	2001	2000
	£000	£000
Goodwill cost at beginning of year	166,511	150,800
Additions in the year	-	15,711
	166,511	166,511
Amortisation at beginning of year	(73,903)	(66,316)
Amortisation provided during the year	(8,190)	(7,410)
Amortisation provided on additions	-	(177)
	(8,190)	(7,587)
Amortisation at end of year	(82,093)	(73,903)
Net book amount at end of year	84,418	92,608

9. TANGIBLE FIXED ASSETS

		Freehold Land and Buildings £000	Long Leasehold Land and Buildings £000	Plant and Machinery £000	Fixtures Fittings Tools and Equipment £000	Total £000
a)	Movement during year					
	Cost or valuation					
	At 30 September 2000	54,262	19,928	129,849	208,018	412,057
	Transfers between classifications	-	-	(9)	9	-
	Additions during the year	678	627	10,327	21,757	33,389
	Transfers to/from group companies	-	-	-	1,424	1,424
	Disposals	(5,561)	-	(12,069)	(21,622)	(39,252)
	At 29 September 2001	49,379	20,555	128,098	209,586	407,618

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

9. TANGIBLE FIXED ASSETS (Continued)

		Freehold Land and Buildings £000	Long Leasehold Land and Buildings £000	Plant and Machinery £000	Fixtures Fittings Tools and Equipment £000	Total £000
b)	Depreciation and amortisation					
	At 30 September 2000	798	395	74,697	94,427	170,317
	Transfers between classifications	-	-	(14)	14	-
	Transfers to/from group companies	-	-	-	651	651
	Charge for year	743	399	10,885	24,549	36,576
	Relating to disposals	(120)	-	(11,763)	(20,096)	(31,979)
	At 29 September 2001	1,421	794	73,805	99,545	175,565
c)	Net book amounts					
	At 29 September 2001	47,958	19,761	54,293	110,041	232,053
	At 30 September 2000	53,464	19,533	55,152	113,591	241,740

d) Net book value of assets held under finance leases included in the total above was £0.

e) Summary at 29 September 2001

	Cost or Valuation £000	Depreciation £000	Total £000
Freehold	49,379	(1,421)	47,958
Leasehold over 100 years	14,016	(560)	13,456
Leasehold 50 to 100 years	6,539	(234)	6,305
Total properties	69,934	(2,215)	67,719
Plant and machinery	128,098	(73,805)	54,293
Fixtures, fittings, tools & equipment	209,586	(99,545)	110,041
	407,618	(175,565)	232,053

f) Historic cost of land and buildings :

At 29 September 2001	79,764	(13,752)	66,012
At 30 September 2000	83,630	(13,147)	70,483

g) In accordance with the transitional rules of FRS15, the carrying value of properties at 30 September 1999 has been retained as cost.

Properties are included above at cost less depreciation. The most recent valuation of the Group's freehold and long-leasehold properties was undertaken in 1999 by external chartered Surveyors Chesterton plc in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The basis of valuation was existing use value for all properties. No valuation was performed in the year.

h) Included within additions to leasehold land and buildings is interest capitalised of £0 (2000 - £0).

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

10. FIXED ASSET INVESTMENT

a) **Movement during year**

	Shares in Group undertakings £000	Loans to Group undertakings £000	Capital contribution £000	Total £000
Cost				
At 30 September 2000	82,376	69,706	57,454	209,536
Loans repaid in the year	-	(40,000)	-	(40,000)
At 31 September 2001	82,376	29,706	57,454	169,536

b) **Principal Group Investments**

The Company's subsidiaries, incorporated in the United Kingdom and registered in England are:

	Principal Activity	Class of Share	Direct %	Indirect %
Britvic Holdings Limited	Holding Company	Ordinary	90	-
Britvic International Limited	Soft Drinks Distributor	Ordinary	100	-
Britvic Corona Limited	Dormant	Ordinary	100	-
Britvic Soft Drinks Limited	Soft Drinks Manufacturer	Ordinary	-	90
Robinsons Soft Drinks Limited	Soft Drinks Manufacturer	Ordinary	100	-
Orchid Drinks Limited	Soft Drinks Manufacturer	Ordinary	-	100
		Preference	-	100
Orchid Brands Limited	Dormant	Ordinary	-	100
Greenbank Drinks Company Limited	Dormant	Ordinary	-	100
Stranton Mill Trustee and Nominee Company Limited	Trustee for employee share option scheme	Ordinary	-	100
Britvic Vitamin Products Limited	Dormant	Ordinary	-	90
R White & Sons Limited	Dormant	Ordinary	-	90
Britvic Limited	Dormant	Ordinary	-	90
Britvic (NI) Limited	Dormant	Ordinary	-	90
Pure Fruit Juices Limited	Dormant	Ordinary	-	90
Sunfresh Soft Drinks Limited	Dormant	Ordinary	-	90
Idris Limited	Dormant	Ordinary	-	90
Hooper Struve & Company Limited	Dormant	Ordinary	-	90
The London Essence Company Limited	Dormant	Ordinary	-	90
Britvic Corona International Limited	Dormant	Ordinary	-	90
H D Rawlings Limited	Dormant	Ordinary	-	90
The Southern Table Water Company Limited	Dormant	Ordinary	-	90
		1% deferred cumulative preference	-	90
		redeemable preference	-	90

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

11. STOCKS

The following are included in the net book value of stocks:

	2001	2000
	£000	£000
Raw materials	8,134	7,362
Finished goods	18,641	18,907
Consumable stores	5,324	5,646
Returnable bottles and cases	1,904	2,959
	34,003	34,874

The replacement cost of stocks approximates to the value at which they are stated in the accounts.

12. DEBTORS

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Trade debtors	64,155	63,346	-	-
Amounts owed by subsidiary undertakings	-	-	6,609	7,095
Amounts owed by other Group undertakings	777	1,542	-	-
Other Debtors				
- UK Corporation Tax receivable	-	-	74	-
- Other debtors	1,873	2,409	-	-
Prepayments - pensions	-	29	-	-
- other *	16,498	29,169	-	-
Dividend receivable	-	-	13,609	9,697
	83,303	96,495	20,292	16,792

* Other prepayments includes concessionary payments of £350,008 due after one year.

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

13. CREDITORS: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Finance lease	-	28	-	-
Amount due to parent undertaking	20,000	40,000	20,000	40,000
Bank loans and overdrafts	-	17,460	-	-
Unsecured Loan Notes	7,166	7,194	-	-
Borrowings (see note 16)	27,166	64,682	20,000	40,000
Trade creditors	55,101	46,565	-	-
Amounts owed to Group undertakings	746	4,156	73	314
Other creditors				
- UK corporation tax payable	10,461	7,924	-	-
- VAT	15,268	8,299	-	-
- Social security	1,749	2,720	-	-
- Other creditors	8,033	6,343	-	-
Proposed dividends (see note 7)	13,676	9,953	13,364	9,697
Accruals and deferred income	31,111	32,310	-	-
	163,311	182,952	33,437	50,011

The Loan Notes issued by Robinsons Soft Drinks on the 10th July 2000 in part consideration of the Orchid Drinks acquisition, bear interest at 1% below Natwest LIBID rate and is payable quarterly in arrears. The Loan Notes are transferable and redeemable not earlier than 6 months from the date of issue and not later than 5 years from the date of issue. The Loan Notes are supported by a guarantee from Natwest Bank Plc.

14. CREDITORS: Amounts falling due after more than one year

The following amounts are included in creditors falling due after more than one year:

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Finance lease (due within 5 years)	-	-	-	-
Unsecured borrowings	2,833	2,833	-	-
Amount due to parent undertaking	-	20,000	-	20,000
	2,833	22,833	-	20,000

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

15. BORROWINGS

a) Obligations under finance leases net of finance charges.

	Group	
	2001 £000	2000 £000
Due within 1 year	-	28
Due within 1 to 2 years	-	-
Due within 2 to 5 years	-	-
	-	28
Finance leases are analysed as follows :		
Current obligations	-	28
Non current obligations	-	-
	-	28

b) Analysis by year of repayment

	Group			
	Bank Loans & Overdrafts £000	Other Borrowings £000	2001 Total £000	2000 Total £000
Due within one year	-	27,166	27,166	64,654
between 1 and 2 years	-	-	-	20,000
between 2 and 5 years	-	-	-	-
between 2 and 5 years	-	-	-	-
over 5 years	-	-	-	-
other than by instalments	-	2,833	2,833	2,833
Due after more than one year	-	2,833	2,833	22,833
Total borrowings	-	29,999	29,999	87,487
Bank overdrafts and borrowings drawn for 90 days or less			-	17,460
Other borrowings			29,999	70,027
Total borrowings			29,999	87,487

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

15. BORROWINGS (continued)

c) Analysis by year of repayment (continued)

	Company			
	Bank Loans & Overdrafts £000	**Other Borrowings £000**	**2001 Total £000**	**2000 Total £000**
Due within one year	-	20,000	20,000	40,000
between 1 and 2 years	-	-	-	20,000
between 2 and 5 years	-	-	-	-
after 5 years	-	-	-	-
Other than by instalments	-	-	-	-
Due after more than 1 year	-	-	-	20,000
Total borrowings	-	20,000	20,000	60,000
Other Bank borrowing			-	-
Other borrowing			20,000	60,000
Total borrowing			20,000	60,000

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

15. BORROWINGS (Continued)

d) Analysis of borrowings

	Group 2001		Company 2001		Group 2000	Company 2000
	Within 1 Year £000	After 1 Year £000	Within 1 Year £000	After 1 Year £000	Total £000	Total £000
Total bank loans and overdrafts	-	-	-	-	17,460	-
Total other loans	27,166	2,833	20,000	-	70,027	60,000
Total finance leases	-	-	-	-	28	-
Total borrowings	27,166	2,833	20,000	-	87,515	60,000

16. CALLED-UP SHARE CAPITAL

	Authorised		Allotted and Fully Paid	
	2001 £000	2000 £000	2001 £000	2000 £000
Ordinary shares of £1 each	138,854	138,854	138,703	138,703

There were no movements in share capital during the year.

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

17. RESERVES

	Undistributable Reserves			Distributable Reserves
GROUP	**Share Premium £000**	**Revaluation Reserves £000**	**Other Reserves £000**	**Profit and Loss £000**
At 30 September 2000	12,957	2,355	4,582	92,657
Revaluation element in depreciation charge	-	353	-	(353)
Revaluation deficit written back on disposals	-	(1,069)	-	1,069
Retained earnings for the year	-	-	-	18,804
At 29 September 2001	12,957	1,639	4,582	112,177
COMPANY				
At 30 September 2000	12,957	-	4,570	87
Retained earnings for the year	-	-	-	74
At 29 September 2001	12,957	-	4,570	161

18. CASH FLOW STATEMENT

		2001 £000	2000 £000
a)	**Reconciliation of operating profit to net cash inflow from operating activities**		
	Operating profit	53,146	39,720
	Amortisation of goodwill	8,190	7,587
	Depreciation	36,576	34,689
	Loss on sale of fixed assets	1,496	1,159
	Decrease / (Increase) in stocks	871	(229)
	Decrease in debtors	13,155	5,581
	Increase / (Decrease) in creditors	11,072	(11,249)
	Net cash inflow from operating activities	124,506	77,258

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

b) Analysis of net debt

	At 30 September 2000 £000	Cash Flow £000	At 29 September 2001 £000
Cash in hand and at bank	12,226	11,289	23,515
Overdrafts	(17,460)	17,460	-
	(5,234)	28,749	23,515
Debt due within one year	(47,194)	20,028	(27,166)
Debt due after one year	(20,000)	20,000	-
	(67,194)	40,028	(27,166)
Total	(72,428)	68,777	(3,651)

BRITANNIA SOFT DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 29 SEPTEMBER 2001

19. FINANCIAL COMMITMENTS

a) The aggregate amount of capital expenditure not dealt within the Group accounts is:

	2001 £000	2000 £000
In respect of contracts placed	3,752	3,736
Authorised by the directors but not contracted for	2,694	4,665

b) Commitments for annual rentals under non-cancellable operating leases are as follows:

	Land and Buildings		Plant and Machinery	
	2001 £000	2000 £000	2001 £000	2000 £000
Leases expiring -				
Within 1 year	57	232	369	875
Within 2 to 5 years	440	483	2,240	1,559
After 5 years	2,294	2,065	-	-
	2,791	2,780	2,609	2,434

c) In addition to the above, the Company had commitments to purchase raw materials and foreign currency under forward contracts in the normal course of trading.

20. CONTINGENT LIABILITIES

The Company has assigned its interest in certain leasehold properties to other tenants. It remains liable for rentals due to the landlord for any defaults on the part of these tenants. It is not practicable to estimate the amount or timing of rentals that may default.

21. RELATED PARTY TRANSACTIONS

The aggregate turnover with the company's shareholders for the year was £43,048,000 (2000 - £75,035,000) and the indebtedness at 29 September 2001 was £551,571 (2000 - £4,995,000). The company has taken advantage of the exemption under FRS 8 available to subsidiary undertakings not to disclose transactions with other group companies.

22. ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent undertaking of Britannia Soft Drinks Limited is Six Continents PLC, incorporated in Great Britain and registered in England. Group accounts of Six Continents PLC are available from the Company secretary, Six Continents PLC, 20 North Audley Street, London, W1Y 1WE.

23. POST BALANCE SHEET EVENT

On 12th October 2001, the company's share capital and share premium were reduced under a court approved reduction of capital. The share capital of £138,854,000 divided into 138,854,000 ordinary shares of £1 each was reduced to £11,811,000 divided into 11,811,000 ordinary shares of £1 each. The company's share premium account was reduced from £12,957,000 to nil. The total reduction of capital of £140,000,000 has been transferred to a distributable reserve.