

Britannia Soft Drinks Limited

Annual Report and Financial Statements

for the Period from 30 September 2019 to 30 September 2020

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Britannia Soft Drinks Limited

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Britannia Soft Drinks Limited

Company Information

Directors	P S Litherland
	A C Thomas
	R J Wilson
Company Secretary	J Moore
Registered office	Breakspear Park Breakspear Way Hemel Hempstead Hertfordshire HP2 4TZ
Auditors	Ernst & Young LLP Bridgewater Place 1 Water Lane Leeds UK LS11 5QR

Britannia Soft Drinks Limited

Strategic Report for the Period from 30 September 2019 to 30 September 2020

The directors present their strategic report for the period from 30 September 2019 to 30 September 2020.

Fair review of the business

The Company did not trade in the year ended 30 September 2020. The profit for the period before taxation amounted to £290,631,000 (2019: loss of £57,885,000). During the period, the Company received dividends of £301,733,000 (2019: £101,767,000). In the prior year, the Company wrote down its investment in Britvic Overseas Limited by £5,779,000 and its investment in Britvic International Investments Limited by £140,507,000.

The Company has recognised capital contributions of £273,221,000 in the year, following loan waivers received from Robinsons (Finance) No.2 Limited ("RF2"). In the prior year, capital contributions totalling £160,512,000 (restated) were recognised due to loan waivers from RF2 and Britvic Soft Drinks Limited.

The Directors do not recommend payment of a final dividend (2019: £nil). During the period, the Company paid interim dividends of £300,000,000 (2019: £100,000,000).

Intercompany loan waivers and prior period restatement

Waiver of loan payable to Robinsons (Finance) No.2 Limited

In the prior year, on 25 September 2019, the Company and its subsidiary RF2 agreed the waiver of a loan of £315,032,000 owed by the Company to RF2. The waiver of the loan for nil consideration constituted a distribution from RF2 to the Company under the Companies Act 2006. The Company accounted for the distribution received of £315,032,000 in its financial statements for the 52 weeks ended 29 September 2019 by derecognising the loan payable from the balance sheet and recognising a corresponding increase in retained earnings (the profit and loss account) in the statement of changes in equity.

Subsequent to the approval of the Company's financial statements for the period ended 29 September 2019, it was determined that RF2 did not have sufficient distributable reserves to make a distribution of £315,032,000 and that the distribution was in contravention of the Companies Act to the extent that it exceeded distributable reserves. The directors have determined that as the distribution was in contravention of the Companies Act, the Company had a liability at 29 September 2019 to repay the portion of the distribution in excess of RF2's distributable reserves.

The Company has restated its balance sheet at 29 September 2019 and its statement of changes in equity for the 52 weeks ended 29 September 2019 to reflect that £263,361,000 of the distribution received was in contravention of the Companies Act and legally repayable at 29 September 2019.

During the current year, RF2 undertook a capital reduction supported by a solvency statement providing it with sufficient distributable reserves to waive the remaining loan balance of £273,221,000 (including accrued interest) with the Company on 25 September 2020. The loan waiver was considered a capital contribution to the Company from the ultimate parent, Britvic plc, and is therefore accounted for as an increase in the profit and loss reserve within equity.

Britannia Soft Drinks Limited

Strategic Report for the Period from 30 September 2019 to 30 September 2020 (continued)

Principal risks and uncertainties

The board of the ultimate parent company, Britvic plc, has a policy of continuous identification and review of key business risks and uncertainties affecting Britvic plc and its subsidiaries (the 'Britvic Group'). It oversees the development of processes to ensure that these risks are managed appropriately and operational management is delegated with the task of implementing these processes and reporting to the board on their outcomes. The principal risks and uncertainties affecting the Britvic Group are set out on pages 54 to 59 of the Britvic Annual Report and Accounts 2020.

In light of the COVID-19 pandemic, the Britvic Group has identified a principal risk that considers reduced demand in the Out-of-Home channel, volatility in the At-Home channel, cancellation of key marketing events and the potential impact on liquidity and debt covenants. It also considers the impact of new ways of working on employees, the Britvic Group's ability to meet statutory deadlines and risks associated with supply of products across the Britvic Group's various markets.

The Britvic Group has also identified a principal risk related to Brexit that considers increased costs and process complexity, including risk of port disruption, stock build-up and additional warehousing.

The directors consider that the Company is not subject to any significant risks and uncertainties as it does not trade.

Financial risk management

The main risks associated with the Company's financial assets and liabilities are set out below:

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The creditors predominantly comprise amounts owed to Britvic Group undertakings and the Company has the support of its parent, hence the liquidity risk is considered to be low.

Credit risk

Credit risk is the risk that on party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Debtors predominantly comprise amounts owed by Britvic Group undertakings, hence credit risk is considered to be low.

Britannia Soft Drinks Limited

Strategic Report for the Period from 30 September 2019 to 30 September 2020 (continued)

Section 172 of the Companies Act 2006

The directors are aware of their duty under s172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole, and in doing so, to have a regard (amongst other matters) to:

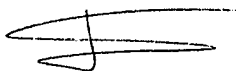
- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly towards all stakeholders of the Company.

The directors of the Company consider that they have had regard in material respects to the factors set out above.

The Company is a UK subsidiary of Britvic plc, a company quoted on the London Stock Exchange. The Britvic plc board determines the strategic objectives and policies of the Britvic Group to best support the delivery of long-term value, providing overall strategic direction within an appropriate framework of controls, delegated authority, and rewards. The Company follows group policies and procedures, including those relating to standards of business conduct, employees, customers, suppliers, the environment, the communities in which we operate, and other stakeholders such as regulatory bodies and non-government organisations. Stakeholder engagement takes place at a group level and the Company looks to group initiatives for guidance and takes them into account in its decision making. More detail can be found on pages 20-21 of the Britvic plc Annual Report.

The Company delegates authority for day-to-day management to senior leaders, who set, approve and oversee the execution of the Company activities. Board meetings are held from time to time where the directors consider Company business, such as appointment of directors, approval of accounts, approval of dividends, guarantees and other strategic decisions relating to business operations. In considering items of business the Company makes autonomous decisions on each item's own merits, after due consideration of the long-term success of the Company, Section 172 factors, where relevant, and the stakeholders impacted.

Approved by the Board on 27 January 2021 and signed on its behalf by:



.....
R J Wilson
Director

Britannia Soft Drinks Limited

Directors' Report for the Period from 30 September 2019 to 30 September 2020

The directors present their report and the financial statements for the period from 30 September 2019 to 30 September 2020.

Directors' of the company

The directors, who held office during the period, were as follows:

P S Litherland

A C Thomas

R J Wilson

Results and dividends

The company is an intermediary holding company and did not trade in the 52 weeks ended 30 September 2020. The profit for the period before taxation amounted to £290,631,000 (2019: loss of £57,885,000).

The Company has recognised capital contributions of £273,221,000 following loan waivers received from Robinsons Finance No.2 Limited. In the prior year, capital contributions totalling £160,512,000 (restated) were recognised due to loan waivers from Robinsons Finance No.2 Limited and Britvic Soft Drinks Limited.

The directors do not recommend payment of a final dividend (2019: £nil). During the period, the Company paid interim dividends of £300,000,000 (2019: £100,000,000).

Employee engagement

The Company had no employees during the period (2019: none). As a holding company within the Britvic plc group (the Group), any operating subsidiary employee engagement is integrated with the workforce engagement of the Group and is not managed separately. The Group's engagement with employees is discussed on pages 37 to 39 of the Britvic plc Annual Report and Accounts 2020.

Future developments

It is expected that the Company will continue to act as an intermediate holding Company.

Britannia Soft Drinks Limited

Directors' Report for the Period from 30 September 2019 to 30 September 2020 (continued)

Going concern

In order to assess the appropriateness of the application of the going concern principle in these financial statements, the directors have considered the principal risks and uncertainties and financial position of both the Company and Britvic plc (together with its subsidiaries, the 'Britvic Group'), reflecting how the Company is managed. The Britvic Group's profitability has been impacted by COVID-19 as a result of restrictions in the 'Out-of-Home' channel and changing patterns in consumer behaviour affecting the 'At-Home' channel. As in the prior year, the Company has net current liabilities, and in light of the significant uncertainty around COVID-19, the Company relies on support from its ultimate parent company, Britvic plc. No further risks were identified specific to the Company.

Britvic plc has expressed its willingness to provide financial support to the Company from the signing date of these accounts until at least March 2022 in order to assist it in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities. The directors have therefore considered the ability of the Britvic Group (of which Britvic plc is the ultimate parent) to continue as a going concern for a period of 12 months from the date of signing these accounts. The directors of the Company form part of an integrated management team of Britvic plc and therefore have appropriate knowledge relevant to this assessment of the Britvic Group.

The directors have concluded that the Company has adequate financial resources, including provision of adequate financial support from Britvic plc, to meet its current operational and financial obligations to ensure that it will remain in operation and meet its liabilities as they fall due over a period of at least 12 months from the date that the financial statements were approved. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Directors' liabilities

As permitted by section 234 of the Companies Act 2006, the Company has maintained insurance cover for the directors against liabilities in relation to the company. Such qualifying third party indemnity provision remains in force at the date of approving the directors' report.

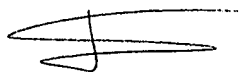
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 27 January 2021 and signed on its behalf by:



.....
R J Wilson
Director

Britannia Soft Drinks Limited

Statement of Directors' Responsibilities

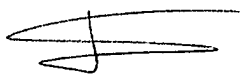
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK accounting standards including FRS 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 27 January 2021 and signed on its behalf by:



.....
R J Wilson
Director

Independent Auditor's Report to the members of Britannia Soft Drinks Limited

Opinion

We have audited the financial statements of Britannia Soft Drinks Limited for the year ended 30 September 2020, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related Notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- disclosures in respect of the effects of COVID-19

We draw attention to Note 2 of the financial statements, which describes the economic and operational consequences the company is facing, through its position within the Britvic Group, as a result of COVID-19 which is impacting consumer demand across the Britvic Group. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the members of Britannia Soft Drinks Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 7), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Britannia Soft Drinks Limited (continued)

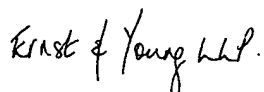
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



.....
Christabel Cowling (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds, UK

Date:.....28 January 2021.....

Britannia Soft Drinks Limited

Profit and Loss Account for the Period from 30 September 2019 to 30 September 2020

	Note	30 September 2020 £ 000	29 September 2019 £ 000
Income from investments	4	313,601	113,684
Write down of investment in subsidiaries	9	<u>-</u>	<u>(146,286)</u>
Operating profit/(loss)		313,601	(32,602)
Interest receivable		440	341
Interest payable and similar charges	5	<u>(23,410)</u>	<u>(25,624)</u>
Profit/(loss) before tax		290,631	(57,885)
Tax on profit/(loss) on ordinary activities	8	<u>-</u>	<u>-</u>
Profit/(loss) for the period		<u><u>290,631</u></u>	<u><u>(57,885)</u></u>

The above results were derived from continuing operations.

Statement of Comprehensive Income

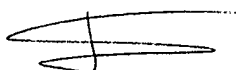
The Company has no other comprehensive income for the current or previous period other than the results above.

Britannia Soft Drinks Limited
(Registration number: 47094)
Balance Sheet as at 30 September 2020

		30 September 2020 £ 000	Restated* 29 September 2019 £ 000
	Note		
Fixed assets			
Investments	9	756,766	756,766
Current assets			
Debtors	10	11,936	11,936
Cash at bank and in hand		<u>86</u>	<u>685</u>
		12,022	12,621
Creditors: Amounts falling due within one year	12, 13	<u>(339,157)</u>	<u>(603,608)</u>
Net current liabilities		<u>(327,135)</u>	<u>(590,987)</u>
Net assets		<u>429,631</u>	<u>165,779</u>
Capital and reserves			
Called up share capital	11	181,746	181,746
Share premium reserve		25,386	25,386
Other reserves		4,570	4,570
Profit and loss account		<u>217,929</u>	<u>(45,923)</u>
Shareholders' funds		<u>429,631</u>	<u>165,779</u>

* For details of restatement see note 16

Approved by the Board on 27 January 2021 and signed on its behalf by:



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R J Wilson
Director

Britannia Soft Drinks Limited

Statement of Changes in Equity for the Period from 30 September 2019 to 30 September 2020

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 30 September 2019	181,746	25,386	4,570	(45,923)	165,779
Profit for the period	-	-	-	290,631	290,631
Dividends paid	-	-	-	(300,000)	(300,000)
Loan waivers received from fellow group companies	-	-	-	273,221	273,221
At 30 September 2020	<u>181,746</u>	<u>25,386</u>	<u>4,570</u>	<u>217,929</u>	<u>429,631</u>

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 October 2018	181,746	25,386	4,570	(48,550)	163,152
Loss for the period	-	-	-	(57,885)	(57,885)
Dividends paid	-	-	-	(100,000)	(100,000)
Loan waivers received from fellow group companies (As restated)*	-	-	-	160,512	160,512
At 29 September 2019 (As restated)*	<u>181,746</u>	<u>25,386</u>	<u>4,570</u>	<u>(45,923)</u>	<u>165,779</u>

* For details of restatement see note 16

The notes on pages 14 to 29 form an integral part of these financial statements.

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

Breakspear Park
Breakspear Way
Hemel Hempstead
Hertfordshire
HP2 4TZ

These financial statements were authorised for issue by the Board on 27 January 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis under the historical cost convention. The principal accounting policies are set out below and have been applied consistently throughout the period.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pound (£'000) except where otherwise indicated.

The financial statements contain information about the Company as an individual undertaking and do not contain consolidated financial information as the parent of a group. The reason for this is that the Company is a wholly owned subsidiary of Britvic plc, a company incorporated in the United Kingdom, and is included in that company's consolidated financial statements. Consequently the Company, by virtue of section 400 of the Companies Act 2006, is exempt from the preparation of its own consolidated financial statements.

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

The following exemptions from the requirements of International Financial Reporting Standards ("IFRS") have been applied in the preparation of these financial statements:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 10(f) (statement of financial position as at the beginning of the preceding period);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information);
 - 134-136 (capital management disclosures); and
 - Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79 (a) (iv) of IAS 1 'Presentation of financial statements'.
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation):
 - the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The Company is eligible to apply the above exemptions as it is included in the consolidated financial statements of Britvic plc who prepare financial statements under IFRS and include the above disclosures.

The consolidated financial statements of Britvic plc are available from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ.

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

2 Accounting policies (continued)

Going concern

In order to assess the appropriateness of the application of the going concern principle in these financial statements the directors have considered the principal risks and uncertainties and financial positions of both the Company and Britvic plc (together with its subsidiaries, the 'Britvic Group'), reflecting how the Company is managed. The Britvic Group's profitability has been impacted by COVID-19 as a result of restrictions in the 'Out-of-Home' channel and changing patterns in consumer behaviour affecting the 'At-Home' channel. As in the prior year, the Company has net current liabilities and is therefore dependent on continuing financial support from its ultimate parent company, Britvic plc. No further risks were identified specific to the Company.

Britvic plc has expressed its willingness to provide financial support to the Company from the signing date of these accounts until at least March 2022 in order to assist it in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities. The directors have therefore considered the ability of the Britvic Group to continue as a going concern for a period of 12 months from the date of signing these accounts. The directors of the Company form part of an integrated management team of Britvic plc and therefore have appropriate knowledge relevant to this assessment of the Britvic Group.

On 11 March 2020, the World Health Organization declared a pandemic and management has considered the impact on accounting policies, judgements and estimates in light of the impact of COVID-19 restrictions. As part of the directors' consideration of the appropriateness of adopting the going concern basis, the management of the Britvic Group has modelled a range of severe scenarios across the Group. The assumptions modelled are based on the estimated potential impact of COVID-19 restrictions until March 2022. These include a range of estimated impacts primarily based on length of time various levels of restrictions are in place and the severity of the consequent impact of those restrictions on the At-Home and Out-of-Home channels. This analysis sensitised the revenue, profit and cash flow impact of reduced trading activity in the Out-of-Home channel and a negative impact of changes in product mix for the At-Home channel.

A key judgement applied is the likely time period of restrictions on trading activity in the Out-of-Home channel, restrictions on the movement of people and social distancing. The severe scenarios include an assumption that such restrictions will remain in place until June 2021 with only a small proportion of Out-of-Home outlets re-opening during this time.

Under each scenario, mitigating actions are all within the control of Britvic Group management, as they relate to discretionary spend, and do not impact the ability to meet demand. These actions include reduced advertising and promotion and stopping all non-essential and non-committed capex in the next 12-18 months. Britvic Group management believe that the risk of enforced plant closure is low and have implemented additional health and safety measures in each of its factories to reduce the risk of a major supply disruption. Britvic Group management believe that no significant structural changes to the Group will be needed in any of the scenarios modelled.

Actual performance of the Britvic Group during COVID-19 to December 2020 compared to the going concern scenarios has either been in line or improved compared to the least severe scenarios. On this basis, the directors of Britvic plc consider it is appropriate for the going concern basis to be adopted for Britvic plc. Accordingly, in light of the letter of support provided to the Company by Britvic plc, the directors of the Company continue to adopt the going concern basis of accounting in preparing these financial statements.

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

2 Accounting policies (continued)

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 30 September 2019 have had a material effect on the financial statements.

IFRS 9

On 1 October 2018, the Company adopted IFRS 9 'Financial Instruments', which replaced IAS 39 'Financial Instruments: Recognition and Measurement'. The adoption of IFRS 9 has had no impact on the Company's accounting for impairment losses for financial assets, as the replacement of IAS 39's incurred loss approach with the forward-looking expected credit loss (ECL) approach had no impact.

Finance income and costs policy

Interest income and expense is recognised as interest accrues using the effective interest rate method.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. All differences are taken to the profit and loss account.

Investments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial assets

All financial assets held by the company are classified as loans and receivables. Financial assets include cash and cash equivalents, other receivables and loans. The company determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value, normally being the transaction price plus directly attributable transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets, do not qualify as trading assets and have 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 profit and loss account when loans and receivables are derecognised or impaired.

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

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

2 Accounting policies (continued)

Financial liabilities

All financial liabilities are initially recognised in the balance sheet at fair value less directly attributable transactions costs and are subsequently measured at amortised cost using the effective interest rate method.

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

Dividends

Dividend income is recognised when the right to receive payment is established.

Final dividends payable are recorded in the financial statements in the period in which they are approved by the company's shareholders. Interim dividends payable are recorded in the period in which they are declared.

Partnership income

Partnership income is income receivable arising from the Company's interest in Britvic Brands LLP, and is recognised on an accruals basis in accordance with the substance of the relevant partnership agreements.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Management has not made any judgements, estimates or assumptions in preparing these financial statements that materially affects the application of policies or the reported amounts of assets, liabilities, income or expenses.

4 Investment income

	30 September 2020 £ 000	29 September 2019 £ 000
Dividend income	301,733	101,767
Partnership income	<u>11,868</u>	<u>11,917</u>
	<u><u>313,601</u></u>	<u><u>113,684</u></u>

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

5 Interest payable and similar charges

	30 September 2020 £ 000	29 September 2019 £ 000
Interest payable to group undertakings	<u>23,410</u>	<u>25,624</u>

6 Directors' remuneration

The Company has no direct employees for which it provides remuneration.

The directors' services to the Company did not occupy a significant amount of their time. As such they do not consider that they have received any remuneration for their incidental services to the Company for the periods ended 30 September 2020 and 29 September 2019. The remuneration of these directors is shown in the accounts of other group companies.

7 Auditor's remuneration

Auditor's remuneration of £15,000 (2019: £6,500) is borne by Britvic Soft Drinks Limited, another member of the Britvic plc group. The company did not incur any non-audit fees in the period (2019: £nil).

8 Income tax

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2019: lower than the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

	30 September 2020 £ 000	29 September 2019 £ 000
Profit/(loss) before tax	<u>290,631</u>	<u>(57,885)</u>
Corporation tax at standard rate	55,220	(10,998)
Expenses not deductible for tax purposes	-	27,794
Effective group relief	2,109	2,540
Non-taxable income	<u>(57,329)</u>	<u>(19,336)</u>
Total tax charge	<u>-</u>	<u>-</u>

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

9 Investments

Subsidiaries	£ 000
Cost	
At 30 September 2019	<u>963,052</u>
At 30 September 2020	<u>963,052</u>
Impairment	
At 30 September 2019	<u>206,286</u>
At 30 September 2020	<u>206,286</u>
Carrying amount	
At 30 September 2020	<u>756,766</u>
At 29 September 2019	<u>756,766</u>

During the period ended 29 September 2019, the Company wrote down its investment in Britvic International Investments Limited by £140,507,000 and its investment in Britvic Overseas Limited by £5,779,000.

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

9 Investments (continued)

Details of the subsidiaries as at 30 September 2020 are as follows:

Name of subsidiary	Principal activity	Country of incorporation	% equity interest	
			2020	2019
Britvic Finance Limited*	Financing company	Jersey (c)	100%	100%
Britvic International Investments Limited*	Holding company	England and Wales (a)	100%	100%
Britvic EMEA Limited*	Marketing and distribution of soft drinks	England and Wales (a)	100%	100%
Britvic Overseas Limited*	Holding company	England and Wales (a)	100%	100%
Britvic Soft Drinks Limited*	Manufacture and sales of soft drinks	England and Wales (a)	100%	100%
Britvic Brands LLP*	Pension funding vehicle	England and Wales (a)	99.8%	99.8%
Robinsons Soft Drinks Limited	Holding company	England and Wales (a)	100%	100%
Orchid Drinks Limited	Brand licence holder	England and Wales (a)	100%	100%
Red Devil Energy Drinks Limited	Brand licence holder	England and Wales (a)	100%	100%
Britvic Pensions Limited*	Dormant	England and Wales (a)	100%	100%
Britvic Property Partnership	Pension funding vehicle	Scotland (d)	100%	100%
Britvic Asset Company No.1 Limited*	Pension funding vehicle	England and Wales (a)	100%	100%
Britvic Asset Company No.2 Limited*	Pension funding vehicle	England and Wales (a)	100%	100%
Britvic Asset Company No.3 Limited*	Pension funding vehicle	England and Wales (a)	100%	100%

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

9 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation	% equity interest	
			2020	2019
Britvic Asset Company No.4 Limited*	Pension funding vehicle	England and Wales (a)	100%	100%
Britvic Scottish Limited Partnership	Pension funding vehicle	Scotland (d)	100%	100%
Britvic Finance Partnership LLP	Financing company	England and Wales (a)	100%	100%
Britvic Irish Holdings Limited	Holding company	Republic of Ireland (e)	100%	100%
Robinsons (Finance) Limited	Financing company	Republic of Ireland (e)	100%	100%
Robinsons (Finance) No.2 Limited	Financing company	England and Wales (a)	100%	100%
Britvic Ireland Limited	Manufacture and marketing of soft drinks	Republic of Ireland (e)	100%	100%
Britvic Northern Ireland Limited	Marketing and distribution of soft drinks	Republic of Ireland (e)	100%	100%
Britvic Licensed Wholesale Limited	Dormant	Republic of Ireland (e)	100%	100%
Aquaport Limited	Supply of water-coolers and bottled water	Republic of Ireland (e)	100%	100%
Britvic Americas Limited	Marketing and distribution of soft drinks	Republic of Ireland (e)	100%	100%
Britvic Ireland Pension Trust DAC	Pension trust company	Republic of Ireland (e)	100%	100%
Counterpoint Wholesale (Ireland) Limited	Wholesale of soft drinks to the licensed trade	Republic of Ireland (e)	100%	100%
Counterpoint Wholesale (NI) Limited	Wholesale of soft drinks to the licensed trade	Northern Ireland (f)	100%	100%

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

9 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation	% equity interest 2020	2019
Knockton Limited	Dormant	Republic of Ireland (e)	100%	100%
Britvic Northern Ireland Pensions Trust Limited**	Pension trust company	Northern Ireland (f)	0%	100%
Britvic North America LLC	Marketing and distribution of soft drinks	USA (g)	100%	100%
Britvic France SAS	Holding company	France (h)	100%	100%
Britvic Enterprises SAS	Holding company	France (h)	100%	100%
Fruite SAS	Manufacture and sale of soft drinks	France (j)	100%	100%
Bricfruit SAS**	Manufacture and sale of soft drinks	France (i)	0%	100%
Unisource SAS**	Manufacture and sale of soft drinks	France (k)	0%	100%
Teisseire SAS	Manufacture and sale of soft drinks	France (h)	100%	100%
Teisseire Benelux SA	Dormant	Belgium (l)	100%	100%
Britvic Asia PTE Limited	Holding company	Singapore (p)	100%	100%
Britvic India Manufacturing Private Limited	Non-trading	India (q)	100%	100%
Britvic International Support Services Limited	Dormant	England and Wales (a)	100%	100%
Greenbank Drinks Company Limited	Dormant	England and Wales (a)	100%	100%
The Really Wild Drinks Company Limited	Dormant	England and Wales (a)	100%	100%
H. D. Rawlings Limited	Dormant	England and Wales (a)	100%	100%

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

9 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation	% equity interest 2020	2019
R. White & Sons Limited	Dormant	England and Wales (a)	100%	100%
Idris Limited	Dormant	England and Wales (a)	100%	100%
The Southern Table Water Company Limited	Dormant	England and Wales (a)	100%	100%
Britvic Corona Limited	Dormant	England and Wales (a)	100%	100%
Britvic Beverages Limited	Dormant	England and Wales (a)	100%	100%
Sunfresh Soft Drinks Limited	Dormant	England and Wales (a)	100%	100%
Wisehead Productions Limited	Dormant	England and Wales (b)	100%	100%
The London Essence Company Limited	Dormant	England and Wales (b)	100%	100%
Hooper, Struve & Company Limited	Dormant	England and Wales (a)	100%	100%
British Vitamin Products Limited	Dormant	England and Wales (a)	100%	100%
British Healthcare Trustess Limited	Dormant	England and Wales (a)	100%	100%
Britvic Munster Limited	Dormant	Republic of Ireland (e)	100%	100%
Britvic Brasil Holding SA**	Holding company	Brazil (m)	0%	100%
Empresa Brasileira de Bebidas e Alimentos SA	Manufacture and sale of soft drinks	Brazil (n)	100%	100%
Bela Ischia Alimentos Ltda	Manufacture and sale of soft drinks	Brazil (o)	100%	100%

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

9 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation	% equity interest	
			2020	2019
The Boiling Tap Company Ltd	Design, installation and maintenance of integrated tap solutions	England and Wales (r)	100%	0%

* indicates direct investment of the Company

** indicates subsidiaries which were sold/dissolved during the period

- (a) Registered office: Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4TZ
- (b) Registered office: 9 Roding Road, Beckton, London E6 6LF
- (c) Registered office: 13 Castle Street, St Helier, JE2 3BT, Jersey
- (d) Registered office: 1 Exchange Crescent, Conference Square, Edinburgh, Scotland, EH3 8UL
- (e) Registered office: 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland
- (f) Registered office: Victoria House, 15-17 Gloucester Street, Belfast, Northern Ireland, BT1 4LS
- (g) Registered office: 1209 Orange Street, Wilmington, Delaware 19801, United States of America
- (h) Registered office: 482 Avenue Ambroise Croizat, Crolles, France
- (i) Registered office: La Jaunaie-44690, Chateau-Tebaud, 321501611 RCS Nantes, France
- (j) Registered office: Z.I. Les Afforêts 74800, La Roche-Sur-Foron, France
- (k) Registered office: Z.I. de la Mouline 34440, Nissan-Lez-Enserune, France
- (l) Registered office: Rue de l'Echauffourée 1, 7700 Mouscron, Belgium
- (m) Registered office: Avenue Reboucas, Pinheiros, Sao Paulo, Brazil
- (n) Registered office: Avenida Consul Joseph Noujaim 40, Pina, Recife, Pernambuco, CEP 51110-150, Brazil
- (o) Registered office: Rodovia MG 285-KM 77, sem número, Centro, CEP 36780-000, Astolfo Dutra/MG, Brazil
- (p) Registered office: 80 Robinson Road #17-02, Singapore 068898, Singapore
- (q) Registered office: 9SE, 9th Floor, The Ruby, 29 Senapati Bapatmarg, Dadar (West), Mumbai-400028, India
- (r) Registered office: 1 New Street, London, England, EC2M 4TP

10 Debtors

	30 September 2020 £ 000	29 September 2019 £ 000
Amounts due from group undertakings	11,936	11,936
	<u>11,936</u>	<u>11,936</u>

The amounts due from group undertakings relate to partnership income due from Britvic Brands LLP. The amounts are unsecured, non-interest bearing and repayable on demand. The directors consider the amounts to be fully recoverable and no expected credit loss provision has been applied.

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

11 Share capital

Allotted, called up and fully paid shares

	30 September 2020		29 September 2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>181,746</u>	<u>181,746</u>	<u>181,746</u>	<u>181,746</u>

There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

12 Loans and borrowings

	30 September 2020 £ 000	Restated* 29 September 2019 £ 000
Current loans and borrowings		
Loans from group undertakings	<u>309,802</u>	<u>574,254</u>

* For details of restatement see note 16

Loans from group undertakings are unsecured, market interest bearing and are repayable on demand. Further information on movements in loans from group undertakings can be found in note 14.

13 Trade and other creditors

	30 September 2020 £ 000	29 September 2019 £ 000
Amounts due to group undertakings	<u>29,355</u>	<u>29,354</u>

Amounts due to group undertakings are unsecured, non-interest bearing and repayable on demand.

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

14 Intercompany loan waivers

Intercompany loan waivers

Waiver of loan payable to Robinsons (Finance) No.2 Limited

In the prior year, on 25 September 2019, the Company and its subsidiary Robinsons (Finance) No.2 Limited ("RF2") agreed the waiver of a loan of £315,032,000 owed by the Company to RF2. The waiver of the loan for nil consideration constituted a distribution from RF2 to the Company under the Companies Act 2006. The Company accounted for the distribution received of £315,032,000 in its financial statements for the 52 weeks ended 29 September 2019 by derecognising the loan payable from the balance sheet and recognising a corresponding increase in retained earnings (the profit and loss account) in the statement of changes in equity.

Subsequent to the approval of the Company's financial statements for the period ended 29 September 2019, it was determined that RF2 did not have sufficient distributable reserves to make a distribution of £315,032,000 and that the distribution was in contravention of the Companies Act 2006 to the extent that it exceeded distributable reserves. The directors have determined that as the distribution was in contravention of the Companies Act 2006, the Company had a liability at 29 September 2019 to repay the portion of the distribution in excess of RF2's distributable reserves.

The Company has restated its balance sheet at 29 September 2019 and its statement of changes in equity for the 52 weeks ended 29 September 2019 to reflect that £263,361,000 of the distribution received was in contravention of the Companies Act and legally repayable at 29 September 2019 (see note 16).

During the current year, RF2 undertook a capital reduction supported by a solvency statement providing it with sufficient distributable reserves to waive the remaining loan balance of £273,221,000 (including accrued interest) on 25 September 2020. The loan waiver was considered a capital contribution to the Company from the ultimate parent, Britvic plc, and is therefore accounted for as an increase in the profit and loss reserve within equity.

Waiver of loan payable to Britvic Soft Drinks Limited

In the prior year, on 12 April 2019, a loan balance amounting to £108,841,000 owed by the Company, was waived by Britvic Soft Drinks Limited, a subsidiary of the Company. This loan waiver was considered a capital contribution to the Company from the ultimate parent, Britvic plc, and was therefore accounted for within the profit and loss account reserve within equity.

15 Parent and ultimate parent undertaking

The Company's immediate parent is Britvic plc.

The smallest and the largest group of which the Company is a member and for which group financial statements are prepared is Britvic plc, incorporated in the United Kingdom and registered in England and Wales.

Britvic plc is the ultimate parent undertaking of Britannia Soft Drinks Limited. the consolidated financial statements of Britvic plc are available to the public and may be obtained from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ or at www.britvic.com.

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

16 Prior period restatement

Waiver of loans payable to group undertakings

On 25 September 2019, the Company and its subsidiary Robinsons (Finance) No.2 Ltd ("RF2") agreed the waiver of a loan of £315,032,000 owed by the Company to RF2. The waiver of the loan for nil consideration constituted a distribution from RF2 to the Company under the Companies Act 2006. The Company accounted for the distribution received of £315,032,000 in its financial statements for the 52 weeks ended 29 September 2019 by derecognising the loan payable from the balance sheet and recognising a corresponding increase in retained earnings (the profit and loss account) in the statement of changes in equity.

Subsequent to the approval of the Company's financial statements for the period ended 29 September 2019, it was determined that RF2 did not have sufficient distributable reserves to make a distribution of £315,032,000 and that the distribution was in contravention of the Companies Act to the extent that it exceeded distributable reserves. The directors have determined that as the distribution was in contravention of the Companies Act 2006, the Company had a liability at 29 September 2019 to repay the portion of the distribution in excess of RF2's distributable reserves.

The Company has restated its balance sheet at 29 September 2019 and its statement of changes in equity for the 52 weeks ended 29 September 2019 to reflect that £263,361,000 of the distribution received was in contravention of the Companies Act and legally repayable at 29 September 2019.

The effects of the above restatement on the Company's balance sheet at 29 September 2019 was as follows:

Britannia Soft Drinks Limited

Notes to the Financial Statements for the Period from 30 September 2019 to 30 September 2020 (continued)

16 Prior period restatement (continued)

Balance sheet at 29 September 2019

	As originally reported £ 000	Restatement £ 000	Restated £ 000
Fixed assets			
Investments	756,766	-	756,766
Current assets			
Debtors	11,936	-	11,936
Cash at bank and in hand	685	-	685
	12,621	-	12,621
Creditors: Amounts falling due within one year	(340,247)	(263,361)	(603,608)
Net current assets/(liabilities)	(327,626)	(263,361)	(590,987)
Net assets/(liabilities)	429,140	(263,361)	165,779
Capital and reserves			
Called up share capital	(181,746)	-	(181,746)
Share premium reserve	(25,386)	-	(25,386)
Other reserves	(4,570)	-	(4,570)
Profit and loss account	(217,438)	263,361	45,923
Shareholders' funds/(deficit)	(429,140)	263,361	(165,779)

The effect of the restatement on the Company's statement of changes in equity was that the value of loan waivers received from fellow group companies and recognised in the profit and loss reserve decreased by £263,361,000 from £423,873,000 to £160,512,000.