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ACCOUNTS FOR THE 52 WEEKS ENDED 24TH SEPTEMBER 1977

BRITVIC LIMITED



BRITVIC HOUSE  
BROOMFIELD ROAD  
CHELMSFORD ESSEX

BRITVIC LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their annual report and audited accounts for the 52 weeks ended 24th September 1977.

Directorate

The Directors of the Company throughout the period were as follows:-

D.F. Strachan	(Chairman)
G.E. Inman	(Chief Executive)
H.F. Horton	
R.W. Jarred	
D.A. Longbottom	
G.E.V. Martin	
B.H. McGrath	
W.D. Moon	
S.J. Neale	
G.D. Yates	

Since the end of the year Mr. D.F. Strachan resigned as a director on 25th September 1977.

Directors' Interests

There were no notifiable interests of Directors in the shares and stock of Allied Breweries Limited recorded in the Register of Directors' Shareholdings.

Principal Activities

The principal activities of the Company are the production and sale of fruit juices and soft drinks.

Profits and Dividends

The attached Profit and Loss Account shows the profit for the 52 weeks ended the 24th September 1977 together with the transfer to Revenue Reserves, 1st Interim Dividend paid and 2nd Interim Dividend proposed.

Export Sales

During the period export sales amounted to £404,809. (1976 - £97,605)

Fixed Assets

During the year the Company spent £950,133 on additions to fixed assets, the major expenditure being for plant and dispensing equipment.

Auditors

In accordance with the Companies Act 1976, a Resolution re-appointing Price Waterhouse & Co. as the Company's Auditors will be proposed at the Annual General Meeting.

By Order of the Board

E.W. Seabright  
Secretary

115 DEC 1977

AUDITORS' REPORT TO THE MEMBERS OF

BRITVIC LIMITED

We have examined the attached accounts and notes which have been prepared under the historical cost convention, as modified by the revaluation of certain properties (Note 7). In our opinion, the accounts give, under the accounting convention stated above, a true and fair view of the state of affairs of the Company at 24th September 1977 and of its profit and source and application of funds for the period then ended and complies with the Companies Acts 1948 and 1967.

Southwark Towers,  
32 London Bridge Street,  
London, SE1 9SY.

PRICE WATERHOUSE & CO.  
Chartered Accountants

BRITVIC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE  
52 WEEKS ENDED 24TH SEPTEMBER 1977

		1977	1976
	Notes	£	£
TURNOVER	1	10,608,046	8,867,337
PROFIT BEFORE TAXATION		495,353	499,819
After charging the following:			
Depreciation	1 & 7	489,240	449,801
Hire of Plant & Machinery		5,883	4,747
Directors' emoluments	2	50,791	49,159
Auditors' remuneration		2,400	2,505
Property rent payable		250,176	239,676
Interest payable		83,428	90,254
and crediting profit on disposal of fixed assets		15,583	9,746
Rents receivable		44,150	48,731
TAXATION	3	218,333	271,590
PROFIT AFTER TAXATION		277,020	228,229
Interim dividend paid		100,000	88,000
Second Interim dividend proposed		130,000	94,000
TRANSFER TO REVENUE RESERVE	4	£47,020	£46,229

BRITVIC LIMITED

BALANCE SHEET AS AT 24TH SEPTEMBER 1977

		1977		1976	
	Notes	£	£	£	£
FIXED ASSETS	7		5,003,861		4,414,102
CURRENT ASSETS					
Stocks and stores	1	2,893,406		2,223,146	
Debtors and prepayments		565,611		471,962	
Amounts owing by group companies		182,303		111,084	
Bank balance and cash		18,518		16,472	
Taxation Recoverable		22,751		522,242	
		<u>3,682,589</u>		<u>3,344,906</u>	
CURRENT LIABILITIES					
Bank overdraft		137,700		95,823	
Creditors		2,947,835		2,514,759	
Amounts owing to group companies		604,614		618,067	
Proposed dividend		130,000		94,000	
		<u>3,820,149</u>		<u>3,322,649</u>	
NET CURRENT ASSETS/LIABILITIES			(137,560)		22,257
CORPORATION TAX (DUE)/RECOVERABLE AFTER 30TH SEPTEMBER 1978	3		219,819		(3,572)
TAX EQUALISATION			(2,322,203)		(1,857,728)
			<u>£2,763,917</u>		<u>£2,575,059</u>
SHARE CAPITAL					
Authorised: 100 Ordinary Shares of £1 each		£100		£100	
Issued and fully paid: 10 ordinary shares of £1 each			10		10
CAPITAL RESERVE			1,297,768		1,297,768
REVENUE RESERVE	4		1,466,139		1,277,281
			<u>£2,763,917</u>		<u>£2,575,059</u>

*George E. Inman*  
*P. J. Arnold*

Director  
Director

BRITVIC LIMITEDNotes on the Accounts for the  
52 weeks ended 24th September 19771. Accounting PoliciesAccounting Date

The accounts are drawn up for successive periods of 52 weeks and when required, 53 weeks ending on the last Saturday in September. Each such accounting period carries a full annual quantum of all items of income and expenditure which accrue on an annual or part-annual basis.

Foreign Currencies

Balances of foreign currencies at the year end are expressed in sterling at appropriate rates of exchange ruling at the year end.

Tax Equalisation

The charge for Corporation Tax in the profit and loss account is calculated by reference to the accounting profit and includes items allocated to other periods for taxation purposes. The difference between the actual liability and calculated charge is carried in tax equalisation account, the balance of which is adjusted to reflect the rate of Corporation Tax assessed at the balance sheet date. No provision is made for Corporation Tax payable on realised capital gains and deferred under the terms of Section 33, Finance Act 1965.

Stocks and Stores

The valuation of trading stocks is made on bases appropriate to the Company's business at the lower of cost and net realisable value. Cost comprises purchase price or direct production and appropriate overhead costs together with Customs and Excise duties. The adjustment has been taken to revenue reserves adjusting opening stocks to comply with the new accounting standard on stocks valuations.

Depreciation

No depreciation is provided on freehold land.

Prior to 25th September 1976, depreciation on long leasehold properties was provided at a rate sufficient to write off the cost or valuation over the period of the lease. Since that date no depreciation has been provided on the long leasehold properties until they are within 50 years of the expiry of the lease, at which time depreciation is provided at rates sufficient to reduce the cost or valuation to nil by the end of the lease. This change in method of calculation has no material effect.

Depreciation on industrial buildings is calculated to write off the cost or valuation over 50 years and on plant, machinery, vehicles and sundry equipment over the estimated useful life.

### Turnover

Turnover is the sum of sales and other trading income including sales to fellow subsidiaries but excluding Value Added Tax.

## 2. Directors' Emoluments

The emoluments of the Directors during the period were as follows:-

	1977 £	1976 £
Remuneration as executive directors	41,881	40,582
Premiums in respect of pension schemes	8,910	8,577
	<u>50,791</u>	<u>49,159</u>
Emoluments of the Chairman	<u>Nil</u>	<u>Nil</u>
Emoluments of the highest paid director	<u>15,969</u>	<u>15,837</u>

The number of other directors whose emoluments excluding contributions paid under pension schemes were within the scales set out below was:-

£	1977	1976
0 - 2,500	5	6
2,501 - 5,000	-	-
5,001 - 7,500	-	-
7,501 - 10,000	3	3

## 3. Taxation

Taxation based on the profit for the period is as follows:-

	1977 £	1976 £
Corporation Tax at 52% (1976 - 52%)	(219,819)	3,572
Prior year	(26,323)	(74,046)
Tax equalisation	464,475	342,064
	<u>218,333</u>	<u>271,590</u>

Stock appreciation relief totalling £920,540 for the five year period ended 24th September 1977 is available to the Company and this amount (1976 - £713,179) has been transferred from the current liability for taxation to tax equalisation in the balance sheet.

4. Movements in ReserveRevenue

£

Balance as at 25th September 1976	1,277,281
Opening stock adjustment to comply with new accounting standard	141,838
Transfer from profit and loss account	47,020
Balance as at 24th September 1977	<u>1,466,139</u>

The basis of valuation on stock was changed during the year to include all appropriate overheads in accordance with the statement of accounting practice Number 9.

To conform with this change the opening stock at 26th September 1976 has been increased by £141,838 and a corresponding figure credited direct to reserve.

Restatement of the comparative figures in the profit and loss account is not considered practicable.

5. Capital Commitments

	1977 £	1976 £
Expenditure contracted for but not provided in the accounts estimated at	544,883	441,020
Expenditure authorised by the directors but not contracted for estimated at	1,528,980	1,007,136

6. Holding Company

At 24th September 1977 the Company's ultimate holding company was Allied Breweries Limited, a company incorporated in Great Britain.

7. Fixed Assets

The company's freehold and leasehold properties were professionally revalued in 1973. No provision has been made for any tax liabilities which might arise if the Company's properties were disposed of at the amount at which they were valued on 29th September 1973 as no disposal of these assets is anticipated. Consequent upon the change in the method of calculating depreciation on long leasehold properties outlined in Note 1. above, the depreciation charge for the year of £489,240 is stated after a credit of £45,354, being the accumulated depreciation provided prior to the 25th September 1976 in respect of such leasehold properties.



Part of this credit has been transferred to a fellow subsidiary company and the net credit in Britvic Limited's Profit and Loss Account is £13,888.

8. Guaranteed Borrowing Facility

Under the terms of a letter dated 6th September 1976 the company has jointly and severally with other subsidiaries of Allied Breweries Ltd. unconditionally and irrevocably guaranteed all monies which may become due by Allied Breweries Limited to a syndicate of bankers under the terms of a borrowing facility of £35 million granted to that company.

At 24th September 1977, £28 million had been drawn under this facility.

9. Holiday Pay Accrual

Prior to the current period it was the company's policy to accrue in each year's accounts for the holiday pay entitlement of a section of its employees which was outstanding at the period end date. During the current accounting period it has been decided that it is more appropriate for each year's Profit and Loss Account to bear the holiday pay costs actually paid in the period. As a consequence no provision was made at 24th September 1977 in respect of employees' holiday pay entitlement outstanding at this date. The provision at the 25th September 1976 was £20,729.

Valuations at 29th September 1973

Cost at 24th September 1977

Sub-total

Depreciation at 24th September 1977

Net balance as at 24th September 1977

Net balance as at 25th September 1976

Additions

Internal transfers

Government Grants

Disposals

Proceeds

Profit

Depreciation

Net balance at 24th September 1977

Freehold Properties	Long Lease Properties	Short Lease Properties	Plant and Machinery	Vehicles & Sundry Equipment	Total 1977	Total 1976
£	£	£	£	£	£	£
910,000	920,000	122,250	-	-	1,952,250	1,952,250
184,083	551,274	126,720	2,608,810	1,921,029	5,391,916	4,349,157
1,094,083	1,471,274	248,970	2,608,810	1,921,029	7,344,166	6,301,407
(53,412)	-	(61,066)	(1,534,259)	(691,568)	(2,340,305)	(1,887,305)
1,040,671	1,471,274	187,904	1,074,551	1,229,461	5,003,861	4,414,102
885,440	1,361,871	198,079	1,099,295	869,417	4,414,102	4,135,935
24,075	64,049	7,798	222,587	631,624	950,133	744,311
142,841	-	-	2,319	(2,487)	142,673	3,131
-	-	-	(9,952)	-	(9,952)	(15,362)
-	-	-	(1,060)	(18,378)	(19,438)	(13,858)
-	-	-	1,060	14,523	15,583	9,746
(11,685)	45,354	(17,973)	(239,693)	(265,238)	(489,240)	(449,801)
1,040,671	1,471,274	187,904	1,074,551	1,229,461	5,003,861	4,414,102

## BRITVIC LIMITED

## STATEMENT OF SOURCES AND APPLICATION OF FUNDS

52 WEEKS ENDED 24TH SEPTEMBER 1977

	1977		1976	
	£	£	£	£
<b>Sources of Funds</b>				
Funds from trading operations		495,353		499,819
Profit Before Tax				
Adjustment for items not involving the movements of funds		(15,583)		(9,746)
Profit on sale of assets		489,240		449,801
Depreciation		141,838		-
Opening Stock Adjustment				
<b>Total generated from operations</b>		<u>1,110,848</u>		<u>939,874</u>
<b>Funds from other sources</b>				
Proceeds from disposal of assets		19,438		13,858
Government Grants		9,952		15,362
		<u>1,140,238</u>		<u>969,094</u>
<b>Application of Funds</b>				
Dividends paid	(194,000)		(161,000)	
Purchases of fixed assets	(1,092,806)		(747,442)	
Taxes paid/received	<u>522,242</u>	<u>(764,564)</u>	<u>(439)</u>	<u>(908,881)</u>
		<u>375,674</u>		<u>60,213</u>
<b>Working Capital Requirements</b>				
Increase in stocks	670,260		318,330	
Increase in debtors	164,868		29,158	
(Increase) in creditors	<u>(419,623)</u>	415,505	<u>(349,436)</u>	(1,948)
<b>Increase (decrease) in liquid funds</b>				
Bank balance and cash	2,046		4,998	
Bank overdraft	<u>(41,877)</u>	<u>(39,831)</u>	<u>57,163</u>	<u>62,161</u>
		<u>375,674</u>		<u>60,213</u>