

Copella Fruit Juices Limited

Directors' report and financial statements

Registered number 0992055

Period ended 31 December 2011



Contents

	Page No
Directors' report	1
Statement of Directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditor's report to the members of Copella Fruit Juices Limited	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 December 2011

Principal activities

The company did not trade during the period

Business review

The profit on ordinary activities before taxation of £104,000 (2010 £95,000) is due to interest received on a loan to a subsidiary

Principal risks and uncertainties

The company anticipates and measures its exposure to risk through planning and management reporting. Further information on these risks, and their potential impact, can be found in the PepsiCo, Inc. Annual Report for 2011, which may be obtained from their registered office as detailed in note 14.

Dividends

The directors do not recommend the payment of a dividend (2010 nil)

Directors

The directors who held office during the period and subsequently were as follows

A J Macleod
J K Averiss
C R Jones (resigned 2 March 2012)
J Sigalos (appointed 12 July 2012)

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Employee communication and policy

The company follows an employment policy of non-discrimination on the grounds of sex, race or age and gives full and fair consideration to the employment of disabled persons.

The company promotes a positive attitude by ensuring that recruitment staff are fully conversant with the statutory provisions on discrimination and by giving full and fair consideration to applications for employment by disabled people, having regard to their particular aptitudes and abilities. Wherever possible, arrangements are made to retain and assist employees who become disabled during service and disabled people have equal opportunities with other employees for training, career progression and promotion.

Group briefings and individual employee consultations are also held. In addition, PepsiCo Group operates a share option scheme for all employees of this company.

Directors' report *(continued)*

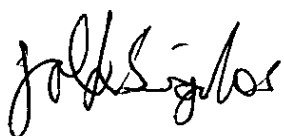
Political and charitable contributions

The company made no political or charitable contributions (2010 £nil) during the period

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the Board



J Sigalos
Director
31 August 2012

1600 Arlington Business Park
Theale
Berkshire
RG7 4SA

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Independent auditor's report to the members of Copella Fruit Juices Limited

We have audited the financial statements of Copella Fruit Juices Limited for the period ended 31 December 2011 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of the company's profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Copella Fruit Juices Limited *(continued)*

Matters on which we are required to report by exception

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

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



P Pateman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park,
Theale,
Reading
RG7 4SD

DATE · 4 September 2012

Profit and Loss Account
for the period ended 31 December 2011

	<i>Note</i>	2011	2010
		£000	£000
Turnover		-	-
Cost of sales		-	3
		<hr/>	<hr/>
Gross profit		-	3
Other operating expense		-	(5)
Administrative expenses		-	5
		<hr/>	<hr/>
Operating profit		-	3
Interest receivable and similar income	5	104	92
		<hr/>	<hr/>
Profit before taxation	2	104	95
Tax charge on profit	6	(27)	(38)
		<hr/>	<hr/>
Profit for the period		77	57
		<hr/> <hr/>	<hr/> <hr/>

There is no difference between the Company's results as reported and on an historical cost basis. Accordingly, no note of historical cost profit and loss has been prepared.

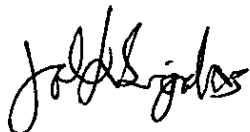
There are no material recognised gains or losses in either period other than the profit for the period.

The current year profits were all derived from continuing activities.

Balance sheet
at 31 December 2011

	<i>Note</i>	2011 £000	2010 £000
Current assets			
Debtors	7	4,529	5,030
Cash at bank and in hand		215	215
		<hr/>	<hr/>
		4,744	5,245
Creditors amounts falling due within one year	8	(55)	(633)
		<hr/>	<hr/>
Net assets		4,689	4,612
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	60	60
Share premium account	10	2,100	2,100
Profit and loss account	10	2,529	2,452
		<hr/>	<hr/>
Equity shareholder's funds	11	4,689	4,612
		<hr/>	<hr/>

The financial statements of Copella Fruit Juices Limited, company number 0992055, were approved by the board of directors on 31 August 2012 and were signed on its behalf by



J Sigalos
Director

The notes on pages 8 to 12 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The comparative figures cover the period to 25 December 2010 as permitted by the Companies Act 2006 Section 390

Under Financial Reporting Standard 1 (Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review in the Directors' Report. The financial position of the company, its cash flows, liquidity position and borrowing facilities are directly related to the consolidated position of PepsiCo, Inc. As such, details of this Group wide position are described in the consolidated financial statements of PepsiCo, Inc., available to the public from the address in note 14

In addition, the notes to the consolidated financial statements of PepsiCo, Inc. include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of PepsiCo, Inc. the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Pension costs

The Company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore the annual cost charged to the profit and loss account is equal to the employer ordinary contributions paid

Taxation

The charge or credit for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19

Related party transactions

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose related party transactions with members of the same group on the grounds that the company is a wholly-owned subsidiary

Notes (continued)

2 Profit before taxation

Profit before taxation is stated after (crediting):

	2011 £000	2010 £000
Exchange gain	-	(9)
	<u> </u>	<u> </u>

The auditor's remuneration has been borne in 2011 by a fellow group company. The audit fee allocated to Copella Fruit Juices Limited for the period is £5,500 (2010 £8,000), and no additional non-audit services have been received during the period.

3 Remuneration of directors

The directors principally work for other group companies. Their emoluments, in both periods, have been borne by the group company where the majority of the directors' time is expended.

4 Staff numbers and costs

The average number of persons employed by the company during the period was as follows:

	Number of employees 2011	2010
Administrative	4	4
	<u> </u>	<u> </u>

In 2011 the cost of staff employed by Copella Fruit Juices Limited was borne by a fellow group company where the majority of the employees' time was expended, without recharge.

5 Interest receivable and similar income

	2011 £000	2010 £000
Interest receivable on loans to group undertakings	104	92
	<u> </u>	<u> </u>
	104	92
	<u> </u>	<u> </u>

Notes (continued)

6 Taxation

Analysis of charge in period

	2011		2010	
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current tax on income for the period	27		27	
Adjustment in respect of prior years	-		11	
	<hr/>		<hr/>	
Total current tax charge		27		38
		<hr/>		<hr/>
Tax on profit on ordinary activities		27		38
		<hr/>		<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is the same as (2010 higher than) the standard rate of corporation tax in the UK of 26.51% (2010 28%). The differences are explained below

	2011	2010
	£000	£000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	104	95
	<hr/>	<hr/>
Current tax at 26.51% (2010 28%)	27	27
<i>Effects of</i>		
Adjustments to tax charge with respect to prior years	-	11
	<hr/>	<hr/>
Total tax charge	27	38
	<hr/>	<hr/>

Factors that may affect future tax charges

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK Corporation tax from 28% to 26% with effect from April 2011. These changes were enacted in July 2011.

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 30 March 2012, and another reduction to 23% (effective from 1 April 2013) was substantively enacted on 2 July 2012.

These changes will reduce the company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this is unlikely to be material and will further reduce the company's future current tax charge.

Notes (continued)

7 Debtors

	2011 £000	2010 £000
Amounts owed by fellow group undertakings	4,529	5,030
	<u>4,529</u>	<u>5,030</u>

8 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to fellow group undertakings	28	606
Corporation Tax	27	27
	<u>55</u>	<u>633</u>

9 Called up share capital

	2011 £	2010 £
<i>Authorised, allotted, called up and fully paid</i>		
<i>Equity shares</i>		
1,201,000 ordinary 'A' shares of 5p each	60,050	60,050
960 ordinary 'B' shares of 5p each	48	48
	<u>60,098</u>	<u>60,098</u>

The ordinary 'B' shares do not have any voting rights. In all other respects, these shares have identical rights to those of the ordinary 'A' shares.

10 Reserves

	Share premium £000	Profit and loss reserve £000
At beginning of period	2,100	2,452
Profit for the period	-	77
	<u>2,100</u>	<u>2,529</u>
At end of period	<u>2,100</u>	<u>2,529</u>

Notes (continued)

11 Reconciliation of movements in equity shareholder's funds

	2011	2010
	£000	£000
Opening equity shareholder's funds	4,612	4,555
Profit in financial period	77	57
	<hr/>	<hr/>
Closing equity shareholder's funds	4,689	4,612
	<hr/>	<hr/>

12 Commitments

There are no capital or operating lease commitments at the end of either financial period

13 Pension scheme

The company is a member of a pension scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the charge for the period is determined as the contributions paid into the scheme.

The latest full actuarial valuation was carried out at 30 September 2008 by a qualified independent actuary. The overall pension deficit at that date was £117,800,000. To eliminate this shortfall the company has agreed that additional contributions will be paid to the Plan by the participating employers.

The pension charge for the period was £nil for 2011 (2010 £nil)

14 Ultimate holding company and parent undertaking of a larger group of which the company is a member

The company's ultimate parent and controlling company is PepsiCo, Inc., a company registered and incorporated in the United States of America.

The results of the company are consolidated in the group financial statements of PepsiCo, Inc., whose registered office is at 700 Anderson Hill Road, Purchase, New York 10577, United States of America.

The consolidated financial statements of this group are available to the public and may be obtained from their registered office as noted above.