

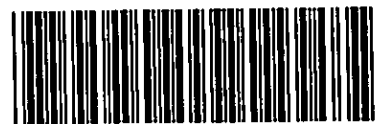
Copella Fruit Juices Limited

**Directors' report and financial
statements**

Registered number 0992055

Period ended 29 December 2012

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Directors' report

The directors present their annual report and the audited financial statements for the period ended 29 December 2012

Principal activities

The company did not trade during the period

Business review

The profit on ordinary activities before taxation of £3,011,000 (2011: £104,000) is due to interest received on a loan to a subsidiary and further income relating to the sale of intellectual property in 2008

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 2012 which may be obtained from their registered office as detailed in note 15

Dividends

The directors do not recommend the payment of a dividend (2011: 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 L Sigalos (appointed 12 July 2012)

Disclosure of information to auditor

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 auditor is 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 auditor is 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 to ensure that disabled people have equal opportunities with other employees for training, career progression and promotion

Group briefings and individual employee consultations are also held

Political and charitable contributions

The company made no political or charitable contributions (2011: £nil) during the period

Auditor

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

By order of the Board



J L Sigalos
Director
23 July 2013

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 29 December 2012 set out on pages 5 to 11. 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 2, 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 Financial Reporting Council's (FRC) 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 29 December 2012 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



Simon Haydn-Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park,
Theale,
Reading
RG7 4SD

26 July 2013

Profit and Loss Account
for the period ended 29 December 2012

	<i>Note</i>	2012	2011
		£000	£000
Other operating income	4	3,000	-
Operating profit		3,000	-
Interest payable and similar expenses	6	(96)	-
Interest receivable and similar income	5	107	104
Profit before taxation		3,011	104
Tax charge on profit	7	(858)	(27)
Profit for the period		2,153	77

There were no recognised gains or losses in either period other than the (loss)/profit for the period which was entirely derived from continuing activities

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.

Balance sheet
at 29 December 2012

	<i>Note</i>	2012 £000	2011 £000
Current assets			
Debtors	8	7,636	4,529
Cash at bank and in hand		188	215
		<hr/>	<hr/>
		7,824	4,744
Creditors amounts falling due within one year	9	(982)	(55)
		<hr/>	<hr/>
Net assets		6,842	4,689
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	60	60
Share premium account	11	2,100	2,100
Profit and loss account	11	4,682	2,529
		<hr/>	<hr/>
Equity shareholder's funds	12	6,842	4,689
		<hr/>	<hr/>

The financial statements of Copella Fruit Juices Limited company number 0992055 were approved by the board of directors on 23 July 2013 and were signed on its behalf by



J L Sigalos
Director

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 31 December 2011 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 15

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's 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 and 100% of the voting rights are controlled within the group

Notes (continued)

2 Auditor's remuneration

The auditor's remuneration has been borne in 2012 by a fellow group company. The audit fee allocated to Copella Fruit Juices Limited for the period is £4,400 (2011: £5,500) and no additional non-audit services have been received during the period (2011: £nil).

3 Staff numbers and costs

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

	2012 Number	2011 Number
Administrative	4	4

In 2012 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.

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 Other operating income

	2012 £000	2011 £000
Intellectual property income	3,000	-
	3,000	-

5 Interest receivable and similar income

	2012 £000	2011 £000
Interest receivable on loans to group undertakings	107	104
	107	104

6 Interest payable and similar expenses

	2012 £000	2011 £000
Interest payable to HMRC on Copella brand revaluation	96	-
	96	-

Notes (continued)

7 Taxation

Analysis of charge in period

	2012		2011	
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current tax on income for the period	3		27	
Adjustment in respect of prior years	855		-	
	<hr/>		<hr/>	
Total current tax charge		858		27
		<hr/>		<hr/>
Tax on profit on ordinary activities		858		27
		<hr/>		<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than (2011 the same as) the standard rate of corporation tax in the UK of 24.51% (2011 26.51%). The differences are explained below:

	2012	2011
	£000	£000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,011	104
	<hr/>	<hr/>
Current tax at 24.51% (2011 26.51%)	738	27
<i>Effects of</i>		
Adjustments to tax charge with respect to prior years	855	-
Income already taxed	(735)	-
	<hr/>	<hr/>
Total tax charge	858	27
	<hr/>	<hr/>

Factors that may affect future tax charges

The 2012 UK Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. The December 2012 UK Autumn Statement announced a planned further reduction to 21% by 2014 and the 2013 UK Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011 and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

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

It has not yet been possible to quantify the full anticipated effect of the further rate reductions, although this will further reduce the company's future current tax charge.

Notes (continued)

8 Debtors

	2012 £000	2011 £000
Amounts owed by fellow group undertakings	7,636	4 529
	<u>7,636</u>	<u>4 529</u>

9 Creditors amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to fellow group undertakings	979	28
Corporation Tax	3	27
	<u>982</u>	<u>55</u>

10 Called up share capital

	2012 £	2011 £
<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.

11 Reserves

	Share premium £000	Profit and loss reserve £000
At beginning of period	2,100	2,529
Profit for the period	-	2,153
	<u>2,100</u>	<u>4,682</u>
At end of period	<u>2,100</u>	<u>4,682</u>

Notes (continued)

12 Reconciliation of movements in equity shareholder's funds

	2012	2011
	£000	£000
Opening equity shareholder's funds	4,689	4,612
Profit in financial period	2,153	77
Closing equity shareholder's funds	6,842	4,689

13 Commitments

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

14 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 2011 by a qualified independent actuary. The overall pension deficit at that date was £123,900,000. 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 2012 (2011: £nil).

On 25 March 2013, Copella Fruit Juices Limited ceased to be a member of the PepsiCo UK pension plan. All active pension liabilities were transferred to another group company on the cessation date.

15 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.