

Fresh Trading Limited

Report and Financial Statements

31 December 2013

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COMPANIES HOUSE

Directors

G Ruiz	(Appointed 16 th May 2013)
S E Roche	(Appointed 16 th May 2013)
S Mori	(Appointed 16 th May 2013)
D R Lamont	(Appointed 16 th May 2013)
J L Davenport	(Appointed 16 th May 2013)
J Quincey	
J Wright	(Resigned 16 th May 2013)
R Reed	(Resigned 16 th May 2013)
A Balon	(Resigned 16 th May 2013)

Secretary

J L Davenport	(Appointed 16 th May 2013)
A Balon	(Resigned 16 th May 2013)

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Bank of Scotland plc
The Mound
Edinburgh EH1 1YZ

Solicitors

Joelson Wilson & Co
30 Portland Place
London W1B 1LZ

Registered Office

Fruit Towers
342 Ladbroke Grove
London W10 5BU

Registered No. 3720071

Strategic Report

Principal activities and review of the business

The group's principal activities during the year continued to be the development, manufacturing and distributing of natural healthy food and drinks.

The group's key financial and other performance indicators during the year were as follows;

	2013	2012	Change
	£m	£m	%
Group turnover	215.5	206.6	+ 4.3%
Operating profit	1.2	28.1	- 95.7%
Shareholder funds	71.1	33.1	+ 114.8%
Portions of fruit sold	735m	713m	+ 3.1%
Average number of employees	285	256	+11.3%

During the year, the Coca-Cola Company acquired the rest of the share capital from the founders and the team and are now the controlling parent. Subsequent to this, new shares were issued to the founders, supporting their desire to remain involved in the company over the long term. Coca-Cola continue to support our aspiration to become Europe's Favourite Little Juice Company, and we are confident we are on track to achieve that objective in coming years. With the issue of new shares and a release to reserves in the year the shareholder funds increased from £33.1m to £71.1m

In a challenging and uncertain economic environment, innocent continued to demonstrate ongoing revenue growth of 4%. We have step-changed our investment levels in brand and innovation to grow our UK and European businesses, and, in particular, we achieved strong growth in both Germany and France. These investments, resulting in an operating profit for the year of £1.2m, will continue for the foreseeable future as the macro consumer trends for tasty and healthy products provides ongoing opportunities to grow further in these countries.

We are proud that we sold 735m portion of fruit during the year, helping millions on their way to achieving the recommended consumption of 5 portions of fruit & veg per day.

With current and ongoing growth, we continue to grow the team with the average number of employees in 2013 being up 11% to 285.

Furthermore, we continued to work closely with our suppliers on ethical sourcing, responsible packaging and supply chain efficiency, targeting reductions in water, energy and waste. We introduced a new set of minimum standards for our fruit growers and processors, in conjunction with the Sustainable Agriculture Initiative. We also kept up momentum on our two flagship sustainable agriculture projects, both in their 3rd year, pioneering ways to reduce water use in Spanish strawberry production and increasing resilience to climate change among Indian mango farmers.

Principal risks and uncertainties

Financial risks

The group has established a risk and financial management framework whose primary objectives are to protect the group from events that hinder the achievement of the group's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital management and to reduce the impact of price fluctuations, whether due to the demand of raw materials or foreign currency fluctuations.

- **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss of the other party by failing to discharge an obligation. The group's policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures.

- **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate liquidity risk by managing cash generation by its operations.

- **Cash flow risk**

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. The group manages this risk, where significant, by use of derivatives as explained below.

- **Pricing risk**

Pricing risk is the risk that the movement in the price of key materials will adversely affect the profitability of the business. The group aims to manage the risk of movement in the price of fruit by the use of forward purchase contracts.

Innocent Limited, one of Fresh Trading Limited's subsidiaries, uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency. Fresh Trading Limited also employs an interest rate swap to mitigate interest rate risk.

Competitive risks

Competitive risks have continued to increase with the introduction of new competitors and supermarket own brand smoothies and the increase of promotional activity and discounts in the market.

Going concern

The directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having reviewed the group's current position and cash flow projections, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Fresh Trading Limited

On behalf of the Board



J L Davenport
Financial Director

7th April 2014

Directors' Report

Directors

The directors who served the company during the year were as follows:

G Ruiz	(Appointed 16 th May 2013)
S E Roche	(Appointed 16 th May 2013)
S Mori	(Appointed 16 th May 2013)
D R Lamont	(Appointed 16 th May 2013)
J L Davenport	(Appointed 16 th May 2013)
J Quincey	
J Wright	(Resigned 16 th May 2013)
R Reed	(Resigned 16 th May 2013)
A Balon	(Resigned 16 th May 2013)

Charitable contributions

During the year, the group have agreed to make charitable contributions of £572,000 (2012: £2,220,000) to charities.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.
On behalf of the Board



J L Davenport
Financial Director

7th April 2014

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and of the profit or loss of the group 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 proper accounting records that are sufficient to show and explain the company and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESH TRADING LIMITED

We have audited the consolidated and parent ('group' and 'company') financial statements of Fresh Trading Limited for the year ended 31 December 2013 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Balance Sheet, the Company Balance Sheet and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the group and parent 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 group and company 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the group and company financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the group and company financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit and parent's loss 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.

Opinion on other matter 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.

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent 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.



Gordon Cullen (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

9 April 2014

Group Profit and Loss Account
For the year ended 31 December 2013

		2013	2012
	Notes	£000	£000
Turnover	2	215,530	206,641
Cost of sales		<u>(152,785)</u>	<u>(138,077)</u>
Gross Profit		62,745	68,564
Distribution costs		(44,140)	(20,207)
Administrative expenses		(17,408)	(20,275)
Other income	3	-	1,044
Exceptional items	3	-	<u>(1,044)</u>
Operating Profit	3	1,197	28,082
Bank interest receivable and similar income	6	240	196
Interest payable and similar charges	7	<u>(551)</u>	<u>(740)</u>
Profit on ordinary activities before taxation		886	27,538
Tax on profit on ordinary activities	8	<u>(137)</u>	<u>(6,441)</u>
Profit for the financial year	22	<u>749</u>	<u>21,097</u>

The profit of £749,000 for the year ended 31 December 2013 was derived in its entirety from continuing operations.

Group Statement of Total Recognised Gains and Losses

For the year ended 31 December 2013

		2013	2012
	Note	£000	£000
Profit for the financial year	22	749	21,097
Exchange difference on retranslation of net loss of subsidiary undertakings	22	<u>111</u>	<u>(317)</u>
Total recognised profit/(losses) relating to the year		<u>860</u>	<u>20,780</u>

Group Balance Sheet

As at 31 December 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	10	3,179	3,126
Current assets			
Stocks	12	13,489	13,489
Debtors: amounts falling due after more than one year	13	434	216
Debtors: amounts falling due within one year	13	35,310	29,182
Cash at bank and in hand		56,304	50,149
		<u>105,537</u>	<u>93,036</u>
Creditors: amounts falling due within one year	14	<u>(37,043)</u>	<u>(63,021)</u>
Net current assets		<u>68,494</u>	<u>30,015</u>
Total assets less current liabilities		<u>71,673</u>	<u>33,141</u>
Creditors: amounts falling due after more than one year	15	<u>558</u>	<u>-</u>
Net assets		<u><u>71,115</u></u>	<u><u>33,141</u></u>
Capital and reserves			
Called up share capital	20	1	3
Share premium account	22	12,398	29,278
Capital contribution reserve	22	-	6,800
Investment in own shares	22	-	(1,591)
Profit and loss account	22	58,716	(1,349)
Shareholders' funds	22	<u><u>71,115</u></u>	<u><u>33,141</u></u>

The financial statements on pages 9 to 28 were approved by the Board of Directors and authorised for issue on 7th April 2014 and are signed on its behalf by:



J L Davenport
Financial Director

7th April 2014

Company Balance Sheet

As at 31 December 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	10	1,637	1,899
Investments	11	39,568	39,568
		<u>41,205</u>	<u>41,467</u>
Current assets			
Debtors: amounts falling due within one year	13	25,496	12,218
Cash at bank and in hand		55	84
		<u>25,551</u>	<u>12,302</u>
Creditors: amounts falling due within one year	14	<u>(5,409)</u>	<u>(20,919)</u>
Net current (Liabilities)/ assets		<u>20,142</u>	<u>(8,617)</u>
Total assets less current liabilities		<u>61,347</u>	<u>32,850</u>
Creditors: amounts falling due after more than one year	15	-	-
Net assets		<u>61,347</u>	<u>32,850</u>
Capital and reserves			
Called up share capital	20	1	3
Share premium account	22	12,398	29,278
Capital contribution reserve	22	-	6,800
Investment in own shares	22	-	(1,591)
Profit and loss account	22	48,948	(1,640)
Shareholders' funds	22	<u>61,347</u>	<u>32,850</u>

The financial statements on pages 9 to 28 were approved by the Board of Directors and authorised for issue on 7th April 2014 and are signed on its behalf by:



J L Davenport
Financial Director

7th April 2014

Notes to the financial statements

As at 31 December 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of Fresh Trading Limited and all its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Fresh Trading Limited as permitted by section 408 of the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis as, having reviewed the group's current position, cash flow, projections, loan facilities and covenant cover, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements.

Statement of cash flows

Under FRS 1 the company is exempt from the requirement to prepare a statement of cash flows on the grounds that more than 90% of the voting rights are controlled by a group company, producing publicly available group financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	over a period of between 2 and 10 years straight line
Motor vehicles	-	over a period of between 2 and 5 years straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Assets under construction are stated at cost and will be depreciated from the date on which the assets come into use.

Investments

Fixed asset investments are stated at cost less provision for impairment in value. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:

Raw materials	-	purchase cost on a first-in, first-out basis
Finished goods	-	cost of direct materials, blending costs, and attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

- **Sale of goods:** Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on receipt by the buyer of the goods.
- **Interest income:** Revenue is recognised as interest accrues using the effective-interest method.
- **Listing fees and slotting fees:** Fees that are paid in order for our products to be to listed on-shelf are deducted from net revenue. Fees that represent a separable, discretionary cost are treated as a distribution cost.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, or at the contracted rate if the transaction is covered by a forward foreign currency contract.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date and if appropriate at the forward contract rate. All differences described above are taken to the profit and loss account.

1. Accounting policies (continued)

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

Lease commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review. The company has no finance or hire purchase leases.

Pensions

The group makes contributions to personal pension schemes on behalf of its employees. Contributions are charged to the profit and loss account as they become due, in accordance with the rules of the scheme.

Accounting for ESOP Trusts

UITF 38 Accounting for ESOP Trusts has been adopted in these financial statements in respect of the Fresh Trading Limited Employee Benefit Trust. Investment in own shares, which comprises the unallocated shares of the Fresh Trading Limited Employee Benefit Trust, are treated as a deduction in arriving at shareholders' funds. Shares purchased by employees are treated as unallocated within the ESOP Trust as the share based payment schemes are all cash-settled in nature.

No gain or loss is recognised in the profit and loss account on the purchase, sale, issue or cancellation of these shares.

Share-based payments

The cost of cash-settled transactions is measured at fair value using an appropriate option pricing model. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in profit or loss for the period.

2. Turnover

Turnover, which is stated net of value added tax, represents the invoiced amounts of goods sold to third parties. Turnover is attributable to the group's continuing principal activity.

An analysis of turnover by geographical destination is given below:

	2013 £000	2012 £000
UK	159,943	163,905
Europe	55,587	42,736
	<u>215,530</u>	<u>206,641</u>

3. Operating Profit

This is stated after charging:

		2013	2012
	Notes	£000	£000
Depreciation of tangible fixed assets	10	1,157	1,050
Loss on disposal of fixed assets	10	(32)	(4)
Operating lease rentals			
- Land and buildings	16	763	300
- Plant and machinery	16	48	6
Exceptional items		-	1,044
Other income		-	(1,044)
Services provided by the company's auditor			
Fees payable for the audit		83	83
Fees payable for local statutory audits of subsidiaries		32	25
Fees payable for tax compliance		30	30

Exceptional items in 2012 related to the £1,044,000 unpaid component of a total obligation of £2,044,000 to the innocent foundation. Other income relates to the unpaid donation of £1,044,000 which was paid by the founders in relation to this obligation.

4. Directors' remuneration

	2013	2012
	£000	£000
Aggregate remuneration in respect to qualifying services	530	605

The amounts in respect of the highest paid director are as follows:

	2013	2012
	£000	£000
Remuneration	211	202

5. Staff costs

	2013 £000	2012 £000
Wages and salaries	15,776	13,630
Social security costs	2,057	1,550
Other pension costs	297	206
	<u>18,130</u>	<u>15,386</u>

Other pension costs relate to contributions under a defined contribution scheme.

The average monthly number of employees during the year was made up as follows:

	No.	No.
Sales and distribution	223	198
Administration	62	58
	<u>285</u>	<u>256</u>

6. Interest receivable and similar income

	2013 £000	2012 £000
Bank interest receivable	240	180
Other Interest receivable	-	16
	<u>240</u>	<u>196</u>

7. Interest payable and similar charges

	2013 £000	2012 £000
Bank interest payable	544	740
Other interest payable	7	-
	<u>551</u>	<u>740</u>

8. Tax

(a) Tax on profit on ordinary activities

The tax profit is made up as follows:

	2013 £000	2012 £000
Current tax:		
UK corporation tax:		
Current year	126	3,252
Adjustments in respect of previous periods	137	(103)
Tax losses carried back to prior year	(346)	-
Double taxation relief	(126)	(209)
	<u>(209)</u>	<u>2,940</u>
 Foreign tax:		
Current year	413	457
Adjustment in respect of previous periods	150	(75)
	<u>563</u>	<u>382</u>
 Total current tax (note 8(b))	<u>354</u>	<u>3,322</u>
 Deferred tax:		
Origination and reversal of timing differences	(43)	3,114
Prior year under provision	(241)	-
Exchange rate adjustment	1	-
Effect of changes in tax rate on opening liability	66	5
Total deferred tax (note 19)	<u>(217)</u>	<u>3,119</u>
 Total tax charge for year	<u>137</u>	<u>6,441</u>

8. Tax (continued)

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24.5% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	886	27,538
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	206	6,747
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(280)	153
Enhanced relief for R&D expenditure	(92)	-
Depreciation in (excess)/arrears of capital allowances	-	49
Timing differences	(25)	2,458
Adjustments to tax charge in respect of previous years	287	(178)
Lower tax rate on overseas earnings	(17)	(66)
Rate change on tax losses carried back to prior year	(18)	-
Utilisation of losses brought forward	(17)	(5,841)
Unrelieved tax losses carried forward	310	-
Current tax for the year (note 8(a))	354	3,322

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

9. Result attributable to members of the parent undertaking

The loss dealt with in the financial statements of the parent undertaking is (£8,617,132) (2012 - profit of £11,040,000).

10. Tangible fixed assets

<i>Group</i>	<i>Plant and machinery £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
Cost:			
At 1 January 2013	6,886	413	7,299
Exchange adjustment	(22)	(108)	(130)
Additions	1,119	105	1,224
Disposals	(718)	(81)	(799)
At 31 December 2013	<u>7,265</u>	<u>329</u>	<u>7,594</u>
Depreciation:			
At 1 January 2013	3,817	356	4,173
Exchange adjustment	(39)	(109)	(148)
Charge for the year	1,131	26	1,157
Disposals	(701)	(66)	(767)
At 31 December 2013	<u>4,208</u>	<u>207</u>	<u>4,415</u>
Net book value:			
At 31 December 2013	<u>3,057</u>	<u>122</u>	<u>3,179</u>
At 1 January 2013	<u>3,069</u>	<u>57</u>	<u>3,126</u>

<i>Company</i>	<i>Plant and machinery £000</i>
Cost:	
At 1 January 2013	2,353
Additions	-
At 31 December 2013	<u>2,353</u>
Depreciation:	
At 1 January 2013	454
Charge for the year	262
At 31 December 2013	<u>716</u>
Net book value:	
At 31 December 2013	<u>1,637</u>
At 1 January 2013	<u>1,899</u>

11. Investments

Company

*Subsidiary
undertakings
£000*

Cost:

At 1 January 2013

39,568

Additions

-

At 31 December 2013

39,568

In the opinion of the directors, the remaining value of the investments are not less than the amount at which they are stated in the balance sheet.

Details of the investments in which the group and company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of rights and shares held</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
<i>Subsidiary undertaking</i>				
Innocent Limited	Ordinary shares	100%	Drinks sales and distribution	UK
<i>Held by a subsidiary undertaking</i>				
Innocent ApS	Ordinary shares	100%	Drinks sales and distribution	Denmark
Innocent AB	Ordinary shares	100%	Dormant	Sweden
Innocent Alps GmbH	Ordinary shares	100%	Drinks sales and distribution	Austria
Innocent SAS	Ordinary shares	100%	Drinks sales and distribution	France

12. Stocks

Group

2013

2012

£000

£000

Raw materials and consumables

7,899

7,208

Finished goods and goods for resale

5,590

6,281

13,489

13,489

13. Debtors

	<i>Group</i>		<i>Company</i>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade debtors	32,268	23,478	4	1,746
Amounts owed by group undertakings	-	-	25,008	7,304
Employee loans for purchase of parent shares	-	3,098	-	3,098
Other debtors	140	1,104	-	-
Prepayments	1,343	639	138	70
Other taxes and social security costs	1,012	641	-	-
Corporation tax	547	222	346	-
Deferred tax (note 19)	434	216	-	-
	<u>35,744</u>	<u>29,398</u>	<u>25,496</u>	<u>12,218</u>

Amounts falling due after more than one year included above are:

	<i>Group</i>		<i>Company</i>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Deferred Tax Asset	434	216	-	-
	<u>434</u>	<u>216</u>	<u>-</u>	<u>-</u>

14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade creditors	18,596	21,514	41	22
Amounts owed to group undertakings	-	-	4,850	719
Other taxes and social security costs	973	3,018	-	7
Other creditors	533	2,794	151	48
Accruals and deferred income	16,941	14,445	367	753
Corporation tax	-	2,131	-	169
Deferred tax (note 19)	-	-	-	82
Cash-settled, share-based payment (note 21)	-	19,119	-	19,119
	<u>37,043</u>	<u>63,021</u>	<u>5,409</u>	<u>20,919</u>

15. Creditors: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Employee bonus scheme	558	-	-	-
	<u>558</u>	<u>-</u>	<u>-</u>	<u>-</u>

16. Obligations under leases

At 31 December 2013 the group and the company had annual commitments under non-cancellable operating leases as set out below:

<i>Group</i>	<i>2013</i>		<i>2012</i>	
	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Land and buildings</i>	<i>Plant and machinery</i>
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	429	42	-	6
In two to five years	334	6	-	-
Over five years	-	-	300	-
	<u>763</u>	<u>48</u>	<u>300</u>	<u>6</u>
 <i>Company</i>	 <i>2013</i>		 <i>2012</i>	
	<i>Land and buildings</i>		<i>Land and buildings</i>	
	£000		£000	
Operating leases which expire:				
Within one year	318		-	
In two to five years	306		-	
Over five years	-		248	
	<u>624</u>		<u>248</u>	

17. Derivatives

The group purchases forward foreign exchange contracts to manage foreign exchange fluctuations and interest rate swaps to manage interest rate volatility. The group does not apply fair value accounting and hence has not recognised the fair value of these obligations in the financial statements. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values, are as follows:

	2013	2012
	£000	£000
Interest rate swaps	(1,581)	(2,473)
Forward foreign exchange contracts	<u>67,237</u>	<u>57,578</u>

18. Other financial commitments

At 31 December 2013, the group also had a commitment of £34,972,636 (2012: £37,657,812) relating to future fruit commodity contracts in order to manage raw material price volatility. Due to the bespoke nature of the contracts it is not possible to obtain an open market value for the contracts at either 31 December 2013 or 31 December 2012 and consequently fair values for fruit commodity contracts have not been disclosed.

19. Deferred taxation

Group

	£000
At 1 January 2013	216
Prior year under provision	241
At 1 January 2013	<u>457</u>
Originating and reversal of timing differences	44
Exchange rate adjustment	(2)
Tax rate adjustment	<u>(65)</u>
Recognised at end of year	<u>434</u>

The deferred tax consists of:

	2013	2012
	£000	£000
Decelerated capital allowances	384	(59)
Tax losses	-	59
Other timing differences	50	-
	<u>434</u>	<u>-</u>

Company

	£000
At 1 January 2013	(82)
Prior year under provision	6
At 1 January 2013	<u>(76)</u>
Originating and reversal of timing differences	77
Exchange rate adjustment	<u>(1)</u>
Recognised at end of year	<u>-</u>

20. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2013</i>	<i>No.</i>	<i>2012</i>
		<i>£000</i>		<i>£000</i>
Ordinary shares of £1 each	1,000	1	-	-
Ordinary shares of 0.025p each	-	-	13,719,513	3

21. Share-based payments

On 3rd May 2013, the company was sold to the Coca-Cola Company and all the schemes closed, with employees receiving a cash settlement equivalent to the market value of their share options and share appreciation rights.

Innocent Promise

All share options vested and employees received a cash settlement equivalent to the market value. No share options were issued in the year. The scheme is now closed.

Innocent Nest Egg

Employees invested directly into the nest egg scheme by purchasing, through the ESOP trust, share appreciation rights at an amount equivalent to the latest HMRC valuation of the company's shares. The employee paid cash directly into the ESOP trust, which held the share rights on behalf of the employee. The full appreciation rights vested automatically on the sale of the company. The employee immediately sold the rights to the shares and received a cash settlement equivalent to the market value. There was no option to settle in equity.

Share options were granted to top-performing employees through a matching of their investment in the nest egg scheme. The option awards were on the same principles as above, however, they had no value if the employee left within three years.

Enterprise Management Incentive Scheme

Senior executives invested directly into the scheme by purchasing, through the ESOP trust, share appreciation rights at an amount equivalent to the latest HMRC valuation of the company's shares. The senior executive paid cash directly into the ESOP trust, or received a loan from the ESOP trust, which held the share rights on behalf of the executive. The full appreciation rights vested automatically on the sale of the company. The executive immediately sold the share rights in exchange for cash settlement by the company. There was no option to settle in equity.

21. Share-based payments (continued)

Group and company

The expense recognised due to the increase of the share-based payment liability in respect of employee services received up to 3 May 2013 was £8,901,000 (2012 - expense of £10,330,000).

The following tables illustrate the number and weighted average purchase prices (WAPP) of, and movements in, share appreciation rights during the year:

<i>Nest Egg Scheme</i>	<i>2013</i> <i>No.</i>	<i>2013</i> <i>WAPP</i>	<i>2012</i> <i>No.</i>	<i>2012</i> <i>WAPP</i>
Outstanding as at 1 January	108,437	£4.13	109,343	£4.14
Exercised during the year	(108,437)	£4.13	-	-
Forfeited during the year	-	-	(906)	£5.18
Outstanding at 31 December	-	-	108,437	£4.13

<i>Enterprise Management Scheme</i>	<i>2013</i> <i>No.</i>	<i>2013</i> <i>WAPP</i>	<i>2012</i> <i>No.</i>	<i>2012</i> <i>WAPP</i>
Outstanding as at 1 January	525,611	£6.55	537,614	£4.27
Granted during the year	-	-	-	-
Exercised during the year	(525,611)	£6.55	-	-
Forfeited during the year	-	-	(12,003)	£7.99
Outstanding at 31 December	-	-	525,611	£6.55

The expiry date for the share appreciation rights was on the date of the transaction.

The weighted average share price at the date of exercise for the options was £31.37 (31 December 2012 - £15.35).

Employees and senior executives have settled their contributions towards the purchase price of the share appreciation rights under the two schemes (2012 £3,098,000).

21. Share-based payments (continued)

Group and company (continued)

The following tables illustrate the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

<i>Innocent Promise</i>	<i>2013</i>	<i>2013</i>	<i>2012</i>	<i>2012</i>
	<i>No.</i>	<i>WAEP</i>	<i>No.</i>	<i>WAEP</i>
Outstanding as at 1 January	9,559	£0.00	11,359	£0.00
Granted during the year	-	£0.00	-	£0.00
Forfeited during the year	-	£0.00	(1,800)	£0.00
Exercised during the year	(9,559)	-	-	-
Outstanding at 31 December	-	-	9,559	-
<i>Nest Egg Scheme</i>	<i>2013</i>	<i>2013</i>	<i>2012</i>	<i>2012</i>
	<i>No.</i>	<i>WAEP</i>	<i>No.</i>	<i>WAEP</i>
Outstanding as at 1 January	101,602	£0.00	112,294	£0.00
Granted during the year	-	£0.00	-	£0.00
Forfeited during the year	-	£0.00	(10,692)	£0.00
Exercised during the year	(101,602)	£0.00	-	-
Outstanding at 31 December	-	-	101,602	-
<i>Unapproved Option Scheme</i>	<i>2013</i>	<i>2013</i>	<i>2012</i>	<i>2012</i>
	<i>No.</i>	<i>WAEP</i>	<i>No.</i>	<i>WAEP</i>
Outstanding as at 1 January	23,869	£0.00	24,020	£0.00
Forfeited during the year	-	-	(151)	£0.00
Exercised during the year	(23,869)	£0.00	-	-
Outstanding at 31 December	-	-	23,869	£0.00

All share options were exercised on 3rd May 2013.

The weighted average share price at the date of exercise for the options was £31.37 (31 December 2012 - £15.35).

22. Reconciliation of shareholders' funds and movements on reserves

<i>Group</i>	<i>Share capital £000</i>	<i>Share premium account £000</i>	<i>Capital contribution reserve £000</i>	<i>Investment in own shares £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 1 January 2012	3	29,278	6,800	(1,394)	(22,115)	12,572
Purchase of ordinary shares held by EBT	-	-	-	(197)	-	(197)
Foreign exchange revaluation	-	-	-	-	(317)	(317)
Loss on disposal of treasury shares	-	-	-	-	(14)	(14)
Profit for the year	-	-	-	-	21,097	21,097
At 1 January 2013	3	29,278	6,800	(1,591)	(1,349)	33,141
Share for share exchange	(3)	-	-	-	3	-
Transfer from share premium & capital contribution reserves to P & L reserves	-	(29,278)	(6,800)	-	36,078	-
Issue of new share capital	1	12,398	-	-	-	12,399
Sale of ordinary shares held by EBT	-	-	-	1,591	(4,578)	(2,987)
Transfer to P&L reserves on employee share scheme closure	-	-	-	-	27,702	27,702
Foreign exchange revaluation	-	-	-	-	111	111
Profit for the year	-	-	-	-	749	749
At 31 December 2013	1	12,398	-	-	58,716	71,115

22. Reconciliation of shareholders' funds and movements on reserves (continued)

Company	Share capital £000	Share premium account £000	Capital contribution reserve £000	Investment in own shares £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2012	3	29,278	6,800	(1,394)	(12,666)	22,021
Purchase of ordinary shares held by EBT	-	-	-	(197)	-	(197)
Loss on disposal of treasury shares	-	-	-	-	(14)	(14)
Profit for the year	-	-	-	-	11,040	11,040
At 1 January 2013	3	29,278	6,800	(1,591)	(1,640)	32,850
Share for share exchange	(3)	-	-	-	3	-
Transfer from share premium & capital contribution reserves to P & L reserves	-	(29,278)	(6,800)	-	36,078	-
Issue of new share capital	1	12,398	-	-	-	12,399
Sale of ordinary shares held by EBT	-	-	-	1,591	(4,578)	(2,987)
Transfer to P&L reserves on employee share scheme closure	-	-	-	-	27,702	27,702
Loss for the year	-	-	-	-	(8,617)	(8,617)
At 31 December 2013	1	12,398	-	-	48,948	61,347

23. Related party transactions

The company has taken advantage of the exemptions available under FRS 8 not to disclose transactions with group companies where group financial statements are publicly available. No other transactions which require disclosure by FRS 8 took place during the year.

24. Ultimate parent undertaking and controlling party

The immediate parent Company is European Refreshments, a company incorporated in Ireland. The ultimate parent company is The Coca-Cola Company, a company incorporated in Delaware, USA. The Coca-Cola Company is the largest group and The Coca-Cola Export Corporation is the smallest group which includes the Company and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements for The Coca-Cola Company are available from The Coca-Cola Company.