

Froooties Limited

**Directors' report and financial
statements**

Registered number 3987072

Period ended 31 December 2011



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Directors' report

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

Principal activities

The company is a wholly owned subsidiary of PepsiCo Property Management Limited and did not trade in the period

Business review

The profit before tax for the period was £265,000 (2010 £182,000) This profit is generated principally from interest receivable on loans from fellow group companies

Principal risks and opportunities

The principal risks to the company relate to adverse changes in interest rates

The company anticipates measures and manages its exposure to risk through strategic 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 11

Proposed Dividend

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

Directors

The directors who served during the period and subsequently were as follows

JK Averiss
CR Jones (resigned 2 March 2012)
VE Evans (appointed 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

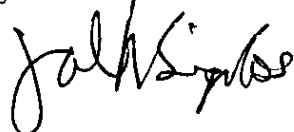
Political and charitable contributions

The company did not make any political or charitable contributions during the period (2010 £nil)

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
Reading
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 Froooties Limited

We have audited the financial statements of Froooties Limited for the period ended 31 December 2011 set out on pages 5 to 10. 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 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 Froooties 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

4 September 2012

Profit and loss account
for the period ended 31 December 2011

	<i>Note</i>	2011 £000	2010 £000
Interest receivable and similar income	4	265	182
Profit on ordinary activities before taxation		265	182
Tax on profit on ordinary activities	5	(94)	162
Profit for the period	9	171	344

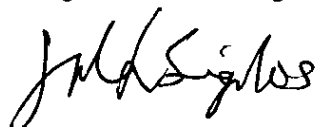
There were no recognised gains or losses in either period other than the profit for the period, which was entirely derived from continuing operations

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 31 December 2011

	<i>Note</i>	2011 £000	2010 £000
Current assets			
Debtors	6	17,075	16,904
		<hr/>	<hr/>
Net assets		17,075	16,904
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	21	21
Share premium account	9	2,098	2,098
Other reserves	9	161,301	161,301
Profit and loss account	9	(146,345)	(146,516)
		<hr/>	<hr/>
Equity shareholder's funds	10	17,075	16,904
		<hr/>	<hr/>

The financial statements of Froooties Limited, company number 3987072, 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 7 to 10 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

By virtue of section 401(1)(a) of the Companies Act 2006 the company, being the wholly owned subsidiary undertaking of PepsiCo, Inc., an undertaking incorporated in the United States of America, is exempt from the requirement to prepare and deliver group financial statements. Copies of PepsiCo, Inc. consolidated financial statements are available from its registered office as disclosed in Note 11

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 cashflows of the company within 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 11

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

Taxation

The charge 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 100% of the voting rights are controlled within the group

2 Auditor's remuneration

The auditor's remuneration has been borne in both periods by a fellow group company. The audit fee allocated to Froooties Limited for the period is £3,500 (2010 £4,700), and no additional non-audit services were received during the period

3 Staff numbers and costs and directors' emoluments

The company had no employees (other than directors) in either period

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

Notes (continued)

4 Interest receivable and similar income

	2011 £000	2010 £000
Interest receivable from group undertakings	265	182

5 Taxation

<i>Analysis of charge in period</i>	2011 £000	2010 £000
<i>UK corporation tax</i>		
Current tax charge on result for the period	-	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	81	(162)
Effect of decrease in tax rate on opening balance	13	-
Tax charge/(credit) on profit on ordinary activities	94	(162)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2010 lower) than the aggregated standard rate of corporation tax in the UK for the period ended 31 December 2011 of 26.51% (2010 28%)

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	265	182
Current tax at 26.51% (2010 28%)	70	51
<i>Effects of</i>		
Tax effect of deemed loan interest with fellow group company	20	(14)
Utilisation of accumulated tax losses	(90)	(37)
Total current tax charge (see above)	-	-

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.

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 announced further 1% rate reduction, although this is unlikely to be material and will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

Notes (continued)

6 Debtors

	2011 £000	2010 £000
Amounts owed by group undertakings	17,007	16,742
Deferred tax asset (note 7)	68	162
	<u>17,075</u>	<u>16,904</u>

7 Deferred tax

	2011 £000	2010 £000
Deferred tax asset		
At beginning of period	(162)	-
Charge/(credit) for the period	94	(162)
At end of period (note 6)	<u>(68)</u>	<u>(162)</u>

	2011 £000	2010 £000
The elements of deferred taxation are as follows		
Accumulated tax losses	(68)	(162)
At end of period	<u>(68)</u>	<u>(162)</u>

8 Called up share capital

	2011 £000	2010 £000
Allotted, called up and fully paid		
1,676,503 A preferred ordinary shares of 1p each	17	17
189,279 B preferred ordinary shares of 1p each	2	2
253,000 Ordinary shares of 1p each	2	2
	<u>21</u>	<u>21</u>

All the shares have equal voting rights and are entitled to participate equally in ordinary dividends. In the event of a wind up, the A and B shares are entitled to preference over the ordinary shares in the repayment of share capital and share premium account. From this point, all shares then participate equally.

Notes (continued)

9 Reserves

	Share premium account £000	Capital Contribution Reserve £000	Profit and loss account £000
At beginning of period	2,098	161,301	(146,516)
Profit for the period	-	-	171
	<hr/>	<hr/>	<hr/>
At end of period	2,098	161,301	(146,345)
	<hr/>	<hr/>	<hr/>

10 Reconciliation of movements in equity shareholder's funds

	2011 £000	2010 £000
Opening equity shareholder's funds	16,904	16,560
Profit for the period	171	344
	<hr/>	<hr/>
Closing equity shareholder's funds	17,075	16,904
	<hr/>	<hr/>

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

The company is a subsidiary undertaking of PepsiCo, Inc which is the ultimate parent company PepsiCo, Inc is registered and incorporated in the United States of America

The largest group in which the results of the Company are consolidated is that headed by 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

No other group financial statements include the results of the company