AMENDED

Lucozade Ribena Suntory Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

Registered number: 08603549

Lucozade Ribena Suntory Limited

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Lucozade Ribena Suntory Limited

Company information

Board of Directors

Mr Peter Harding
Mrs Mary Guest (resigned 19 April 2023)
Mrs Carol Robert
Mr Toby McKeever
Mr Vincent Meron (appointed 19 April 2022)
Mr Kazuhiro Saito (appointed 19 April 2022, resigned 19 April 2023)
Mr Daniel Lander (appointed 12 July 2022)
Mr Takayuki Sanno (resigned 19 April 2022)
Mr Tsutomu Santoki (resigned 19 April 2022)
Mr Sota Fujikawa (appointed 19 April 2022)
Mr Conor Brew (resigned 12 July 2022)
Mr Cesar Vargas Martin (resigned 12 July 2022)
Mrs Justine O'Toole (resigned 11 October 2022)
Mrs Ewa Chappell (appointed 19 April 2023)
Mr Chandrashekhar Arvind Mundlay (appointed 19 April 2023)

Company Secretary

Mrs Mary Guest (resigned 19 April 2023)
Mrs Ewa Chappell (appointed 19 April 2023)

Registered Number

08603549

Registered Office

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Stockley Park
Uxbridge
UB11 1BA

Independent Auditor

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Statutory Auditor
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Bankers

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Directors' report

The directors in preparing this strategic report have complied with s414C of the Companies Act 2006.

Principal activity

The principal activities of Lucozade Ribena Suntory Limited (the Company) is to produce, market and distribute various popular brands of beverages in the non-alcoholic beverage categories.

Key performance indicators and business review

As a result of all COVID-19 restrictions being lifted and both domestic and international travel returning, the Company has seen consumer buying behaviour continue towards on-the-go vs at home consumption. Supported further through the continued focus on the long-term Revenue Strategy and inflation mitigation to ensure the Company continues meeting the changes in consumer needs. Sales revenue increased from £445 million in 2021 to £518 million in 2022. Gross profit increased from £241 million in 2021 to £257 million in 2022. Despite cost mitigation measures, the gross profit margin has decreased slightly to 50% due to inflationary cost pressures. Administrative costs increased from £119 million in 2021 to £120 million in 2022. Operating profit increased from £89 million in 2021 to £97 million in 2022. At 31 December 2022, the Company's net assets were £973 million, an increase of £49 million on the previous year which reflects the profitability of the Company. In the year there was a net capital reduction of £34 million. Total borrowings in the form of parental loans decreased in 2022 to £270 million from £300 million in 2021.

The Company continued with its efforts to build and focus on strengthening key customer and supplier relationships, operational efficiency at its manufacturing site in Coleford, brand positioning and new marketing activities including distribution and brand development.

These results and activities have been accomplished against tough economic circumstances as a result of unprecedented inflation.

Key Performance Indicators

	Year ended 31 December 2022 £M	**Year ended 31 December 2021 £M**
Turnover	518	445
Gross profit	257	241
Gross profit margin	50%	54%
Operating profit	98	89
Profit after tax	82	49

Refer to S172 (page 6) for non-Financial key performance indicator.

Outlook and future plans

The environmental, social and corporate governance agenda is hugely important to the Company. The Company works towards the Suntory Group's global vision of 'Growing for Good'; Doing the right thing by people and the planet as it produces, markets and sells its beverages.

The sustainable work that the Company does is anchored by four key pillars; our drinks, our resources, our society and ourselves, that all reinforce the UN's Sustainable Development Goals; a blueprint to achieve a better and more sustainable future for all.

One of the ways the Company is addressing climate change is to use new energy efficient equipment. A new filler line installed and opened in 2020 at the Coleford manufacturing site, which is the Company's most energy-efficient production line, this line uses 40% less energy and water. In 2021 the Company confirmed that 100% of its purchased electricity came from renewable sources – this forms a crucial part of the Group's transition to renewable energy.

Globally the Suntory Group has committed to reduce its CO2 emissions with Science Based Targets. With an aim of a 50% reduction arising from Scope 1 (direct emissions from owned or controlled sources) & 2 (indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed), and 30% from Scope 3 (all other indirect emissions that occur in the value chain) by 2030 vs 2019 baseline. The Group has also committed to net zero emissions across its total value chain by 2050. More information about the Group's commitment to future sustainability is disclosed in the '2030 Sustainability Targets' section of the S172.

Strategic report (continued)

Suntory Group aims to become the first global drinks company to use 100% sustainable plastic bottles, using fully recycled or plant-based materials across its entire portfolio by 2030. By buying increasing amounts of recycled plastic, investing heavily in new, innovative technologies, Suntory Group will ultimately reduce its virgin plastic consumption and carbon emissions. During 2022 the Company moved Lucozade Sport and Orangina on-the-go drinks bottles to be made from 100% recycled plastic (rPET). This change means that now over 50% of our portfolio uses rPET.

In recognition of the fact that food waste contributes as much as 10% of total man-made GHG emissions, the Directors are proudly committed to the WRAP Food Waste Reduction Roadmap pledging publicly to halving waste throughout production by 2030.

As a company we're passionate advocates for Deposit Return Schemes (DRS) as they align with our Growing for Good vision and commitment to achieving 100% sustainable packaging. We believe well governed DRS improves recycling rates, reduces litter and allows for full circularity of our primary packaging.

To manage this transformation as smoothly as possible we have dedicated full-time resources in the form of a project manager and a senior lead for the overall programme execution within our GB&I business alone. The two roles lead specific workstream resources across the business.

Principal risks and uncertainties

The Company operates in an environment that is continuously changing, and as a result the risks it faces will evolve over time. The assessment of risks, and the development of strategies for dealing with these risks, are achieved on an ongoing basis, through the way in which the Company is controlled and managed internally. Additional support is also provided from the wider parent group, Suntory Beverage & Food.

Risk management processes are in place and are continually reviewed and optimised to ensure the early identification, ongoing evaluation and effective management of key risks facing the business at an operational level. The business operates a strong internal control environment which seeks to adequately mitigate these risks. Key risk management activities are regularly assessed and, where appropriate, developed to ensure continued best practice in all areas.

The Directors have identified the following risk factors that could have a significant impact on the Company's future earnings.

The unprecedent levels of inflation and actions to mitigate against this has been discussed in more detail in the 'Key performance indicators and business review' section of the Strategic Report. One of the ways the Company is addressing climate change is to use new energy efficient equipment. This is further discussed in the 'Outlook and future plans' and the 'Streamlined Energy and Carbon Reporting' sections of the Strategic Report. The Company has a low interest risk exposure as all the loans are with the Parent Company. The Companies climate change considerations are further discussed in the 'Outlook and future plans' section of the Strategic Report.

Changes in consumer preferences or purchasing behaviour:

The principal corporate risk to the business is any downturn in consumer spending in the primary UK market. There is strong competition within all segments in which the Company operates, as well as an increased focus on sugar levels in drinks and environmental sustainability. Consumers may decide to purchase and consume alternative brands or spend less on soft drinks. The Company believes in the strength of its brands and products, offering a broad range of products, including a wide range with zero or low-calorie options. The Company is committed to our long-standing sugar reduction programme, and all our core drinks brands have less than 5g total sugar per 100ml. Consumer habits and attitudes are monitored closely to help us inform our decisions and plans, and the monitoring of key performance indicators at the customer level, such as service levels and customer complaints, is part of the risk management process. The Company also invests in innovation and in new product development to ensure that regulator, customer and consumer requirements are addressed. The Company has a comprehensive sustainability programme focused on reducing our energy and water consumption with targets set at a total global company level. Limiting our environmental

Strategic report (continued)

Principal risk and uncertainties

Changes in consumer preferences or purchasing behaviour: (continued)

impact is important to the Suntory Beverage & Food Group and we are continually reviewing our manufacturing and packaging footprint with circularity and sustainability in mind.

Loss of, or change in, key customer relationships:

The Company benefits from close commercial relationships with a number of key customers. The loss of any of these key customers (for example through the insolvency of any customer), or significant worsening in commercial terms, could result in a material impact on the Company's results. The Company invests significant resources to maintain multi-level relationships with its key customers to drive value and minimise risk for both itself and its key customers.

Raw materials - price and supply:

Increase in the price of raw materials can adversely impact the core profitability of the Company's business and any related shortage in supply could impact the business' ability to maintain service levels to customers. The Company will aim to pass on increased costs to its customers as far as is reasonable in the circumstances, whilst focusing on purchasing, process and cost improvements to manage and mitigate these risks. The Company has a high level of expertise in its procurement team, enabling it to monitor raw material sources on a global basis, and to negotiate favourable purchase contracts with key suppliers. The continued cultivation of strong relationships with major suppliers is a key focus of the Company to ensure the continuity of supply at competitive prices.

Loss of major site or interruption to the Company's supply chain:

The Company operates one manufacturing site in the UK, with a range of contract manufacturers and third-party suppliers. The loss of all or part of any site, key manufacturer or key third-party supplier, for example, as a result of fire, equipment malfunction or third-party insolvency, could present significant operational difficulties. Our business manages these risks carefully, and we have business continuity plans in place to manage the impact of such an event. We also work closely with our partners to ensure that they have appropriate business continuity plans in place. The Company has insurance programmes in place to mitigate the financial consequences of such an event. Additionally, the company does not undertake supplier financing agreements.

Loss of product integrity:

Any loss of product integrity in the Company's supply chain could lead to a product withdrawal or recall. The Company carries out appropriate risk assessments on a regular basis and ensures that there are robust quality controls and processes in place to maintain the high quality of our products. Detailed product recall procedures are in place and are reviewed regularly.

Failure of critical IT system:

The failure of a critical IT system could result in significant operational difficulties. The Company is also conscious of the increased threat of cyber security attacks which could impact the business' IT systems. Our IT systems and arrangements are proactively managed and have undergone considerable development across the business. We conduct annual disaster recovery tests and have robust business continuity plans and contingency measures in place.

Change in the legal and regulatory environment:

The conduct of our business, including the production, storage, distribution, sale, display, advertising, marketing, labelling, health and safety practices, transportation and use of many of our products, are subject to various laws and regulations. These laws and regulations and interpretation thereof change, sometimes dramatically, as a result of a variety of factors, including political, economic or social events. Recent such changes include, for example, the introduction of the UK soft drink industry levy. Further changes could include the future trading relationship between the United Kingdom and the European Union and possible changes to regulations in respect of the environment and sustainability, for example the proposed introduction of a bottle deposit scheme in parts or all of the United Kingdom or reform of the producer responsibility obligations.

Strategic report (continued)

Cost of living crisis:

The unprecedented levels of inflation were largely offset by effective course correcting, adaptation of plans and re-alignment of our product portfolio to meet Consumers' needs in 2022. The company continues to closely monitor the performance of both its customer and supplier base due to the risk of increased insolvencies.

Course correcting includes our budget which is designed to encourage and promote the sustainable growth of our business and to build on our successes in 2022 whilst factoring in the impact of inflation.

COVID-19:

Following the lifting of all restrictions on 24 February 2022, the Company continues to monitor the likelihood and/or potential impact of COVID-19 on its risk portfolio. Based on the Company's scenario planning it will implement mitigating actions as required. The Company as set out in note 3 has undertaken a full impairment review of intangible assets and goodwill. This review has resulted in no requirement for an impairment of either intangible assets or goodwill.

Streamlined Energy and Carbon Reporting

In line with the Streamlined Energy and Carbon Reporting (SECR) requirements, the Company's energy use and associated greenhouse gas (GHG) emissions have been totalled for the financial year 1st January to 31st December 2022 in the table below.

Overall carbon emission intensity increased in 2022 compared to 2021. Total energy usage and carbon emissions have increased slightly from last year and production tonnage was lower in 2021 giving a higher average emissions intensity. Intensity is reported in terms of emissions per tonne of product produced, since this is the main driver of carbon emissions on site.

Energy Consumption (MWh)	**2022**	**2021**
Total Energy Consumption	**178,106**	**166,891**
Natural Gas	162,010	152,552
Grid Electricity	14,586	12,904
Gas Oil	926	905
Other transport Fuel for Company-Owned Vehicles	584	530

Scope 1 Emissions (tCO_2e)	**2022**	**2021**
Total Scope 1 Emissions	**29,815**	**28,178**
Natural Gas	29,573	27,941
Gas Oil	238	232
Other transport Fuel for Company-Owned Vehicles	4	5

Scope 2 Emissions (tCO_2e)	**2022**	**2021**
Purchase of electricity (location-based)	2,821	2,740

Scope 3 Emissions (tCO_2e)	**2022**	**2021**
Electricity Transmission & Distribution Losses	258	242
Private/rented vehicles on company business	140	137
Total Emissions (tCO_2e)	**33,034**	**31,297**
Intensity Ratio (tCO_2e/tonne product)	**0.075**	**0.071**

Strategic report (continued)

Streamlined Energy and Carbon Reporting (continued)

Methodology change

The SECR report follows the 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Standard. Emissions factors are taken from the 2021 UK Government GHG Conversion Factors for Company Reporting.

The report covers Lucozade Ribena Suntory operations in the UK, comprising a large manufacturing facility in Coleford and an office in Uxbridge. All scope 1 and 2 emissions are included in the disclosure. Scope 3 reporting is limited to emissions arising from business travel and grid electricity losses.

Energy usage for natural gas and grid electricity are taken from gross totals shown on invoices and converted to emissions using appropriate conversion factors. Gas oil consumption is calculated based on delivery invoices and a mass balance check on the oil tank. Travel in company-owned and private/rental vehicles are provided as a mileage and converted using factors for an average-sized car with the fuel type unknown. The mileage was multiplied by the appropriate energy kWh factor to produce the Company's passenger vehicle energy use in kWh for Scopes 1 and 3.

All purchased electricity is from the National Grid and is on a 100% renewable tariff. As a result, emissions are zero when reporting against a market-based emissions factor. Emissions according to a location-based factor are also reported and used in the intensity calculation. This uses the UK average electricity carbon factor. Electricity transmission & distribution losses are separately accounted for under scope 3 emissions.

Scope 1 emissions are largely covered under the UK Emissions Trading Scheme. The emissions have been verified according to the requirements of this scheme including checking of consumption data and conversion factors used and a site audit to ensure completeness of the data. Consumption data and conversion factors for scope 2 and 3 emissions have been checked internally.

Energy Efficiency Actions

In the period covered by the report, the Company has continued to install LED lighting across the site, upgraded chilling equipment for more efficient solutions and moved to a more automated warehouse with the use of Laser Guided Vehicles. The Company has a long-term 2030 strategy on sustainability that is embedded within our business model to drive change.

Section 172(1) Statement

Section 172(1) of the Companies Act 2006 requires each director of the Company to act in a way in which he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between the Company's members.

The directors of the Company give careful consideration to the matters referred to in section 172(1) when discharging their legal duties. We believe in taking decisions for the long-term benefit of the Company and look to safeguard the Company's reputation by upholding the highest standards of business conduct. Depending on the issue in question, the relevance of each stakeholder group and other relevant factors may vary. We recognise that not every decision that we make may have a positive outcome for all our stakeholders. We strive to understand the needs and priorities of each of our stakeholder groups and those other factors that may be relevant to the issue in question during our deliberations and as part of our decision-making.

Strategic report (continued)

Section 172(1) Statement (continued)

The Board receives periodic refresher training on their legal duties and may seek advice about the implications of these duties at any time from our Company Secretary.

Who are our key stakeholders and how do we engage with them?

Who are our stakeholders?	Why do they matter to us?	How do we engage with them?
Consumers	Meeting the needs of our consumer is key to our continued, long term success. Fundamentally it is our reason for being.	• We engage with our consumers through various media channels, including social media. • Consumer focus groups and tasting are central to our development of new products. We have maintained many of the online research approaches adopted during the COVID-19 pandemic which have allowed us to access consumer insights more quickly, whilst also running some face-to-face focus groups and workshops. We believe that this hybrid approach offers us the greatest ability to stay close to our consumers. • We aim to constantly understand our consumers and their changing needs and trends. Our consumer insights influence the strategy and portfolio development decisions that we make in order to meet the new and changing needs of our consumers. With our continued focus on a combination of brand renovation and innovation, we aim to please our consumers with a mix of classic products that remain relevant to our consumers' needs and innovative new products focused on emerging trends. In 2022, for example, we continued our rollout of Lucozade Alert in the stimulation category, and the implementation of our sustainability work led to us increasing the volume of recycled plastic in our on-the-go bottle formats and reducing label sizes.

Section 172(1) Statement (continued)

Who are our stakeholders?	Why do they matter to us?	How do we engage with them?
Customers	Our customers are key to our success and provide a vital connection with our consumers. By helping our customers grow we, in turn, are able to increase our ability to 'Grow for Good' and give back to society.	• We value our collaborative relationships with our customers and work closely with them, regularly discussing past and current performance, as well as opportunities for growth. • We participate in annual customer feedback surveys, monthly business review meetings, weekly catchups and daily communications on order status and processes. • We continually monitor our customer service levels and work hard to ensure that we adapt our policies and processes to maintain our high service levels. • As we continue to navigate our business post the COVID-19 pandemic, we have re-orientated our conversations with our customers in order to ensure we are discussing long term category trends and how we can work together to find solutions to their challenges, including upcoming legislation changes such as Deposit Return Schemes.
Suppliers	Strong relationships with our suppliers are at the heart of what we do as a business.	• We have a well-established cycle of business review meetings with our strategic suppliers, in particular our key logistics and material supply partners. This business review and active performance management approach has assisted in mitigating many of the impacts of wider industry disruption as a result of the COVID-19 pandemic, Brexit, and the Russia – Ukraine conflict. • We continue to evolve robust supplier assessment tools. The assessment framework drives a continuous improvement approach to performance, informs our understanding of the key risks to our business, and supports the implementation of business continuity plans. • For 2022 the e-technology procurement platform evolved into a global project across our business and throughout 2022 we put in place a roadmap to follow to enhance the capability of the platform. We continue to refine and enhance the technology to provide us with advanced analytics, sourcing optimisation and ESG management such as SEDEX and other sustainability 'third party' collaborations, including advanced risk management capabilities.

Section 172(1) Statement (continued)

Who are our stakeholders?	Why do they matter to us?	How do we engage with them?
Employees	Employees are at the heart of our culture. To enable Suntorians to be their best and contribute to our vision of Growing for Good, we created an environment that welcomes boldness and imagination. We embrace employees as agile thinkers, confident in their ability to innovate and solve problems with new approaches. Using our Suntory leadership spirit as a behavioural anchor, we support Suntorians to achieve their full potential and achieve our vision to Grow for Good. We have a strong Yatte Minahare spirit (which means to "go for it") which guides our employees as proud Suntorians. Employees are the living embodiment of our success, and we are passionate about being better together.	• We share common values and care as a family by inspiring, educating and enabling our people to be their best. This means creating conditions that enable everyone across Suntory to thrive with great employee experiences – including performance and rewards, learning and growth, engagement and recognition, and a unique Suntory culture that fosters inclusiveness, wellbeing and achievement. • The annual employee engagement survey to all employees enables us to identify how employees are feeling and allows a laser focus on key priorities such as Vision, Prioritisation and Culture. The results are reviewed in detail by our leadership team, including at least three members of our Board of Directors, alleviating any 'pinch points'. This leads to the creation and implementation of our sustainable engagement plan each year. We have consistently seen strong engagement scores as a result of our actions. • Our commitment to our people and their wellbeing remains an important part of our people agenda. Following on from providing employees and all people managers with mental health training, we continued to have a strong focus on mental wellbeing. In 2022 we implemented and trained mental health first aiders across our organisation: 36 employees are now accredited mental health first aiders who form part of The Suntory Listening Ear Network, supported by a core wellbeing team. We have also provided a wellbeing room in our factory for employees to have a quiet space for a conversation. • We continue our work on diversity, equity and inclusion (DE&I) across our European business. Our DE&I taskforce, made up of employees from across the region and led by our European CEO (who is also a member of our Board of Directors), continued to meet throughout the year, providing a forum where we could talk openly about issues in this area. Specific actions in 2022 included the continued implementation of our DE&I strategy and roadmap, including further developing our internal policies to ensure they are fully inclusive for all our employees. In SBF GB&I we launched new policies on menopause, pregnancy loss, domestic violence, equity and inclusion, and anti-harassment and bullying, to help ensure that our employee feel safe, protected and supported. A diversity dictionary was also launched to all employees.

Lucozade Ribena Suntory Limited

Strategic report (continued)

Section 172(1) Statement (continued)

Who are our stakeholders?	Why do they matter to us?	How do we engage with them?
Employees (Continued)		• We launched Help@hand, which is a completely confidential digital health and wellbeing service that provides employees and their family access to health and wellbeing services. We continue to offer a 24/7 employee assistance helpline, partner with the GroceryAid charity and evolve our wellbeing online portal for employees. • We recognised the impact of the cost of living crisis in 2022 which may have impacted employees. Therefore, we supported our employees during this time of uncertainty by providing financial support through a one-off payment to help during the winter months. • We hosted our first Green Planet Awareness week, where employees could attend workshops, webinars, and activities on sustainability topics that interest them. • We continued to review our Flexible Workplace policy. We also launched "better together days," which are days we spend together as One Team to celebrate and share important information, such as Town Hall monthly meetings and People Manager Forums. • We want to foster a culture of performance, where our people can thrive and develop in the best possible way. Our talent cycle is a continuous process to support our ambition to develop our people to reach their full potential, to make our people and our organisation even stronger. Every employee is part of this process from objective setting, annual salary reviews, development plans, mid-year reviews, performance calibration and year-end review. • Our European Seichō People Manager academy enables people managers to build and develop essential skills to be become an inspirational manager and develop high performing teams. • We also have a defined communication cascade with bespoke communications tailored to the audience with an Extended Leadership Team, plus People Manager and all employee-targeted communications. This includes extended leadership team meetings and communications, people manager forums and targeted newsletters, employee informal coffee mornings with our leaders (including a number of board members), face-to-face bi-weekly updates from our leadership team (including a number of our board members), and monthly all-hands "Townhall" meetings to the entire business. • Building a globally connected People & Culture function has enabled employees to thrive with great employee experiences. This has led to us being able to leverage one shared technology platform and to developing global processes and services to continue to support the future growth and development of our People As a result, we are able to support our people at the point of need, more easily, more accessibly and with more offerings such as; a global career portal to identify new job opportunities; easy to access to policies and guidelines in one place; and an online tool to get any people-related questions answered quickly. It also provides a performance evaluation tool to capture annual goals, and much more to enable a better employee experience.

Strategic report (continued)

Section 172(1) Statement (continued)

Who are our stakeholders?	Why do they matter to us?	How do we engage with them?
Shareholders	LRS is a wholly-owned subsidiary of Suntory Beverage & Food Limited, a company listed on the Japanese Stock Exchange. It is they who enable us to deliver on our ambitions and who encourage us in our pursuit to "Grow for Good".	• The Company regularly reports to its shareholder across a broad range of topics including financials, risk management and compliance. • Formal updates are required to be provided by LRS to our shareholder throughout the year, principally regarding budget and strategic planning for the following year and the short to medium term. • Certain members of the Suntory Beverage & Food Limited management team sit on the board of the Company and therefore have a strategic oversight of the Company's activities.
Society	Our vision of "Growing for Good" recognises that the more we grow, the greater our ability to give back to Society which, ultimately, includes our consumers, customers, employees and more.	• We are really proud of the work we do in the local community and enjoy collaborating closely with our brilliant partners. We strengthened existing partnerships in 2022 and began impactful work with new charities: o FareShare – a charity aimed at tackling hunger and reducing food waste in the UK, with who we reached a milestone in 2022 of three million drinks donated by the Company. o Crisis at Christmas – our eighth year of supporting temporary homeless shelters with much-needed hydration solutions for their guests. o GroceryAid – a society that cares for people who have worked – or are working in- the grocery industry. It awarded us a gold award for the second year running as we continue our long-term support for the benevolent fund. o Apprentice Nation – through our Lucozade brand we supported the life skills training platform to increase its support to a total of 17,000 young adults completing 55,000 training courses with an Unlock Your Potential training pillar. o Football Beyond Borders – an education charity that uses the power of football as an engagement tool to help young people fulfil their potential. Lucozade Sport's 'Football is Football' campaign launched to promote and celebrate equality within the game, partnering with the charity to fundraise and recruit new project leads o Severn Rivers Trust – The charitable trust that covers the whole of the UK's longest river is our chosen partner to deliver water education programmes in an echo of the work being done globally by our parent group Suntory. Our work along the river Severn will also highlight to communities close to our manufacturing site the critical link between the water source and its surrounding woodlands.

How does the Board satisfy itself that relevant stakeholder and other considerations have been taken into account?

The Company is a wholly-owned subsidiary of Suntory Beverage & Food Limited. We work towards the Suntory Group's global vision of 'Growing for Good'; doing the right thing by people and the planet as we produce, market and

Strategic report (continued)

sell our drinks. This vision informs the decisions that we make as an organisation and how we choose to conduct ourselves as a business.

The board of Lucozade Ribena Suntory Limited has strategic oversight of the Company's activities and meets at least quarterly to discuss progress and items of key strategic importance. In some circumstances the board may engage directly with stakeholders, however due to the nature of the business, significant engagement also takes place at an operational level, with responsibility for the day-to-day running of the Company delegated by the board to the Company's Executive Committee (ExCom) who are primarily responsible for designing and implementing the Company's strategic vision. Certain members of the Company's ExCom also sit on the Company's board of directors, ensuring that relevant information on key strategic matters is regularly made available to provide a holistic approach to the management of the Company.

Decision-making in action

Lucozade and Ribena are two brands with a long, rich history, of which the board, management team and all employees alike are very proud. Our history has shown us that we must recognise and embrace the importance of long-term decision making, looking not only at the short-term benefits of our decisions but also the longer-term implications as a whole. We have set out in the table below some examples of the key decisions made during 2022.

By continuing to frame our decision making within our vision of "Growing for Good" we remain confident in our ability to make the right choices for our business and our wider stakeholders in the long term.

Consideration	Outcome
Strategic Plan Horizon	Maintaining our Integrated Business Planning model, we continued to focus on delivery of our strategic plan in 2022. The unprecedent levels of inflation were largely offset by effective course correcting, adaptation of plans and re-alignment of our product portfolio to meet Consumers' needs in 2022. In addition to this we continue our annual strategic planning process, led by the Company's ExCom and in partnership with the Suntory Beverage & Food Europe (SBFE) leadership team, with inputs being obtained from across the business. The strategic plan is in alignment with the SBFE ExCom for approvals from the Company's shareholder. Key insights are also collected from external data to form part of this process.
Budget	During 2022, with a team led by our ExCom, supported by people from across our business and working closely with various stakeholders including the Suntory European regional team and our shareholder, we developed and agreed a budget for 2023. The budget is designed to encourage and promote the sustainable growth of our business and to build on our successes in 2022 whilst factoring in the impact of inflation. This budget is normally approved at the first meeting of the Board of the Company in the relevant year.
Major Capital Investment	Each year, as part of our strategic planning and budget processes, we review the capital investment that is needed for the long-term good of our business. This process is led by our ExCom, supported by the Suntory European regional team and our shareholder. In 2022 a Capex Committee was established by the European regional team to further enhance the governance of the capex approval process. The list of capex requirements is compiled whilst considering any key risks we have within the business, to ensure that we are protecting the long-term wellbeing of the Company and enabling ourselves to 'Grow for Good'. In 2022 the four biggest projects we invested in were: • an upgrade to our blends operation control software and automation hardware; • an upgrade to our equipment in the bottling line; • the installation of two additional bulk storage tanks; and • the upgrade and standardisation of packing equipment.

Strategic report (continued)

Consideration	Outcome
Employee Engagement and Wellbeing	Our founding principle of existing in harmony with people and nature remains unchanged. To enable our people to be their best and contribute to Growing for Good, we want to keep evolving our culture and ways of working as we strive to be a great workplace. Our people are at the heart of our business, so we must inspire, educate, and enable them to be their best. This means creating conditions that enable everyone across Suntory to thrive with great employee experiences – including performance and rewards, learning and growth, engagement and recognition, and a unique Suntory culture that fosters inclusiveness, wellbeing and achievement. We want to contribute to our people's wellbeing and continue to leverage our culture by accompanying them in small moments of joy and enriching their lives for our people to thrive and feel supported with their physical, mental, social, and financial wellbeing needs. We're committed to helping our employees thrive by empowering them to be their best.

Lucozade Ribena Suntory Limited

Strategic report (continued)

Section 172(1) Statement (continued)

Consideration	Outcome
2030 Sustainability Targets	At LRS and within the Suntory Group more generally, our environmental, societal and corporate governance agenda is hugely important to us. We recognise the importance of sustainability to our consumers and the planet as a whole, and also recognise the important role which business has to play in this regard. The sustainable work that we do is anchored by four key pillars; our drinks, our resources, our society, and ourselves, that all reinforce the UN's Sustainable Development Goals; a blueprint to achieve a better and more sustainable future for all. In 2019 we, as part of the Suntory Group, announced our 2030 sustainability targets which include the following: • By 2030 we will only use 100% sustainable plastic bottles, using fully recycled or plant-based materials across our entire portfolio. By buying increasing amounts of recycled plastic, and investing heavily in new, innovative technologies, we will ultimately reduce our virgin plastic consumption and carbon emissions; • Recognising that sustainability extends far beyond using plastic responsibly and actively working on reducing our GHG emissions by 2030; and • Our commitment to the WRAP Food Waste Reduction Roadmap, pledging publicly to halving our waste throughout production by 2030 in recognition of the fact that food waste contributes as much as 10% of total man-made GHG emissions. To that end, in 2022 we: • Continued working towards Suntory Group's 2030 target to reduce water use by 35% at owned plants and by 50% at owned plants by 2050; • Moved Lucozade Sport and Orangina on-the-go drinks bottles to be made from 100% recycled plastic (rPET). This change means that now over 50% of our portfolio uses rPET; • Sourced our purchased electricity at our UK based factory and solely-occupied facilities from renewable energy; • Continued with our commitment to launch drinks with no more than 4.5g of sugar per 100ml - in line with our total portfolio - as well as bring low-calorie and zero variants to market to offer consumer choice on our core range of drinks; and • Issued two reports- (the Foundational Sustainability Report and the Farm stewardship Biodiversity Report) to track our progress publicly and ensure we remain accountable for our actions. These are publicly available on our corporate Suntory website.
Capital Reduction	Due to our continued confidence in the Company's long-term strategy, in October 2022 the Board approved and executed a capital reduction of £34,263,000 in order to return capital to our sole shareholder.

By continuing to frame our decision making within our corporate vision of "Growing for Good" we remain confident in our ability to make the right choices for our business and our wider stakeholders in the long term.

Approved by the Board of Directors and signed on behalf of the Board by:

DocuSigned by:
Daniel Lander
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Daniel Lander

27 June 2023

The directors present their annual report with the audited financial statements of Lucozade Ribena Suntory Limited (the Company) for the year ended 31 December 2022.

Research and development

The Company undertakes research and development activities in order to develop its range of new and existing products. Expenditure during the period on research and development amounted to £1.6 million (2021: £1.8 million).

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on pages 2 to 13.

As at 31 December 2022 the Company is in a net current liability position due to a parental company loan which will be partially repaid however the Company has a cash balance of £3.6 million and current asset of £242 million. The Company is expected to continue to generate positive operating cash flows on its own account for the foreseeable future taking into account micro and macro-economic factors. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company is relying on financing from the parent company via loans and a credit facility. The parent company, Suntory Beverage & Food Limited, have confirmed that these will be renewed as necessary to ensure the availability of sufficient financing to enable the Company to meet its obligations throughout the going concern period. The parent company has issued a letter of support to ensure the Company to meet its liabilities throughout the going concern period.

The directors, having assessed the responses of the directors of the Company's parent Suntory to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Suntory Beverage & Food Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position, it's expected positive future operating cash flows and the enquiries made to the directors of Suntory Beverage & Food Limited, 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.

Financial risk management objectives and policies

The Company's activity exposes it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies, which provide written principles on the use of financial derivatives to manage these risks.

Cash flow risk

The Company's activity exposes it to the financial risks of changes in foreign currency exchange rates and interest rates. The Company uses foreign exchange forward contracts to hedge these exposures.

Interest-bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows, therefore the Company's exposure to interest rate risk is not considered significant.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other debtors.

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. Since April 2019 Suntory Group has implemented cash pooling system, a centralised cash management strategy to balance the accounts of the Group's subsidiaries.

Financial risk management objectives and policies

Credit risk (continued)

Directors' report (continued)

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance from its parent undertaking.

Dividends

No dividends were proposed during the year ended 31 December 2022 and no dividends have been proposed since the balance sheet date, 31 December 2022.

Capital Reduction

On 11 October 2022 the Board approved to reduce the company's issued share capital by £34.263 million from £636.649 million ordinary shares of £1.00 to £602.386million, comprising 602.386 million ordinary shares of £1.00 each, by cancelling and extinguishing 34.263 million of such issued ordinary shares of £1.00 each.

Future developments and events after the balance sheet date

Details of future developments can be found in the Strategic Report on page 2 and form part of this report by cross-reference. Events after balance sheet date see note 25.

Directors

The directors, who served throughout the period and subsequently, except as noted, were as follows:

Mr Peter Harding
Mrs Mary Guest (resigned 19 April 2023)
Mrs Carol Robert
Mr Toby McKeever
Mr Vincent Meron (appointed 19 April 2022)
Mr Kazuhiro Saito (appointed 19 April 2022, resigned 19 April 2023)
Mr Daniel Lander (appointed 12 July 2022)
Mr Takayuki Sanno (resigned 19 April 2022)
Mr Tsutomu Santoki (resigned 19 April 2022)
Mr Sota Fujikawa (appointed 19 April 2022)
Mr Conor Brew (resigned 12 July 2022)
Mr Cesar Vargas Martin (resigned 12 July 2022)
Mrs Justine O'Toole (resigned 11 October 2022)
Mrs Ewa Chappell (appointed 19 April 2023)
Mr Chandrashekhar Arvind Mundlay (appointed 19 April 2023)

No third-party qualifying indemnity provisions exist.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Directors' report (continued)

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and internal communications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Political Donations

The Company made no political donations or incurred any political expenditure in 2022 (2021 Nil)

Other consideration

Further disclosure of the Directors' responsibilities to the stakeholders as well as annual emissions are disclosed in the Strategic Report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be circulated to the members for approval.

Approved by the Board on 27 June 2023 and signed on its behalf by:

DocuSigned by:
Daniel Lander
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27 June 2023

Mr Daniel Lander
Director

2 Longwalk Road
Stockley Park
Uxbridge
UB11 1BA

Lucozade Ribena Suntory Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), including FRS 101 "Reduced Disclosure Framework". 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 judgements and accounting 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Lucozade Ribena Suntory Limited

Opinion

In our opinion the financial statements of Lucozade Ribena Suntory Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Lucozade Ribena Suntory Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and Tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included regulatory solvency requirements and environmental regulations in the UK.

We discussed among the audit engagement team including relevant internal specialists such as IT and valuation specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Trade spend accrual (this is judged to be a significant risk as it involves judgement to estimate the level of accrual required which impacts the net revenue): We have performed testing of the design and implementation, and operating effectiveness of the controls relevant to the trade spend process. We have also performed substantive testing procedures to address the accuracy and completeness of the trade spend accrual balance as at the financial year end.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting

Independent auditor's report to the members of Lucozade Ribena Suntory Limited (continued)

estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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.

DocuSigned by:

Kevin Thompson

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Kevin Thompson (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

27 June 2023

Lucozade Ribena Suntory Limited

Profit and loss account
For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Turnover	5	517,585	445,033
Cost of sales		(260,897)	(204,224)
Gross profit		256,688	240,809
Distribution costs		(40,669)	(32,747)
Administrative expenses		(119,783)	(119,208)
Other operating income	7	1,022	104
Operating profit		97,258	88,958
Investment revenue (dividends from subsidiary)		5,713	4,829
Profit before interest and taxation		102,971	93,787
Interest receivable and similar income	8	1,392	-
Interest payable and similar expenses	9	(3,514)	(3,395)
Net foreign exchange loss		(88)	(76)
Profit before tax		100,761	90,316
Tax on profit	10	(18,391)	(41,670)
Profit for the financial year		82,370	48,646

All the results shown in the Profit and loss account derive from continuing operations in both the current and prior years. The notes on pages 25 to 46 form part of these financial statements.

Lucozade Ribena Suntory Limited

Statement of other comprehensive income
For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Profit for the financial year		82,370	48,646
Items that may be reclassified subsequently to profit and loss			
Cash flow hedges:			
Gain arising during the year	28	835	405
Add/(Less): reclassification adjustment for gain/(loss) included in profit or loss		19	(486)
Deferred tax (charge) / credit arising on cash flow hedge (loss) / gain	21	(180)	15
Other comprehensive income / (expense) for the year net of tax		674	(66)
Total comprehensive income for the year		83,044	48,580

Lucozade Ribena Suntory Limited

Balance sheet
As at 31 December 2022

	Note	31 December 2022 £000	31 December 2021 £000
Fixed assets			
Intangible assets	11	1,118,999	1,121,854
Tangible fixed assets	12	126,270	136,614
		1,245,269	**1,258,468**
Current assets			
Stocks	14	39,301	25,482
Debtors	15	199,413	145,461
Cash at bank and in hand	19	3,606	3,632
		242,320	**174,575**
Creditors: amounts falling due within one year:	16	**(376,684)**	**(136,494)**
Net current (liabilities) / assets		**(134,364)**	**38,081**
Total assets less current liabilities		**1,110,905**	**1,296,549**
Creditors: amounts falling due after more than one year	16	**(137,739)**	**(372,164)**
Net assets		**973,166**	**924,385**
Capital and reserves			
Called up share capital	23	602,386	636,649
Cash flow hedge reserve		491	(183)
Profit and loss account		370,289	287,919
Total shareholders' funds		**973,166**	**924,385**

The notes on pages 25 to 46 form part of these financial statements. The financial statements of Lucozade Ribena Suntory Limited (registration number 08603549) were approved by the Board of Directors and authorised for issue on 27 June 2023. They were signed on its behalf by:

DocuSigned by:
Daniel Lander
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27 June 2023

Mr Daniel Lander
Director

Lucozade Ribena Suntory Limited

Statement of changes in equity
For the year ended 31 December 2022

Attributable to owners of the Company:

	Note	Called up share capital £000	Hedging reserve £000	Profit and loss account £000	Total £000
Balance at 1 January 2021		**675,587**	**(117)**	**239,273**	**914,743**
Profit for the financial year		-	-	48,646	48,646
Loss on hedging transactions		-	(81)	-	(81)
Deferred tax credit on hedging loss		-	15	-	15
Total comprehensive income for the year		-	**(66)**	**48,646**	**49,850**
Transactions with owners:					
Share capital reduction	23	(38,938)	-	-	(38,938)
Balance at 31 December 2021		**636,649**	**(183)**	**287,919**	**924,385**
Profit for the financial year		-	-	82,370	82,370
Gain on hedging transactions		-	854	-	854
Deferred tax charge on hedging gain		-	(180)	-	(180)
Total comprehensive income for the year		-	**674**	**82,370**	**83,044**
Share capital reduction	23	(34,263)	-	-	(34,263)
Balance at 31 December 2022		**602,386**	**491**	**370,289**	**973,166**

The notes on pages 25 to 46 form part of these financial statements.

1. General information

Lucozade Ribena Suntory Limited (the Company) is a private limited company incorporated in England and Wales under the Companies Act 2006. The Company is limited by shares. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 to 13.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, under s401 of the Companies Act 2006, because it is included in the group accounts of Suntory Beverage & Food Limited. The group accounts of Suntory Beverage & Food Limited are available to the public and can be obtained as set out in note 29.

2. New and revised IFRSs affecting amounts reported and/ or disclosures in the financial statements

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 *Reference to the Conceptual Framework*	The Company has adopted the amendments to IFRS 3 *Business Combinations* for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
Amendments to IAS 16 *Property, Plant and Equipment—Proceeds before Intended Use*	The Company has adopted the amendments to IAS 16 for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.
Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*	The Company has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation

of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Company has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

3. Significant accounting policies

Basis of accounting

The Company continues to meet the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2022 the Company has continued to elect to adopt FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The following disclosure exemptions have been adopted:

- Preparation of a cash flow statement;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the group as they are wholly-owned within the group;
- Disclosure of key management personnel compensation;

3. Significant accounting policies (continued)

Basis of accounting (continued)

- Capital management disclosures;
- Disclosure requirements of IAS 36;
- Disclosures in respect of standards in issue not yet effective;
- Reduced financial instruments disclosures relating to IFRS 7 and IFRS 13 as equivalent disclosures are provided by the parent entity;
- Reduced disclosure requirements of IFRS 15; and

Reduced disclosure requirements of IFRS 16.

Where relevant, equivalent disclosures have been given in the group accounts of Suntory Beverage & Food Limited.

The financial statements have been prepared in accordance with the Companies Act 2006 and the principal accounting policies as summarised below. They have all been applied consistently through the period.

The financial statements have been prepared on the historical cost basis, except for the revaluation of derivative financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Business combinations

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Company, which includes contingent consideration arrangements where payment is probable. Acquisition costs are expensed as incurred.

The Company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the Profit and loss account in the periods expected to be benefited.

3. Significant accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on pages 2 to 13.

As at 31 December 2022 the Company had a cash balance of £ 3.6 million and current assets of £ 242 million, due to intercompany financing arrangements with the Company's parent company. The Company is in a net current liability position due to this loan. The Company is expected to continue to generate positive operating cash flows on its own account for the foreseeable future taking into account micro and macro-economic factors. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company is relying on financing from other group companies via loans and a credit facility. The parent company, Suntory Beverage & Food Limited, have confirmed that these will be renewed as necessary to ensure the availability of sufficient financing to enable the Company to meet its obligations throughout the going concern period. The parent company has also issued a letter of support to ensure the Company to meet its liabilities throughout the going concern period.

The directors, having assessed the responses of the directors of the Company's parent to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Suntory Beverage & Food Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position, its expected positive future operating cash flows and of the enquiries made of the directors of the parent, 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

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Revenue recognition

Under IFRS 15 revenue is measured at the fair value of the consideration received or receivable for goods provided in the normal course of business. Revenue is shown net of discounts, VAT and other sales-related taxes, and represents amounts invoiced to third parties in relation to the Company's sole principal activity, namely the manufacture and distribution of beverage products through multiple retail channels. Revenue is recognised on delivery to the final customer when the customer takes control of the goods. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Interest receivable and similar income and interest payable and similar charges

Interest income and expenses are reported on an accrual basis using the effective interest method.

Operating expenses

Operating expenses are recognised in the Profit and loss account upon utilisation of the service or at the date of their origin.

Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the period in which they are incurred.

3. Significant accounting policies (continued)

Operating profit

Operating profit is stated before finance costs.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate

financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants are offset against the expense to which they relate.

Income from subsidiary

Dividend income is recognised when the right to receive payment is established.

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by use the government bond rates for 1, 3 and 5 years maturity as base rates and a spread of 0.2% to account for other uncertainties.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented within Trade and other payables in the balance sheet and detailed in the note 17.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3. Significant accounting policies (continued)

The Company as lessee (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within the tangible fixed assets line in the balance sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of tangible and intangible assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the relevant expense line item in the Profit and loss statement.

The company did not enter into any such arrangements during the periods presented.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. Significant accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are not discounted.

Where a deferred tax asset is recognised, the carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Intangible assets acquired in a business combination

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. These are subject to testing for impairment as described below.

Goodwill and trademarks are considered to have indefinite useful lives.

Amortisation is recognised on customer relationships so as to write off the cost or valuation of assets less their residual values over their useful lives of 16 to 23 years, using the straight-line method.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal

3. Significant accounting policies (continued)

Derecognition of intangible assets (continued)

proceeds and the carrying amount of the asset, are recognised in the Profit and loss account when the asset is derecognised.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Profit and loss account, to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Tangible fixed assets

Freehold land held for use in the business is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, machinery and furniture and fixtures are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

Buildings, machinery and furniture and fixtures are subsequently measured at cost less accumulated depreciation and impairment losses.

Assets under construction are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land, which is not depreciated) less their residual values over their useful lives, using the straight-line method, on the following bases:

Freehold buildings	30 – 40 years
Furniture and fixtures	5 – 10 years
Machinery	10 – 15 years
Software	3 – 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. Significant accounting policies (continued)

Tangible fixed assets (continued)

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales' proceeds and the carrying amount of the asset and is recognised in the Profit and loss account.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

IFRS 9 hedge accounting

The company adopted to IFRS 9 in 2019 'Financial instruments' during the year ended 31 December 2019. With effect from 1 Jan 2019, the Company has adopted the hedge accounting requirements of IFRS 9 and applied them prospectively.

The Company uses derivative financial instruments denominated in foreign currencies to manage its exposures to fluctuations in foreign exchange rates.

These derivative financial instruments are utilised by the company to reduce volatility risks of foreign currency exchange rates. The Company does not enter derivatives for trading or speculative purposes. Derivative financial instruments and foreign currency transactions are classified and accounted for as follows:

Derivatives and Hedge Activities

1) all derivatives are recognised as either assets or liabilities and measured at fair value, and realised/unrealised gains or losses on derivative transactions are recognised in profit and loss; or

2) for derivatives designated as hedging instruments in cash flow hedges, under IFRS 9, if derivatives qualify for hedge accounting because there is an economic relationship between the hedged item and hedged instrument, the effect of credit risk does not dominate the value changes that result from that economic relationship and the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge the quantity of the hedged item. Note 28 sets out details of the fair values of the derivative instruments used for hedging purposes.

The foreign currency forward contracts employed to hedge foreign exchange exposures for import purchases and forward contracts applied for forecasted (or committed) transactions are measured at fair value, and the unrealised

3. Significant accounting policies (continued)

Derivatives and Hedge Activities (continued)

gains/losses are deferred under hedge accounting in a separate component of equity until the underlying transactions are completed. Trade payables and deposits denominated in foreign currencies, for which foreign currency forward contracts are used to hedge the foreign currency fluctuations, are translated at the contracted rate, if the forward contracts qualify for hedge accounting and meet specific criteria.

Cash flow hedges

Hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in the other comprehensive income/(expense), while the ineffective portion is recognised in the income statement. Amounts previously recognised in the other comprehensive income/(expense) are transferred to the income statement in the period in which the hedge item affects Profit or loss, such as when a forecast sale occurs. However, when the forecast transaction results in the recognition of a no-financial asset or liability, the amounts previously recognised in other comprehensive income/(expense) are included in the initial carrying amount of the asset or liability.

If a forecast transaction is no longer expected to occur, amounts previously recognised in the other comprehensive income/(expense) are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income/(expense) remain in equity until the forecast transaction occurs and are then transferred to the income statement.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets at the Company are classified into the following categories upon initial recognition:

Under IFRS 9

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVTPL)

All financial assets except for those at FV-TPL are subject to review for impairment at least each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in the Profit and loss account are presented within Interest receivable and similar income and Interest payable and similar charges, except for impairment of trade receivables which is presented within administrative expenses.

Assets classified under amortised cost under IFRS 9

Under IFRS 9, the Company has applied the simplified approach and recognises an impairment equivalent to the lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions including of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. For cash and bank balances, all bank balances are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions.

3. Significant accounting policies (continued)

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category.

Assets in this category are measured at fair value with gains or losses recognised in the Profit and loss account. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables, other liabilities and derivative financial instruments.

Under IFRS 9, changes in the fair value of financial liabilities attributable to changes in its own credit risk are presented in OCI.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the Profit and loss account are included within Interest receivable and similar income and Interest payable and similar charges.

Equity and reserves

Share capital represents the nominal value of shares that have been issued. All transactions with owners of the parent are recorded separately within equity.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have concluded in the current year that there are no critical accounting judgements or key sources of estimation uncertainty where there is a reasonable possibility that a material adjustment to the carrying amounts of assets or liabilities may arise within the next twelve months.

5. Turnover

The turnover and profit before tax are attributable to the principal activity and continuing operations of the Company, which is the manufacture and distribution of soft drinks.

Revenue is recognised at a point in time. All turnover relates to sales made within United Kingdom, the rest of Europe and Asia.

5. Turnover (continued)

Geographical breakdown	2022 £000	2021 £000
Revenue within United Kingdom	484,214	440,152
Revenue within the rest of Europe	32,199	3,877
Revenue within Asia	1,172	1,004
	517,585	**445,033**

6. Profit for the year

Profit for the year has been arrived at after charging:

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Cost of stock recognised as expense	256,199	203,020
Write downs of stock recognised as an expense	3,627	2,167
Staff costs (see note 26)	65,953	60,066
Research and development costs	1,572	1,750
Depreciation and impairment of tangible fixed assets (see note 12)	16,932	17,543
Amortisation of intangible assets included in other operating expenses (see note 11)	2,985	3,120
Fees payable to the Company's auditor for the audit of the annual accounts	261	270
Fees payable to the Company's auditor for audit-related assurance services	197	162

Notes to the financial statements (continued)
For the year ended 31 December 2022

7. Other operating income

The Company used the Furlough Government scheme in 2021, which amounted to £104,000. This scheme was not used in 2022, hence the value of nil.

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Coronavirus job retention scheme	-	104
Recognition of previously unclaimed credits	1,022	-
	1,022	**104**

The recognition of previously unclaimed credits relates to long outstanding historic credits that were not claimed by customers that was recognised in the profit and loss during 2022.

8. Interest receivable and similar income

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Interest receivable from group companies	1,392	-

Interest receivable is related to the cash pooling of loans from parent company. Refer to note 20 for more details of the loans from parent company.

9. Interest payable and similar charges

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Interest payable to group companies	3,434	3,284
Interest on lease liabilities	80	111
Total interest payable	**3,514**	**3,395**

Lucozade Ribena Suntory Limited

Notes to the financial statements (continued)
For the year ended 31 December 2022

10. Taxation on profit

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Current tax charge		
UK corporation tax at 19% (2021: 19%)	10,375	8,362
Adjustments in respect of prior periods	(529)	-
	9,846	8,362
Deferred tax charge - note 21		
Origination and reversal of temporary differences	10,965	8,602
Rate Change	-	24,706
Adjustments in respect of prior periods	(2,420)	-
	8,545	33,308
Total tax charge on profit	18,391	41,670

Corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit for the year.

Deferred tax is calculated at the tax rates that have been substantively enacted at the balance sheet date and which are expected to apply when the temporary differences reverse. Finance Act 2021, which received Royal Assent in June 2021, announced the main rate of Corporation Tax would increase to 25% from April 2023. This was confirmed in the March 2023 Spring Budget. The effect of this rate change in 2021 is disclosed above as £24.7 million.

The charge for the year can be reconciled to the profit in the Profit and loss account as follows:

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Profit before tax on continuing operations	100,761	90,316
Tax at the UK corporation tax rate of 19% (2021: 19%)	19,145	17,160
Tax effect of expenses that are not deductible in determining taxable profit	422	836
Tax effect of income that is not taxable in determining taxable profit	(1,086)	(918)
Effect of items taxed at different rates	-	(49)
Rate Change	-	24,706
Prior period adjustments	(370)	-
Other factors leading to a decrease in tax	280	(65)
Tax charge for the year	18,391	41,670

Lucozade Ribena Suntory Limited

Notes to the financial statements (continued)
For the year ended 31 December 2022

11. Intangible assets

	Trademarks £000	Customer relationships £000	Goodwill £000	Software £000	Assets under construction £000	Total £000
Cost						
At 1 January 2022	1,031,200	58,800	52,006	16,152	69	1,158,227
Additions	-	-	-	130	-	130
Reclassification	-	-	-	-	-	-
At 31 December 2022	**1,031,200**	**58,800**	**52,006**	**16,282**	**69**	**1,158,357**
Amortisation						
At 1 January 2022	-	20,985	-	15,388	-	36,373
Charge for the period	-	2,623	-	362	-	2,985
At 31 December 2022	-	**23,608**	-	**15,750**	-	**39,358**
Carrying amount						
At 31 December 2022	**1,031,200**	**35,192**	**52,006**	**532**	**69**	**1,118,999**
At 31 December 2021	1,031,200	37,815	52,006	764	69	1,121,854

Customer relationships consist of the following categories:

Great Britain, which has a Carrying value at the year end of £33,660,869 and a remaining useful economic life of 15 years. Ireland, which has a fair value at the year end of £1,531,250 and a remaining useful economic life of 8 years. Customer relationships are assessed annually for indicators of impairment.

Trademarks are regarded as having indefinite useful economic lives and therefore have not been amortised but are subject to annual impairment assessment. The trademarks are renewable indefinitely in all major markets where they are sold, and it is the Company's policy to support them with the appropriate level of brand advertising. In addition, there are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands.

Accordingly, the Directors believe that it is appropriate that the brands be treated as having indefinite lives for accounting purposes.

Goodwill is regarded as having an indefinite life and is not subject to amortisation but is subject to annual impairment assessment.

12. Tangible fixed assets

	Freehold buildings £000	Freehold land £000	Furniture & fixtures £000	Machinery £000	Assets under construction £000	Right-of-use buildings £000	Right-of-use machinery £000	Total £000
Cost or valuation								
At 1 January 2022	53,613	2,430	15,241	177,235	3,317	13,565	2,039	267,440
Additions	185	-	939	3,123	3,057	-	41	7,345
Disposals	(27)	-	(8)	(2,248)	-	-	(43)	(2,326)
Reclassification	753	-	227	2,256	(3,236)	-	-	-
At 31 December 2022	**54,524**	**2,430**	**16,399**	**180,366**	**3,138**	**13,565**	**2,037**	**272,459**
Accumulated depreciation								
At 1 January 2022	13,176	-	11,743	98,231	-	7,049	628	130,827
Charge for the period	1,755	-	919	11,464	-	2,359	435	16,932
Disposals	(5)	-	-	(1,564)	-	-	-	(1,569)
At 31 December 2022	**14,926**	**-**	**12,662**	**108,131**	**-**	**9,408**	**1,063**	**146,190**
Carrying amount								
At 31 December 2022	**39,598**	**2,430**	**3,737**	**72,235**	**3,138**	**4,157**	**974**	**126,270**
At 31 December 2021	40,437	2,430	3,498	79,004	3,317	6,516	1,411	136,614

The Company has contractual commitments for property, plant and equipment as at 31 December 2022 of £3,554,791 (December 2021: £155,607). See note 22 for Right-of-use commitments.

13. Investment in subsidiaries

The following subsidiaries were purchased in 2014 for £1 per entity and carrying value remains at £1 per entity.

Details of the Company's subsidiaries at 31 December 2022 are as follows:

Name	Place of incorporation and principal place of business	Proportion of ordinary shares held %	Proportion of voting power held %
Lucozade Ribena Suntory Exports Limited	England & Wales	100	100
Lucozade Ribena Suntory Ireland Limited	Ireland	100	100

The investments in subsidiaries are all stated at cost less provision for impairment.

Lucozade Ribena Suntory Exports Limited principal activity is the intercompany export sale, and distribution of non-alcoholic beverages.

Lucozade Ribena Suntory Ireland Limited principal activity is the sale, and distribution of non-alcoholic and alcoholic beverages.

The registered office of Lucozade Ribena Suntory Exports Limited is 2 Longwalk Road, Stockley Park, Uxbridge, UB11 1BA and the registered office or Lucozade Ribena Suntory Ireland Limited is 7th Floor Chase Building, Carmanhall Road, Sandyford, Dublin 18, 733310, Ireland.

14. Stocks

	2022 £000	2021 £000
Raw materials	17,982	12,440
Work-in-progress	365	733
Finished goods	17,874	11,058
Other	3,080	1,251
	39,301	**25,482**

15. Debtors

	2022 £000	2021 £000
Amounts receivable for the sale of goods	74,809	62,581
Impairment of trade receivables	(526)	(389)
Amounts owing from group undertakings for sales of goods and provision of services	14,401	7,514
Other debtors	105,325	73,515
Prepayments and accrued income	4,775	1,134
Derivative financial assets – current	629	-
Current tax receivable	-	1,106
	199,413	**145,461**

Lucozade Ribena Suntory Limited

Notes to the financial statements (continued)
For the year ended 31 December 2022

15. Debtors (continued)

As at 31 December 2022, trade receivables were considered for impairment under IFRS 9 resulting in a provision of £526,000 (2021: £389,000). The individual impaired receivables mainly relate to customers who are in difficult economical situations. The creation and release of any provisions for impaired receivables have been included within 'operating costs' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovery, with additional impairment for forward looking ECL (Expected credit loss) and probable default.

Amounts owing from group undertakings for sales of goods and provision of services have payment terms of between 30 to 60 days. These balances are unsecured, and no interest is applied. A total of £12.7 million (2021: £6.8 million) is related to sale of goods under the current arm's length agreement. This increase is attributable to the increase in sales in 2022 compared to 2021. The outstanding £1.7 million (2021: £697,000) is related to provision of service under the current arm's length agreement.

Suntory Beverage & Food operates a group cash pooling system resulting in all available funds that are not in transit being put on deposit with Suntory Beverage & Food. This is reported as part of Other debtors and it amounts to £105.3 million (2021: £73.5 million).

16. Creditors

Amounts falling due within one year	Note	2022 £000	2021 £000
Trade and other payables	17	103,270	80,140
Rebate liabilities		31,419	26,354
Current tax liabilities		1,995	-
Inter-company borrowings	20	240,000	30,000
		376,684	136,494

Amounts falling due after more than one year	Note	2022 £000	2022 £000
Borrowings	20	30,000	270,000
Other liabilities	17	2,422	2,448
Deferred tax	21	102,609	93,884
Lease liabilities	17	2,708	5,832
		137,739	372,164

Notes to the financial statements (continued)
For the year ended 31 December 2022

17. Trade and other payables

	Note	2022 £000	2021 £000
Amount falling due within one year			
Trade creditors		75,797	53,639
Amounts due to group undertakings for trade		3,863	2,501
Accruals		18,370	15,413
Social security and other taxes		2,124	5,160
Lease liability (see note 22)		3,116	3,201
Derivative financial instruments: (see note 28)		-	226
		103,270	**80,140**
Amounts falling due after more than one year:			
Provisions and other liabilities	18	2,422	2,447
Lease liability (see note 22)		2,708	5,832
		5,130	**8,279**

Amounts due to group undertakings for trade have payment terms of between 30 to 60 days. These balances are unsecured, and no interest is applied. A total of £3,863,000 (2021: £2,501,000) is related to purchased goods under the current arm's length agreement. Trade creditors have increased substantially due to inflation.

18. Provisions and other liabilities

	2022 £000	2021 £000
Dilapidation Provision on the premises		
Balance at 1 January	2,447	1,363
Reversal/provision recognised during the year	(25)	1,084
Balance at 31 December	**2,422**	**2,447**

The dilapidation of the premises (the office) represents the cost to the company of putting the property back at the end of the lease into the same condition as at the inception of the lease. The renovation costs are from a reliable third-party source who is a member of the Chartered Surveyors in the UK.

19. Cash in bank and in hand

	2022 £000	2021 £000
Cash in bank and in hand	3,606	3,632

20. Borrowings

	2022 £000	2021 £000
Unsecured borrowing at amortised cost		
Loans from parent company	**270,000**	**300,000**
Amount due for settlement within 12 months		
Loans	240,000	30,000
Amount due for settlement after 12 months		
Loans	30,000	270,000

In November 2022, £30m of the £61m loan was repaid. The remaining £31m is due for repayment in May 2024. The £240m loan was repaid in June 2023 and replaced with a new £120m loan repayable in 2025 . The parent company has confirmed that these will be renewed as necessary to ensure the availability of sufficient financing throughout the going concern period.

All Borrowings are due to be repaid to Suntory food and Beverage Limited (Parent Company). The amounts repayable to related parties of the Company are repayable between 14 May 2024 and 12 June 2025 and carry interest at rates ranging from 1.1% to 5.81% over the terms of the loans.

21. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the year.

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Liability / (Asset)	Accelerated tax depreciation £000	Intangible assets £000	Other timing differences £000	Deferred tax on cash flow hedge gain £000	Total £000
At 1 January 2021	3,565	57,257	(202)	(28)	60,592
Charge/(Credit) to profit or loss	1,882	31,660	(235)	-	33,307
(Credit) to other comprehensive income	-	-	-	(15)	(15)
At 31 December 2021	5,447	88,917	(437)	(43)	93,884
Charge/(Credit) to profit or loss	352	8,297	(104)	-	8,545
Charge to other comprehensive income	-	-	-	180	180
At 31 December 2022	5,799	97,214	(541)	137	102,609

Notes to the financial statements (continued)
For the year ended 31 December 2022

21. Deferred tax (continued)

	2022 £000	2021 £000
Deferred tax liabilities	103,150	94,363
Deferred tax assets	(541)	(479)
	102,609	93,884

22. Lease liability

The company has a total of 45 leases, of which 2 are office leases, 4 are Forklift trucks and 39 Motor vehicles. All leases are non-cancellable and will all expire between January 2023 to June 2026.

All depreciation is charged within the administrative expenses in the income statement.

	2022 £000	2021 £000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	2,794	2,780
Interest expense on lease liabilities	80	111
Expense relating to leases of low value assets	304	328
	3,178	3,219

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Amount due for settlement:		
Within one year	3,116	3,405
In the second to fifth years inclusive	2,708	5,967
After five years	-	-
	5,824	9,372

The total cashflow for leases in 2022 amounts to £3,209,131 (2021: 2,436,000).

23. Called up share capital

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Allotted, called up and fully paid		
ordinary shares of £1 each	602,386	636,649

The Company has one class of ordinary shares which carry no right to fixed income. On 11 October 2022 the Board approved to reduce the company's authorised and issued share capital by cancelling and extinguishing 34,263,000 of such authorised and issued ordinary shares of £1.00 each. The total number of authorised and ordinary shares are 602,386,001 (2021: 636,649,001).

24. Retirement benefit schemes

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to income of £3,151,807 (2021: £3,105,818) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2022 and 31 December 2021, there were no unpaid employer or employee contributions to the schemes.

25. Staff costs

The average monthly number of employees (including executive directors) was:

	Year ended 31 December 2022	Year ended 31 December 2021
Production personnel	207	223
Administration and other personnel	462	450
	669	**673**

25. Staff costs (continued)

Their aggregate remuneration comprised:

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Wages and salaries	56,749	51,759
Social security costs	6,052	5,201
Pension costs	3,152	3,106
	65,953	**60,066**

Directors' remuneration disclosures are included in note 27.

26. Related party transactions

The Company has taken advantage of FRS 101 which exempts the Company from disclosing transactions entered into with other group companies, provided those companies are also wholly-owned.

The directors' remuneration, analysed under the headings required by company law is set out below:

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Directors' remuneration		
Emoluments	1,002	1,489
Amounts receivable (other than shares and share options) under long-term incentive schemes	185	196
Company contributions to money purchase pension schemes	50	59
	1,237	1,744
The number of directors who:		
Are members of a money purchase pension scheme	4	4

	2022 £000	2021 £000
Remuneration of the highest paid director:		
Emoluments	570	501
Amounts receivable (other than shares and share options) under long-term incentive schemes	135	75
Company contributions to money purchase pension schemes	29	29
	734	605

The highest paid director did not exercise any share options in the period and had no shares receivable under long-term incentive schemes.

Directors emoluments for qualifying services provided to other group companies are not included within the amounts disclosed above.

Notes to the financial statements (continued)
For the year ended 31 December 2022

27. Derivative financial instruments

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Derivatives that are designated and effective as hedging instruments carried at fair value		
Current liabilities		
Forward foreign currency contracts	-	226
Current assets		
Forward foreign currency contracts	629	-

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The following table details the forward foreign currency contracts outstanding as at the year end:

Outstanding contracts	**Notional value**	
	2022 £000	**2021 £000**
Buy Euros	24,130	19,930

The Company has entered into contracts to purchase goods in Euros. The Company has entered into forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions, and during 2022 designated these as hedges of foreign exchange risk in a highly probable forecast transaction. The hedged cash flows are expected to occur and to affect profit or loss within the next financial year.

Gain of £835,499 (2021: Gain £405,001) was recognised in other comprehensive income during the year. A profit of £18,949 previously recognised in the hedging reserve was recycled through the Profit and loss in the current year (2021: loss of £485,831).

28. Controlling party

In the opinion of the directors, the Company's ultimate parent company, ultimate controlling party and parent undertaking of the largest group is Kotobuki Realty Co., Ltd, a company incorporated in Japan. The address of the registered office is 2-1-40 Dojimahama, Kita-ku, Osakashi, Osaka, Japan. The parent undertaking of the smallest such group is Suntory Beverage & Food Limited, a company incorporated in Japan. The address of the registered office is Tokyo Square Garden, 3-1-1 Kyobashi, Chuo-ku, Tokyo 104-0031, Japan. Copies of the group financial statements of Suntory Beverage & Food Limited are available from http://www.suntory.com/softdrink/ir/library/earnings.html. The Company's immediate controlling party is Suntory Beverage & Food Limited.

29. Events after the balance sheet date

Non-adjusting event and adjusting events

No non-adjusting or adjusting events happened after the balance sheet date.