Cott Beverages Limited

Annual report and financial statements for the period ended 2 January 2010

Registered number 2836071

Cott Beverages Limited

Annual report and financial statements for the period ended 2 January 2010

Directors and advisers for the period ended 2 January 2010

Directors

Trevor Cadden
Jerry Hoyle
Laura Jackson
Steven Kitching
Gregory Leiter
Michael Turner
Matthew Vernon

Company secretary

Hammonds Secretarial Services Limited

Registered office

Citrus Grove
Side Ley
Kegworth
Derby DE74 2FJ

Statutory auditors

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands DE74 2UZ

Cott Beverages Limited

Directors' report
for the period ended 2 January 2010

The Directors present their report and the audited consolidated financial statements of Cott Beverages Limited and subsidiaries ("the Group") and Cott Beverages Limited ("the Company" or "the Parent Company") for the period ended 2 January 2010

Principal activities

The principal activity of the Company during the period was the manufacture and sale of soft drinks

Review of business and future developments

While the traditional carbonated soft drinks market is in decline, the broad product range offered by the Company in conjunction with new business wins has delivered sales growth of 11 1% (2008 2 2%) During the year, the Company successfully completed a significant can capacity project at the Bondgate plant, which allowed the Company to increase revenue in this area during the year Commodity prices were higher in the year, but were offset by the Company's continuous focus on cost saving initiatives including a number of projects to transfer more of the Company's cost base from fixed to variable

Gross margins are stable year on year being 18 5% in 2009 and 18 5% in 2008

The Company will continue to support and develop its core retail business, invest in and develop new distribution channels, whilst also strengthening relationships with major brand owners in the provision of co-pack services The Company will also make selective investments in new format capacity, to meet proven customer and consumer demand, and continue to secure export opportunities that utilise the Company's existing asset base and core strengths

The Directors are committed to delivering excellent service, stringent cost control and manufacturing efficiency, whilst making selective capital investments By delivering to the Company's customers both value and service, the Directors' aim to continue to increase revenue during 2010

Directors' indemnity provisions

There were no qualifying third party indemnity provisions in force for any of the Directors' at any time during the financial period (2008 none)

Research and development

We continue to invest in developing new products across all our businesses The Directors regard innovation as integral to the continuing success of the business and the ongoing growth of all our businesses The amount spent on research and development in the year was £613,000 (2008 £563,000)

Key performance indicators

The key performance measures for the Company and the Group are profit growth and cash flow generation Progress toward achievement of these targets is monitored on a monthly basis by comparing actual and expected volume, sales, margin, cost and working capital performance against the annual budget, periodic re-forecasts and previous period

Directors' report
for the period ended 2 January 2010 (continued)

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate cash flow risk The Company is a participant in the Cott Corporation global credit facility which provides the Company with additional funding capacity

Management also has access to Cott Corporation's Treasury Department that assists in the monitoring and managing of financial risk

Price risk

The Company is exposed to commodity price risk as a result of its operations If the Company's operations change in size or nature, the Directors revisit price risk to ensure the risks are still being managed appropriately The Company has no exposure to equity securities price risk as it holds no listed or other equity investments

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made

Liquidity risk

The UK Directors manage the UK risk through monitoring performance against forecast and have regular discussions with the ultimate parent company (Cott Corporation) to ensure appropriate funding

Interest rate cash flow risk

The Company has both interest bearing assets and interest bearing liabilities Interest bearing assets include only cash balances, all of which earn interest at floating rates

Results and dividends

The consolidated profit and loss account for the period is set out on page 8

The Directors do not recommend the payment of a dividend in respect of the period ended 2 January 2010 (2008 £nil)

Donations

The Group made charitable donations totalling £2,233 to a national charity (2008 £2,183)

Directors' report
for the period ended 2 January 2010 (continued)

Directors

The Directors of the Company who held office throughout the period and up to the date of signing the financial statements, unless otherwise stated, were

Catherine Brennan	(resigned 24 July 2009)
Trevor Cadden	(appointed 1 August 2009)
Jerry Hoyle	(appointed 14 September 2009)
Laura Jackson	(appointed 1 April 2010)
Andrew Joynson	(resigned 1 April 2010)
Steven Kitching	
Gregory Leiter	(appointed 1 August 2009)
Robert Mason	(resigned 16 January 2009)
Louisa Poole	(appointed 1 August 2009, resigned 1 April 2010)
Mike Turner	
Matthew Vernon	(appointed 1 April 2010)

Payment to suppliers

It is the Group's policy to agree terms of payment with its suppliers when agreeing the terms of a business transaction or transactions All suppliers are aware of this procedure and the Group abides by the agreed payment terms subject to the terms and conditions being met by the suppliers The creditor days outstanding at the period end, were 31 days (2008 42 days)

Employees

The Group's policy is to consult and discuss with employees, through unions, staff consultation committees and at meetings, matters likely to affect employees' interests Information on matters of concern to employees is given through quarterly briefs and through the use of staff notice boards

The Group's policy is to recruit disabled employees for those vacancies that they are able to fill All necessary assistance with initial training courses is given, and, in common with all employees, a career plan is prepared so as to maximise individual development opportunities Arrangements are made where possible for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities

The Group encourages the involvement of employees in the Group's performance through a share incentive plan ("SIP") This enables employees to purchase shares in Cott Corporation

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 prepared the Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period

Cott Beverages Limited

Directors' report for the period ended 2 January 2010 (continued)

Directors' responsibilities statement (continued)

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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of disclosure of information to auditors

The Directors confirm that the auditors have been provided with appropriate information and that

- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware Relevant information is defined as *"information needed by the Company's auditors in connection with preparing their report "*

- Each Director has taken all the steps (such as making enquiries of other Directors and the auditors and any other steps required by the Director's duty to exercise due care, skill and diligence) that he/she ought to have taken in his/her duty as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting

On behalf of the Board

Jerry Hoyle
Director
14 June 2010

Independent auditors' report to the members of Cott Beverages Limited

We have audited the group and parent company financial statements (the "financial statements") of Cott Beverages Limited for the period ended 2 January 2010, which comprise the Consolidated Profit and Loss Account, the Group and Company Balance Sheets, the Consolidated Statement of Total Recognised Gains and Losses, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 2 January 2010 and of the group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Cott Beverages Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosure of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Christopher Hibbs (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors,
East Midlands
14 June 2010

Cott Beverages Limited

Consolidated profit and loss account for the period ended 2 January 2010

	Note	53 weeks ended 2 January 2010 £'000	52 weeks ended 27 December 2008 £'000
Turnover	2	**229,198**	206,376
Cost of sales		**(186,831)**	(168,135)
Gross profit		**42,367**	38,241
Net operating expenses	3	**(27,578)**	(31,220)
Goodwill impairment	4	**-**	(40,039)
Operating profit/(loss)	4	**14,789**	(33,018)
Interest receivable and similar income	7	**2**	253
Interest payable and similar charges	8	**(5,953)**	(5,917)
Other finance (expense)/income	19	**(215)**	2
Profit/(loss) on ordinary activities before taxation		**8,623**	(38,680)
Tax on profit/(loss) on ordinary activities	9	**(2,495)**	(1,164)
Profit/(loss) for the financial period	21	**6,128**	(39,844)

All items dealt with in arriving at the profit/(loss) on ordinary activities before taxation relate to continuing activities

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial period stated above, and their historical cost equivalents

Cott Beverages Limited

Consolidated statement of total recognised gains and losses for the period ended 2 January 2010

	Note	**53 weeks ended 2 January 2010**	52 weeks ended 27 December 2008
		£'000	£'000
Profit/(loss) for the financial period		**6,128**	(39,844)
Actuarial loss	19	**(614)**	(1,888)
Movement on deferred tax relating to actuarial loss	19	**115**	422
Movement on current tax relating to pension liability	19	**57**	107
Total recognised gains/(losses) for the period	22	**5,686**	(41,203)

Cott Beverages Limited

Balance sheets
as at 2 January 2010

	Note	Group 2 January 2010 £'000	Company 2 January 2010 £'000	Group 27 December 2008 £'000	Company 27 December 2008 £'000
Fixed assets					
Intangible assets	11	**841**	**841**	1,020	1,020
Tangible assets	12	**58,325**	**58,325**	59,611	59,611
Investments	13	**-**	**509**	-	509
		59,166	**59,675**	60,631	61,140
Current assets					
Stocks	14	**10,004**	**10,004**	12,103	12,103
Debtors	15	**35,272**	**35,272**	39,500	39,500
Cash at bank and in hand		**7,521**	**7,521**	4,859	4,859
		52,797	**52,797**	56,462	56,462
Creditors amounts falling due within one year	16	**(33,594)**	**(33,594)**	(38,754)	(38,754)
Net current assets		**19,203**	**19,203**	17,708	17,708
Total assets less current liabilities		**78,369**	**78,878**	78,339	78,848
Creditors amounts falling due after more than one year	17	**(81,561)**	**(82,073)**	(87,560)	(88,072)
Provisions for liabilities and charges	18	**(3,679)**	**(3,679)**	(3,631)	(3,631)
Net liabilities excluding pension liability		**(6,871)**	**(6,874)**	(12,852)	(12,855)
Net pension liability	19	**(3,388)**	**(3,388)**	(3,093)	(3,093)
Net liabilities including pension liability		**(10,259)**	**(10,262)**	(15,945)	(15,948)
Capital and reserves					
Called up share capital	20	**49,623**	**49,623**	49,623	49,623
Share premium account	21	**11,765**	**11,765**	11,765	11,765
Profit and loss reserve	21	**(71,647)**	**(71,650)**	(77,333)	(77,336)
Total shareholders' deficit	22	**(10,259)**	**(10,262)**	(15,945)	(15,948)

The financial statements on pages 8 to 34 were approved by the board of Directors on 14 June 2010 and were signed on its behalf by

Jerry Hoyle
Director

Registered number 2836071

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010

1 Principal accounting policies

The principal accounting policies, which have been consistently applied in the preparation of these financial statements, are set out below

Basis of preparation

The Group financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The Directors consider that the Company's accounting policies and estimation techniques are the "most appropriate" in accordance with Financial Reporting Standard 18 ("FRS 18") The financial statements are prepared on the going concern basis and under the historical cost convention

The Company has received confirmation from its ultimate parent undertaking, Cott Corporation, that it will provide the financial support necessary to ensure that the Company can meet its obligations for a period of twelve months from the date of the financial statements The Directors therefore consider it appropriate to prepare the accounts on a going concern basis

Basis of consolidation

The Company is a wholly owned subsidiary of Cott Retail Brands Limited, a company incorporated in England and Wales Following the acquisition of Cott Nelson (Holdings) Limited, the Directors have elected to prepare consolidated financial statements for the Cott Beverages Limited Group

The Group financial statements include the financial statements for the Company and all its subsidiary undertakings to 2 January 2010 The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from, the date control passes Intra-group sales and profits are eliminated fully on consolidation

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date All changes to those assets and liabilities, and the resulting gains and losses that arise after the Group has gained control of the subsidiary are charged to the post acquisition profit and loss account The amounts taken for subsidiary companies are taken from the latest audited financial statements which all have the same accounting reference date

Intangible assets

The brand represents consideration paid for the right to use a particular brand name The asset is being written off over 10 accounting periods, which the Directors believe to be the useful economic life of the asset

1 Principal accounting policies (continued)

Impairment of fixed assets and goodwill

In accordance with Financial Reporting Standard 11 ("FRS11"), the Group performs impairment reviews where there is an indication that the carrying amount of fixed assets or goodwill may not be recoverable The impairment review involves using measurement techniques to estimate the asset's recoverable amount, based upon the higher of post tax net realisable value and value in use, and comparing that with the carrying value of the asset

Where it is established that an asset has been impaired, then an amount equal to the impairment is charged to the profit and loss account in the period of the impairment

Where an impairment review has been carried out and the recoverable amount has been based on value in use, the Group monitors the results of the review for the next five periods If, during this monitoring period, the results of the original impairment review are no longer considered to be appropriate, then a reversing credit or increased charge is made to the profit and loss account

Investments

Investments are stated at cost less provisions for impairment

Capitalisation of finance costs

Financing fees in relation to the cost of raising debt at the Group level are capitalised and written off on a straight line basis over the life of the financing arrangement

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their historic purchase cost, together with any incidental costs required to bring the asset into full working condition

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned

The principal annual rates used for this purpose are

Freehold buildings	2 50 – 10 00%
Plant and machinery	8 33 – 25 00%
Computer equipment	33 00%
Fixtures and fittings	10 00%

Freehold land is not depreciated

Assets held for resale

Tangible fixed assets that are not utilised within the business and are actively marketed for sale are reclassified to assets held for resale within tangible fixed assets These assets are initially transferred at their historic cost, less accumulated depreciation An impairment review is performed on these assets at the date of transfer and any impairment is recognised where the recoverable amount (being expected sale price less cost of sale) are less than the assets carrying value

1 Principal accounting policies (continued)

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term

Leasing agreements which transfer to the Group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases The lease rentals are treated as consisting of capital and interest elements The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding Assets held under finance leases are depreciated over the shorter of the lease terms or the useful lives of equivalent owned assets

Stocks

Stocks are valued at the lower of cost and net realisable value, cost being determined on the first-in, first-out basis and net realisable value being the sales price less costs of sale In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity Where necessary, provision is made for obsolete, slow-moving and defective stocks

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced amounts derived from the manufacture and sale of soft drinks Turnover is recognised when goods are despatched

Share incentive plan

The Company has a share incentive plan ("SIP") Shares in Cott Corporation are purchased mid-month using the previous month's employee contributions There are no free or matching shares The SIP trust held no shares at 2 January 2010

Foreign currencies

Foreign exchange differences are taken to the profit and loss account in the period in which they arise

Taxation

The charge for taxation is based on the profits for the period as adjusted for disallowable items

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future Deferred tax balances are not discounted and are recognised to the extent that it is regarded more than likely that there will be suitable taxable profits against which these assets can be recovered in future periods

Notes to the financial statements for the period ended 2 January 2010 (continued)

1 Principal accounting policies (continued)

Pension costs

The Group's defined benefit pension scheme is assessed annually in accordance with Financial Reporting Standard 17 ("FRS17")

The accounting valuation, which was based on assumptions determined with independent actuarial advice, resulted in a deficit of £4,705,000 (2008 £4,295,000) before deferred taxation being recognised on the balance sheet at 2 January 2010 The size of the deficit is sensitive to the market value of the assets held by the scheme, and to actuarial assumptions which include price inflation, pension and salary increases, the discount rate used in assessing actuarial liabilities, mortality and other demographic assumptions and the level of contributions Further details are included in note 19

The Group adopted the amendment to Financial Reporting Standard 17 ("FRS 17") 'Retirement benefits' in 2008 which requires that equity investments and bonds held in plan assets are valued at current bid price rather than mid price This has not had a material impact on the results or balances at 2 January 2010 or 27 December 2008 and consequently no restatement is required

Payments to the Group's defined contribution schemes are charged as an expense as they fall due

Research and development

Costs incurred in respect of research and development is expensed to the profit and loss account in the period in which they are incurred The amount spent on research and development in the year was £613,000 (2008 £563,000)

2 Turnover

The Directors consider there to be one class of business The analysis by geographical area of destination of the Group's turnover is set out below

	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	£'000	£'000
United Kingdom	**219,131**	195,607
Rest of Europe	**9,198**	10,637
Rest of World	**869**	132
	229,198	206,376

All the Company's assets and liabilities are held in the UK

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010 (continued)

3 Net operating expenses

	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	£'000	£'000
Distribution costs	**12,430**	13,549
Administration expenses	**15,148**	17,671
Total net operating expenses	**27,578**	31,220

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	£'000	£'000
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	**179**	2,590
Impairment of goodwill	**-**	40,039
Depreciation charge for the period tangible owned assets	**6,783**	6,990
Fees payable to the Company's auditor for the audit of parent company and consolidated accounts	**161**	173
Fees payable to the Company's auditor and its associates for other services		
The audit of Company's subsidiaries pursuant to legislation	**5**	5
Tax services	**63**	76
Other services	**5**	-
Research and development costs	**613**	563
Hire of plant and machinery	**485**	570
Hire of plant and machinery - operating leases	**796**	548
Hire of other equipment - operating leases	**63**	22

Notes to the financial statements for the period ended 2 January 2010 (continued)

5 Directors' emoluments

Group and Company	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	£'000	£'000
Aggregate emoluments	1,009	470
Compensation for loss of office	-	60
Company pension contributions to defined contribution pension schemes	34	29
	1,043	559

Emoluments for the services of C Brennan and G Leiter were paid by other subsidiaries of the Cott Corporation group of companies and accordingly their emoluments are disclosed in the financial statements of Cott Corporation

Retirement benefits are accruing to 5 Directors (2008 4) under defined contribution pension schemes Retirement benefits are accruing to 1 Director (2008 1) under defined benefit pension schemes No Directors exercised share options in Cott Corporation during the period (2008 none) No Directors received shares under long term incentive schemes (2008 none)

Group and Company	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
Highest paid Director·	£'000	£'000
Aggregate emoluments	371	133
Compensation for loss of office	-	60
Company pension contributions to defined contribution pension schemes	15	9
	386	202

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010 (continued)

6 Employee information

The average monthly number of persons (including Executive Directors) employed by the Group and the Company during the period was

	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	Number	Number
By activity:		
Production	**572**	630
Sales	**49**	57
Administration	**86**	78
	707	765

	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	£'000	£'000
Staff costs		
Wages and salaries	**22,631**	22,394
Social security costs	**2,289**	1,928
Other pension costs (note 19)	**843**	863
Compensation for loss of office	**-**	60
	25,763	25,245

Notes to the financial statements for the period ended 2 January 2010 (continued)

7 Interest receivable and similar income

	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	£'000	£'000
On bank deposits or similar	2	136
Other	-	117
	2	253

8 Interest payable and similar charges

	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	£'000	£'000
On bank loans, overdrafts or similar	25	7
On intercompany loans	5,736	5,630
Amortisation of financing costs	192	280
	5,953	5,917

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010 (continued)

9 Tax on profit/(loss) on ordinary activities

	53 weeks ended 2 January 2010	52 weeks ended 27 December 2008
	£'000	£'000
Current tax:		
UK corporation tax on profit/(loss) for the financial period	**2,712**	1,471
Adjustment in respect of previous periods	**(265)**	(94)
Total current tax	**2,447**	1,377
Deferred tax		
Origination and reversal of timing differences	**48**	(213)
Tax on profit/(loss) on ordinary activities	**2,495**	1,164

The current tax charge of £2,447,000 is £33,000 higher (2008 £12,401,000 higher) than the standard effective rate of corporation tax in the UK of 28 0% (2008 28 5%) The differences are explained below

Factors affecting tax charge for the period	**53 weeks ended 2 January 2010**	52 weeks ended 27 December 2008
	£'000	£'000
Profit/(loss) on ordinary activities before taxation	**8,623**	**(38,680)**
Profit/(loss) on ordinary activities before multiplied by standard rate of corporation tax in UK of 28 0% (2008 28 5%)	**2,414**	**(11,024)**
Effect of		
Expenses not deductible for tax purposes	**218**	12,350
Adjustment in respect of previous periods	**(265)**	(94)
Corporation tax rate adjustment	**-**	(3)
Other timing differences	**4**	(12)
Accelerated capital allowances and utilisation of tax losses	**76**	160
Current tax charge for the period	**2,447**	1,377

Notes to the financial statements for the period ended 2 January 2010 (continued)

10 Profit for the financial period

As permitted by section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements The Company's profit for the period before taxation, was £8,623,000 (2008 loss £39,083,000)

11 Intangible assets

Group and Company	Brand	Total
	£'000	£'000
Cost		
At 28 December 2008 and 2 January 2010	1,750	1,750
Accumulated amortisation		
At 28 December 2008	730	730
Charge for the period	179	179
At 2 January 2010	909	909
Net book value		
At 2 January 2010	841	841
At 27 December 2008	1,020	1,020

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010 (continued)

12 Tangible assets

Group and Company	Land and buildings	Plant and machinery	Assets held for resale	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 28 December 2008	32,343	72,704	-	4,830	109,877
Additions	-	5,497	-	-	5,497
Disposals	-	(295)	-	-	(295)
Transfers	(1,808)	-	1,808	-	-
At 2 January 2010	**30,535**	**77,906**	**1,808**	**4,830**	**115,079**
Accumulated depreciation					
At 28 December 2008	6,560	38,916	-	4,790	50,266
Charge for the period	799	5,971	-	13	6,783
Disposals	-	(295)	-	-	(295)
Transfers	(463)	-	463	-	-
At 2 January 2010	**6,896**	**44,592**	**463**	**4,803**	**56,754**
Net book value					
At 2 January 2010	**23,639**	**33,314**	**1,345**	**27**	**58,325**
At 27 December 2008	25,783	33,788	-	40	59,611

The assets are subject to a fixed and floating charge in favour of the Group's bankers

All land and buildings relate to freehold land and buildings

Freehold land and buildings includes £6,117,000 (2008 £6,117,000) in respect of land which is not subject to depreciation

Assets held for resale represent a warehouse that is being actively marketed for sale The Directors performed an impairment review at the date of transfer and determined that no impairment exists

13 Investments

Company interests in Group undertakings	£'000
At 27 December 2008 and 2 January 2010	509

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held by Group	Proportion of nominal value of issued shares held by Company
Cott Private Label Limited	UK	Ordinary shares of 10p each	100%	100%
Cott Nelson (Holdings) Limited	UK	Ordinary shares of £1 each	100%	100%
Cott (Nelson) Limited	UK	Ordinary shares of £1 each	100%	0%

All subsidiary companies are non-trading

14 Stocks

	Group 2 January 2010	Company 2 January 2010	Group 27 December 2008	Company 27 December 2008
	£'000	£'000	£'000	£'000
Raw materials	3,860	3,860	5,020	5,020
Finished goods	6,144	6,144	7,083	7,083
	10,004	10,004	12,103	12,103

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010 (continued)

15 Debtors

	Group 2 January 2010	Company 2 January 2010	Group 27 December 2008	Company 27 December 2008
	£'000	£'000	£'000	£'000
Trade debtors	32,856	32,856	35,890	35,890
Amounts owed by Group undertakings	541	541	492	492
Other debtors	401	401	1,404	1,404
Prepayments and accrued income	1,474	1,474	1,714	1,714
	35,272	35,272	39,500	39,500

The amounts owed by Group undertakings shown as falling due within one year are unsecured, payable on demand and non-interest bearing

16 Creditors: amounts falling due within one year

	Group 2 January 2010	Company 2 January 2010	Group 27 December 2008	Company 27 December 2008
	£'000	£'000	£'000	£'000
Trade creditors	17,976	17,976	22,866	22,866
Amounts owed to Group undertakings	829	829	4,644	4,644
Corporation tax	1,275	1,275	308	308
Other taxation and social security	3,321	3,321	2,633	2,633
Other creditors and accruals	10,193	10,193	8,303	8,303
	33,594	33,594	38,754	38,754

The amounts owed to Group undertakings are unsecured, payable on demand and are non-interest bearing

17 Creditors: amounts falling due after more than one year

	Group 2 January 2010	**Company 2 January 2010**	Group 27 December 2008	Company 27 December 2008
	£'000	**£'000**	£'000	£'000
Amounts owed to Group undertakings	**81,559**	**82,071**	87,558	88,070
Redeemable preference shares	**2**	**2**	2	2
	81,561	**82,073**	87,560	88,072

On 31 March 2008, Cott Corporation entered into a secured asset-based lending ("ABL") facility with various lenders led by JPMorgan Chase Bank, N A The ABL facility is a five-year revolving facility of up to USD$225 million that expires in March 2013 The facility covers Cott Corporation and its subsidiaries which includes Cott Beverages Limited

The facility includes a revolver that is limited to USD$225 million subject to a borrowing base comprised of certain Cott Corporation's assets, namely eligible stock, debtors and fixed assets Interest on the facility will be LIBOR plus 3 5%

Cott Corporation's senior unsecured notes due in 2011 ("the 2011 Notes") are due on 15 December 15 2011 After the repurchase of USD$257 8 million in principal amount of 2011 Notes in 2009, the principal amount of the 2011 Notes outstanding was USD$11 1 million as of 2 January 2010 The remaining USD$11 1 million 2011 Notes were redeemed on 1 February 2010

On 13 November 2009, Cott Corporation issued USD$215 0 million of senior notes that were due on 15 November 2017 ("the 2017 Notes") The 2017 Notes were issued at a USD$3 1 million discount and deferred financing fees of USD$5 1 million The issuer of the 2017 Notes is Cott Beverages Inc , but Cott Corporation and most of Cott Corporation's U S , Canadian and United Kingdom subsidiaries guarantee the 2017 Notes The interest on the 2017 Notes is payable semi-annually on 15^{th} May and 15^{th} November of each year, beginning on 15 May 2010

Interest at a fixed rate of 8 3% is payable on £68,000,000 of the amounts owed to Group undertakings The remaining amount of £13,559,000 (Group) and £14,071,000 (Company) owed to Group undertakings is non-interest bearing All amounts owed to Group undertakings are unsecured and have no fixed repayment date However, the Directors have received written confirmation from the ultimate parent undertaking that the amounts will not have to be repaid within one year

The redeemable (at par) preference shares are undated and are eligible to a fixed cumulative dividend of ½% payable bi-annually on 25 March and 29 September on the nominal value of the shares The shares are non-voting and have a preferential right to return of capital on a winding up Since these shares were acquired by Cott Retail Brands Limited, the rights to these dividends have been waived

18 Provisions for liabilities and charges

Excluding deferred tax on pension liability

	Group	Company
	Deferred Taxation £'000	Deferred Taxation £'000
At 28 December 2008	3,631	3,631
Charged to the profit and loss account	48	48
At 2 January 2010	**3,679**	**3,679**

Deferred taxation provided in the financial statements, is as follows

	Group 2 January 2010 £'000	**Company 2 January 2010 £'000**	Group 27 December 2008 £'000	Company 27 December 2008 £'000
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	**3,592**	**3,592**	3,631	3,631
Other	**87**	**87**	-	-
Deferred tax creditor excluding that relating to pension liability	**3,679**	**3,679**	**3,631**	**3,631**
Deferred tax asset on pension scheme liability (note 19)	**(1,317)**	**(1,317)**	(1,202)	(1,202)
Net deferred tax creditor	**2,362**	**2,362**	2,429	2,429

	Group 2 January 2010 £'000	**Company 2 January 2010 £'000**	Group 27 December 2008 £'000	Company 27 December 2008 £'000
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	**3,592**	**3,592**	3,631	3,631
Other	**87**	**87**	-	-
Deferred tax creditor excluding that relating to pension liability	**3,679**	**3,679**	**3,631**	**3,631**
Deferred tax asset on pension scheme liability (note 19)	**(1,317)**	**(1,317)**	(1,202)	(1,202)
Net deferred tax creditor	**2,362**	**2,362**	2,429	2,429

19 Group and Company pension commitments

Defined contribution schemes

The Group operates a number of defined contribution schemes

The assets of these schemes are held separately from those of the Group in independently administered funds The pension charge represents contributions payable by the Group, and amounted to £711,000 (2008 £693,000) for the period

Defined benefit schemes

The Group operates a defined benefit pension scheme in the UK, the Cott Beverages Limited Retirement and Death Benefit Scheme The assets of the scheme, which is a funded scheme, are held in a separate trustee administered fund and employees are entitled to retirement benefits based on their final pensionable salaries and length of service

The valuation of the scheme is based on the most recent actuarial valuation as at 1 May 2009, updated by the scheme actuary to 2 January 2010

The disclosures set out below are based on calculations carried out as at 2 January 2010 by a qualified independent actuary

The scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees The Trustees of the scheme are required to act in the best interest of the fund's beneficiaries The appointment of Trustees to the scheme is determined by the scheme's trust documentation

The liabilities of the defined benefit scheme are measured by discounting the best estimate of future cash flows to be paid out of the scheme using the projected unit method This amount is reflected in the deficit in the balance sheet The projected unit method is an accrued benefits valuation method in which the scheme liabilities make allowance for the projected earnings

As at 2 January 2010, contributions are payable to the scheme by the Company at the rates set out in the Schedule of Contributions dated 31 July 2007

The employer contributions expected to be made in the year commencing 3 January 2010 are £551,000 Employee contributions are expected at £75,000

At 2 January 2010, no contributions were due to the pension scheme

Notes to the financial statements
for the period ended 2 January 2010 (continued)

19 Group and Company pension commitments (continued)

Principal assumptions

The principal actuarial assumptions at the balance sheet date were

	At 2 January 2010	At 27 December 2008	At 29 December 2007
Discount rate	**5 80%**	6 40%	5 90%
Expected return on scheme assets	**7 20%**	6 90%	7 20%
Inflation	**3 70%**	3 10%	3 35%
Rate of increase in salaries	**3 70%**	3 10%	3 35%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice

Mortality assumptions used were as follows

	At 2 January 2010	At 27 December 2008
	Years	Years
Longevity after age 65 for current pensioners		
- Men	**22**	22
- Women	**24**	24
Longevity after age 65 for future pensioners		
- Men	**23**	22
- Women	**26**	25

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010 (continued)

19 Group and Company pension commitments (continued)

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain are

	Long term rate of return expected 2 January 2010	**Value at 2 January 2010**	Long term rate of return expected 27 December 2008	Value at 27 December 2008	Long term rate of return expected 29 December 2007	Value at 29 December 2007
		£'000		£'000		£'000
Equities	**8 00%**	**7,885**	7 95%	5,512	8 00%	8,239
Bonds	**5 80%**	**4,125**	5 40%	3,736	5 40%	3,737
Cash	**2 00%**	**121**	2 00%	93	5 00%	61
Fair value of scheme assets		**12,131**		9,341		12,037
Present value of scheme liabilities		**(16,836)**		(13,636)		(14,827)
Deficit in the scheme - pension liability		**(4,705)**		(4,295)		(2,790)
Related deferred tax asset		**1,317**		1,202		777
Net pension liability		**(3,388)**		(3,093)		(2,013)

The Group adopted the amendment to Financial Reporting Standard 17 ("FRS 17") 'Retirement benefits' in 2008 which requires that equity investments and bonds held in plan assets are valued at current bid price rather than mid price This has not had a material impact on the results or balances at 2 January 2010 or 27 December 2008 and consequently no restatement is required

Notes to the financial statements for the period ended 2 January 2010 (continued)

19 Group and Company pension commitments (continued)

Change in plan assets

	2 January 2010	27 December 2008
	£'000	£'000
Opening fair value of scheme assets	**9,341**	12,037
Expected return	**653**	873
Actuarial gains/(losses)	**1,866**	(3,750)
Contributions by employer	**551**	551
Contributions by employees	**74**	74
Benefits paid	**(354)**	(444)
Closing fair value of scheme assets	**12,131**	9,341

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date Expected returns on equity investments reflect long-term real rates of expected return experienced in the respective markets

The actual return on scheme assets in the year was a gain of £2,519,000 (2008 loss of £2,877,000)

Change in plan liabilities

	2 January 2010	27 December 2008
	£'000	£'000
Opening defined benefit obligation	**(13,636)**	(14,827)
Current service cost	**(132)**	(170)
Interest cost	**(868)**	(871)
Employee contributions	**(74)**	(74)
Actuarial (losses)/gains	**(2,480)**	1,862
Benefits paid	**354**	444
Closing defined benefit obligation	**(16,836)**	(13,636)

Notes to the financial statements for the period ended 2 January 2010 (continued)

19 Group and Company pension commitments (continued)

Analysis of service cost

	2 January 2010	27 December 2008
	£'000	£'000
Current service cost	132	170
Total operating charge	**132**	170

Analysis of the amount charged to other finance income

	2 January 2010	27 December 2008
	£'000	£'000
Interest on pension plan liabilities	(868)	(871)
Expected return on assets in the pension plan	653	873
Other finance (expense)/income	**(215)**	2

Analysis of the amounts recognised in statement of total recognised gains and losses (STRGL)

	2 January 2010	27 December 2008
	£'000	£'000
Actuarial gains/(losses) on assets	1,866	(3,750)
Experience gains/(losses) on liabilities	474	(71)
(Loss)/gains on change of assumptions (financial and demographic)	(2,954)	1,933
Total loss recognised in STRGL before adjustment for tax	(614)	(1,888)
Cumulative actuarial gain recognised in STRGL	**154**	768

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010 (continued)

19 Group and Company pension commitments (continued)

History of expenence gains and losses

	2 January 2010	27 December 2008	29 December 2007	30 December 2006	31 December 2005
	£'000	£'000	£'000	£'000	£'000
Difference between the expected and actual return on scheme assets					
Amount	**(1,866)**	3,750	304	(601)	1,272
Percentage of scheme assets	**(15 4%)**	40 1%	2 5%	(5 3%)	(13 3%)
Expenence gains and losses on scheme liabilities.					
Amount	**474**	(71)	(438)	(50)	171
Percentage of present value of scheme liabilities	**2 8%**	(0 5%)	(3 0%)	(0 3%)	1 1%
Total amount recognised in statement of total recognised gains and losses					
Amount	**(614)**	(1,888)	202	2,096	(1,362)
Percentage of present value of scheme liabilities	**(3 6%)**	(13 8%)	1 4%	14 3%	(8 9%)

Cott Beverages Limited

Notes to the financial statements for the period ended 2 January 2010 (continued)

20 Called up share capital

Group and Company	2 January 2010	27 December 2008
	£'000	£'000
Authorised		
74,998,000 ordinary shares of £1 each	**74,998**	74,998
2,000 preference shares of £1 each	**2**	2
Allotted, called up and fully paid		
49,623,610 ordinary shares of £1 each	**49,623**	49,623
2,000 preference shares of £1 each	**2**	2

Group and Company	2 January 2010	27 December 2008
	£'000	£'000
Authorised		
74,998,000 ordinary shares of £1 each	**74,998**	74,998
2,000 preference shares of £1 each	**2**	2
Allotted, called up and fully paid		
49,623,610 ordinary shares of £1 each	**49,623**	49,623
2,000 preference shares of £1 each	**2**	2

21 Reserves

	Share premium account Group	Share premium account Company	Profit and reserve Group	Profit and loss reserve Company
	£'000	£'000	£'000	£'000
At 28 December 2008	11,765	11,765	(77,333)	(77,336)
Profit for the financial period	-	-	6,128	6,128
Actuarial loss	-	-	(614)	(614)
Deferred tax on actuarial loss	-	-	115	115
Current tax on actuarial loss	-	-	57	57
At 2 January 2010	**11,765**	**11,765**	**(71,647)**	**(71,650)**

Cott Beverages Limited

Notes to the financial statements
for the period ended 2 January 2010 (continued)

22 Reconciliation of movements in total shareholders' deficit

	Group 2 January 2010	Company 2 January 2010	Group 27 December 2008	Company 27 December 2008
	£'000	£'000	£'000	£'000
Profit/(loss) for the financial period	6,128	6,128	(39,844)	(39,532)
Actuarial loss	(614)	(614)	(1,888)	(1,888)
Movement on deferred tax relating to actuarial loss	115	115	422	422
Movement on current tax relating to pension deficit	57	57	107	107
Total movements	5,686	5,686	(41,203)	(40,891)
Opening shareholders' (deficit)/funds	(15,945)	(15,948)	25,258	24,943
Closing shareholders' deficit	(10,259)	(10,262)	(15,945)	(15,948)

23 Contingent liabilities

The Group and the Company have no material contingent liabilities (2008 none)

Notes to the financial statements for the period ended 2 January 2010 (continued)

24 Financial commitments

At 2 January 2010, annual commitments under non-cancellable operatıng leases were as follows

	Group 2 January 2010	Company 2 January 2010	Group 27 December 2008	Company 27 December 2008
	£'000	£'000	£'000	£'000
Expırıng wıthın one year	281	281	143	143
Expırıng wıthın one and two years	24	24	39	39
Expırıng wıthın two and fıve years	457	457	194	194
	762	762	376	376

All operatıng leases relate to plant, machınery and office equıpment

25 Capital commitments

Capıtal expendıture contracted but not provıded for ın the financıal statements amounts to £1,640,000 (2008 £2,517,000)

26 Related party disclosures

Transactıons wıth other companıes wıthın the Cott Group are not dısclosed as the Company and Group have taken advantage of the exemptıon avaılable under Fınancıal Reportıng Standard No 8 ("FRS8") 'Related party dısclosures' as the consolıdated financıal statements of Cott Corporatıon, ın whıch the Company and Group are ıncluded, are publıcly avaılable

27 Ultimate parent company

The Dırectors consıder Cott Retaıl Brands Lımıted, a company regıstered ın England and Wales, as the ımmedıate Parent Company of the smallest group ın whıch Cott Beverages Lımıted ıs consolıdated

The ultımate parent company ıs Cott Corporatıon, a company ıncorporated ın Canada, whom the Dırectors consıder to be the ultımate controllıng party Copıes of the UK's ultımate parent company's consolıdated financıal statements and the ultımate controllıng party's consolıdated financıal statements may be obtaıned from The Secretary, Cott Retaıl Brands Lımıted, Cıtrus Grove, Sıde Ley, Kegworth, Derbyshıre, DE74 2FJ