Cott Beverages Limited

Annual report and financial statements for the period ended 27 December 2008

Registered number: 2836071

Cott Beverages Limited

Annual report and financial statements for the period ended 27 December 2008

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Cott Beverages Limited

Directors and advisers
for the period ended 27 December 2008

Current directors

Steven Kitching
Andrew Joynson
Mike Turner
Louisa Poole
Jerry Hoyle
Trevor Cadden
Greg Leiter

Company secretary

Hammonds Secretarial Services Limited

Registered office

Citrus Grove
Side Ley
Kegworth
Derby DE74 2FJ

Independent auditors

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

Directors' report
for the period ended 27 December 2008

The Directors present their report and the audited consolidated financial statements for the period ended 27 December 2008.

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

Turnover has increased year on year by 2.2%. While the traditional carbonated soft drinks market is in decline, the company offers a broad range of products which have helped win new business and deliver sales growth. Commodity prices rose during the year. The continuous focus on cost saving initiatives has been able to partly offset this.

Gross margins have reduced from 20.8% in 2007 to 18.5% in 2008.

The remaining Goodwill relating to the acquisition of Cott (Nelson) Limited formerly Macaw Soft Drinks Limited was fully expensed to the Profit and loss account during the year. The Directors reviewed the future operating cashflows relating to the asset and concluded that it was appropriate to impair the unamortised Goodwill that was remaining.

For 2009 the company is seeking to invest in entering new distribution channels and strengthen its relationships with Co-packers.

A significant capital project was started at the end of 2008 that increased the Company's canning capacity at the plant in Yorkshire from June 2009.

The Directors continue with their commitment to excellent service, stringent cost control, improving manufacturing efficiency and selective capital investment. By delivering both value and service the Directors' aim to increase revenue during 2009.

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.

Key performance indicators

The key performance measures for the Company and the Group are profit growth and cashflow generation. Progress towards 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 27 December 2008 (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 it 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 parent company 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 27 December 2008 (2007: £nil).

Donations

The group made charitable donations totalling £2,183 to a national charity (2007: £2,100).

Directors' report
for the period ended 27 December 2008 (continued)

Directors

The Directors of the company who held office throughout the period, unless otherwise stated, were:

Wynn Willard	(resigned 1 February 2008)
Mike Turner	
Jerry Fowden	(appointed 1 October 2007, resigned 1 September 2008)
Robert Mason	(appointed 7 January 2008, resigned 16 January 2009)
Steven Kitching	(appointed 1 September 2008)
Andrew Joynson	(appointed 1 September 2008)
Catherine Brennan	(appointed 1 September 2008, resigned 24 July 2009)
Louisa Poole	(appointed 1 August 2009)
Jerry Hoyle	(appointed 14 September 2009)
Trevor Cadden	(appointed 1 August 2009)
Greg Leiter	(appointed 1 August 2009)

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 42 days (2007: 39 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 SIP (share incentive plan). This enables employees to purchase shares in Cott Corporation.

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period.

Directors' report
for the period ended 27 December 2008 (continued)

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements (continued)

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that 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 1985. 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 ought to have taken in his duty as a Director in order to make himself 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.

By order of the board

Steven Kitching
Director
23 October 2009

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 27 December 2008 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 27 December 2008 and of the group's loss for the period then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' report is consistent with the financial statements.

PricewaterhouseCoopers

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors,
East Midlands
23 October 2009

Cott Beverages Limited

Consolidated profit and loss account for the period ended 27 December 2008

	Notes	**52 weeks ended 27 December 2008**	52 weeks ended 29 December 2007
		£'000	£'000
Turnover	2	**206,376**	201,881
Cost of sales		**(168,135)**	(159,986)
Gross profit		**38,241**	41,895
Net operating expenses	3	**(31,220)**	(32,136)
Goodwill impairment	11	**(40,039)**	-
Operating (loss)/profit	4	**(33,018)**	9,759
Interest receivable and similar income	7	**253**	74
Interest payable and similar charges	8	**(5,917)**	(6,431)
Other finance income	21	**2**	27
(Loss)/profit on ordinary activities before taxation		**(38,680)**	3,429
Tax on (loss)/profit on ordinary activities	9	**(1,164)**	1,734
(Loss)/profit for the financial period	23	**(39,844)**	5,163

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

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

Consolidated statement of total recognised gains and losses for the period ended 27 December 2008

	Note	52 v December 2008	52 weeks ended 29 December 2007
		£'000	£'000
(Loss)/profit for the financial period		**(39,844)**	5,163
Actuarial (loss)/gain	21	**(1,888)**	202
Movement on deferred tax relating to actuarial loss/(gain)	21	**422**	(168)
Movement on current tax relating to pension deficit	21	**107**	112
Total recognised (losses)/gains	24	**(41,203)**	5,309

Cott Beverages Limited

Balance sheets
as at 27 December 2008

	Note	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Fixed assets					
Intangible assets	11,12	**1,020**	**1,020**	43,649	44,058
Tangible assets	13,14	**59,611**	**59,611**	62,558	62,558
Investments	15	**-**	**509**	-	509
		60,631	**61,140**	106,207	107,125
Current assets					
Stocks	16	**12,103**	**12,103**	12,643	12,643
Debtors	17	**39,500**	**39,500**	45,928	45,928
Cash at bank and in hand		**4,859**	**4,859**	5,113	5,113
		56,462	**56,462**	63,684	63,684
Creditors: amounts falling due within one year	18	**(38,754)**	**(38,754)**	(41,958)	(41,958)
Net current assets		**17,708**	**17,708**	21,726	21,726
Total assets less current liabilities		**78,339**	**78,848**	127,933	128,851
Creditors: amounts falling due after more than one year	19	**(87,560)**	**(88,072)**	(96,818)	(97,334)
Provisions for liabilities and charges	20	**(3,631)**	**(3,631)**	(3,844)	(4,561)
Net (liabilities)/assets excluding pension liability		**(12,852)**	**(12,855)**	27,271	26,956
Net pension liability	21	**(3,093)**	**(3,093)**	(2,013)	(2,013)
Net (liabilities)/assets including pension liability		**(15,945)**	**(15,948)**	25,258	24,943
Capital and reserves					
Called up share capital	22	**49,623**	**49,623**	49,623	49,623
Share premium account	23	**11,765**	**11,765**	11,765	11,765
Retained earnings	23	**(77,333)**	**(77,336)**	(36,130)	(36,445)
Total shareholders' (deficit)/funds	24	**(15,945)**	**(15,948)**	25,258	24,943

The financial statements on pages 8 to 36 were approved by the board of Directors on 23 October 2009 and were signed on its behalf by:

Steven Kitching
Director

Notes to the financial statements for the period ended 27 December 2008

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 1985 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, 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 signing these accounts. The Directors therefore consider it appropriate that the going concern principle is applied in the preparation of the financial statements.

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 accounts for Cott Beverages Limited Group.

The group financial statements include the financial statements for the Company and all its subsidiary undertakings to 27 December 2008. 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.

The cash flows of the group are included in the consolidated cash flow statement of Cott Corporation. Consequently, the group is exempt under the provisions of Financial Reporting Standard 1 (revised 1996) from publishing a cash flow statement.

Goodwill and Intangible assets

Goodwill which represents the difference between the cost of acquisitions and the fair value of the net tangible assets acquired, is capitalised within intangible fixed assets and amortised over its estimated useful economic life. Goodwill is amortised over a period of 20 years, which the Directors' have assessed as being reasonable.

The brand represents consideration paid for the right to use a particular brand name. It has been capitalised and is being written off over 10 accounting periods.

1 Principal accounting policies (continued)

Impairment of fixed assets and goodwill

In accordance with 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 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 purchase cost, together with any incidental costs of acquisition.

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	2.5 - 10%
Plant and machinery	8.33 - 25%
Computer equipment	33%
Fixtures and fittings	10%
Motor vehicles	25%

Freehold land is not depreciated.

Cott Beverages Limited

Notes to the financial statements for the period ended 27 December 2008 (continued)

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 and 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. 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 (SIP)

The company has a SIP scheme (share incentive plan). 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 27 December 2008.

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 27 December 2008 (continued)

1 Principal accounting policies (continued)

Pension costs

The Group's defined benefit pension scheme is assessed annually in accordance with FRS17.

The accounting valuation, which was based on assumptions determined with independent actuarial advice, resulted in a deficit of £4,295,000 (2007: £2,790,000) before deferred taxation being recognised on the balance sheet at 27 December 2008. 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 viabilities, mortality and other demographic assumptions and the level of contributions. Further details are included in note 21.

The group has adopted the amendment to FRS 17 'Retirement benefits' 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 27 December 2008 or 30 December 2007 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 are expensed to the profit and loss account in the period in which they are incurred.

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:

	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
	£'000	£'000
United Kingdom	**195,607**	192,377
Rest of Europe	**10,637**	9,362
Rest of the World	**132**	142
	206,376	201,881

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

Notes to the financial statements for the period ended 27 December 2008 (continued)

3 Net operating expenses

	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
	£'000	£'000
Distribution costs	**13,549**	13,314
Administrative expenses	**17,671**	18,822
Total net operating expenses	**31,220**	32,136

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
	£'000	£'000
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Amortisation of intangible assets	**2,590**	2,590
Impairment of goodwill	**40,039**	-
Depreciation charge for the period: tangible owned assets	**6,990**	7,139
Auditors' remuneration for: audit	**175**	189
other services – auditing of subsidiaries	**5**	5
other services – tax fees	**76**	59
Hire of plant and machinery	**570**	678
Hire of plant and machinery – operating leases	**548**	723
Hire of other equipment – operating leases	**22**	80

5 Directors' emoluments

Group and Company	52 December 2008	52 weeks ended 29 December 2007
	£'000	£'000
Aggregate emoluments	470	402
Compensation for loss of office	60	70
Company pension contributions to money purchase pension schemes	29	-
	559	472

Emoluments for the services of W Willard and C Brennan 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 4 Directors (2007: nil) under defined contribution pension schemes. Retirement benefits are accruing to 1 Director (2007: 3) under defined benefit pension schemes. No Directors exercised share options in Cott Corporation during the period. No Directors received shares under long term incentive schemes.

Group and Company	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
Highest paid Director	£'000	£'000
Aggregate emoluments	133	169
Compensation for loss of office	60	-
Company pension contributions to money purchase schemes	9	-
Defined benefit pension scheme:		
Accrued pension at end of the period	-	14
	202	183

Notes to the financial statements for the period ended 27 December 2008 (continued)

6 Employee information

The average monthly number of persons (including executive Directors) employed by the group and the Company during the period was:

	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
	Number	Number
By activity:		
Production	**630**	621
Sales	**57**	48
Administration	**78**	76
	765	745

	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
	£'000	£'000
Staff costs:		
Wages and salaries	**22,394**	21,596
Social security costs	**1,928**	1,422
Other pension costs	**863**	913
Compensation for loss of office	**60**	70
	25,245	24,001

Notes to the financial statements for the period ended 27 December 2008 (continued)

7 Interest receivable and similar income

	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
	£'000	£'000
On bank deposits or similar	**136**	74
Other	**117**	-
	253	74

8 Interest payable and similar charges

	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
	£'000	£'000
On bank loans and overdrafts	**7**	1,581
On intercompany loans	**5,630**	4,283
Amortisation of financing costs	**280**	567
	5,917	6,431

Cott Beverages Limited

Notes to the financial statements for the period ended 27 December 2008 (continued)

9 Tax on (loss)/profit on ordinary activities

	52 weeks ended 27 December 2008	52 weeks ended 29 December 2007
	£'000	£'000
Current tax:		
UK corporation tax on (loss)/profit for the financial period	**1,471**	1,128
Adjustment in respect of previous periods	**(94)**	(234)
Total current tax	**1,377**	894
Deferred tax		
Origination and reversal of timing differences	**(213)**	(2,628)
Tax on (loss)/profit on ordinary activities	**1,164**	(1,734)

The current tax charge of £1,377,000 is £12,401,000 higher (2007:£135,000 lower) than the standard UK rate of 28.5% applied to the loss for the period. The differences are explained below:

Factors affecting tax charge for the period:

(Loss)/profit on ordinary activities before taxation	**(38,680)**	3,429
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in UK of 28.5% (2007: 30%)	**(11,024)**	1,029
Effect of:		
Expenses not deductible for tax purposes	**12,163**	772
Adjustment in respect of previous periods	**(94)**	(234)
Corporation tax rate adjustment	**(3)**	-
Other timing differences	**(12)**	-
Accelerated capital allowances and utilisation of tax losses	**160**	(673)
Current tax charge for the period	**1,190**	894

Factors that may affect future tax charges:

The standard rate of Corporation Tax in the UK changed to 28% with effect from 1 April 2008.

Notes to the financial statements for the period ended 27 December 2008 (continued)

10 Profit for the financial period

As permitted by section 230 of the Companies Act 1985, the Company's profit and loss account has not been included in these financial statements. The Company's loss for the period before taxation, was £39,083,000 (2007: profit £2,724,000).

11 Group intangible assets

	Goodwill	Brand	Total
	£'000	£'000	£'000
Cost			
At 27 December 2008 and At 30 December 2007	48,296	1,750	50,046
Amortisation			
At 30 December 2007	5,842	555	6,397
Impairment	40,039	-	40,039
Charge for the period	2,415	175	2,590
At 27 December 2008	**48,296**	**730**	**49,026**
Net book value			
At 27 December 2008	-	**1,020**	**1,020**
At 29 December 2007	42,454	1,195	43,649

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. For the purpose of determining potential goodwill impairment, recoverable amounts are determined from value in use calculations using cash flow projections based on financial plans covering a five year period. The growth rate assumptions used in the plans were based on past performance and management's expectations of market developments. The annual growth rate used to determine the cash flows beyond the five year period is 0%. The pre-tax rate used to discount the projected cash flows was 12.5%. The goodwill exceptional charges total £40,039,000 (2007: £nil).

Notes to the financial statements for the period ended 27 December 2008 (continued)

12 Company intangible assets

	Goodwill	Brand	Total
	£'000	£'000	£'000
Cost			
At 27 December 2008 and At 30 December 2007	45,278	1,750	47,028
Amortisation			
At 30 December 2007	2,415	555	2,970
Impairment	40,448	-	40,448
Charge for the period	2,415	175	2,590
At 27 December 2008	**45,278**	**730**	**46,008**
Net book value			
At 27 December 2008	**-**	**1,020**	**1,020**
At 29 December 2007	42,863	1,195	44,058

The Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. For the purpose of determining potential goodwill impairment, recoverable amounts are determined from value in use calculations using cash flow projections based on financial plans covering a five year period. The growth rate assumptions used in the plans were based on past performance and management's expectations of market developments. The annual growth rate used to determine the cash flows beyond the five year period is 0%. The pre-tax rate used to discount the projected cash flows was 12.5%. The goodwill exceptional charges total £40,448,000 (2007: £nil)

Notes to the financial statements for the period ended 27 December 2008 (continued)

13 Group tangible assets

	Land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 30 December 2007	32,343	68,680	4,864	57	105,944
Additions	-	4,079	45	-	4,124
Disposals	-	(55)	(79)	(57)	(191)
At 27 December 2008	**32,343**	**72,704**	**4,830**	-	**109,877**
Depreciation					
At 30 December 2007	5,703	33,003	4,633	47	43,386
Charge for the period	857	5,929	199	5	6,990
Disposals	-	(16)	(42)	(52)	(110)
At 27 December 2008	**6,560**	**38,916**	**4,790**	-	**50,266**
Net book value					
At 27 December 2008	**25,783**	**33,788**	**40**	-	**59,611**
At 29 December 2007	26,640	35,677	231	10	62,558

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 (2007: £6,117,000) in respect of land which is not subject to depreciation.

Notes to the financial statements
for the period ended 27 December 2008 (continued)

14 Company tangible assets

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	£'000	£'000	£'000	£'000	£'000
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Notes to the financial statements for the period ended 27 December 2008 (continued)

15 Investments

Company interests in group undertakings	£'000
At 29 December 2007 and At 27 December 2008	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.

16 Stocks

	Group	Company	Group	Company
	27 December 2008	27 December 2008	29 December 2007	29 December 2007
	£'000	£'000	£'000	£'000
Raw materials	5,020	5,020	4,079	4,079
Finished goods	7,083	7,083	8,564	8,564
	12,103	12,103	12,643	12,643

Notes to the financial statements for the period ended 27 December 2008 (continued)

17 Debtors

	Group	Company	Group	Company
	27 December 2008	27 December 2008	29 December 2007	29 December 2007
	£'000	£'000	£'000	£'000
Trade debtors	35,890	35,890	38,643	38,643
Amounts owed by group undertakings	492	492	996	996
Corporation tax	-	-	332	332
Other debtors	1,404	1,404	4,251	4,251
Prepayments and accrued income	1,714	1,714	1,706	1,706
	39,500	39,500	45,928	45,928

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

18 Creditors: amounts falling due within one year

	Group	Company	Group	Company
	27 December 2008	27 December 2008	29 December 2007	29 December 2007
	£'000	£'000	£'000	£'000
Trade creditors	22,866	22,866	23,711	23,711
Amounts owed to group undertakings	4,644	4,644	2,609	2,609
Corporation tax	308	308	-	-
Other taxation and social security	2,633	2,633	3,896	3,896
Other creditors and accruals	8,303	8,303	11,742	11,742
	38,754	38,754	41,958	41,958

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

19 Creditors: amounts falling due after more than one year

	Group	**Company**	Group	Company
	27 December 2008	**27 December 2008**	29 December 2007	29 December 2007
	£'000	**£'000**	£'000	£'000
Amounts owed to group undertakings	**87,558**	**88,070**	96,816	97,332
Redeemable preference shares	**2**	**2**	2	2
	87,560	**88,072**	96,818	97,334

On 31 March 2008, Cott Corporation entered into a new US$250million senior secured asset-based lending credit facility. The outstanding indebtedness under the previous credit facility was repaid. The facility covers Cott Corporation and its subsidiaries which includes Cott Beverages Limited.

The facility has a maturity date of 5 years, but if Cott Corporation does not refinance its senior subordinated notes by June 2011, the facility will mature then. The facility includes a revolver that is limited to US$250million subject to a borrowing base comprised of certain Cott assets, namely eligible inventory, accounts receivable and property, plant and equipment. Interest on the facility will be LIBOR plus 2.5%.

Interest at a fixed rate of 8.3% is payable on £68million amounts owed to group undertakings. The remaining amount of £19,558,000 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.

Notes to the financial statements for the period ended 27 December 2008 (continued)

20 Provisions for liabilities and charges

Excluding deferred tax on pension liability:

	Group	Company
	Deferred Taxation £'000	Deferred Taxation £'000
At 30 December 2007	3,844	4,561
Charged to the profit and loss account	(213)	(930)
At 27 December 2008	**3,631**	**3,631**

Deferred taxation provided in the financial statements, is as follows:

	Group	**Company**	Group	Company
	27 December 2008	**27 December 2008**	29 December 2007	29 December 2007
	£'000	**£'000**	£'000	£'000
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	**3,631**	**3,631**	3,844	4,561
Other	-	-	-	-
Deferred tax creditor excluding that relating to pension liability	**3,631**	**3,631**	3,844	4,561
Deferred tax asset on pension scheme liability (note 21)	**(1,202)**	**(1,202)**	(777)	(777)
Net deferred tax creditor	**2,429**	**2,429**	3,067	3,784

21 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 £693,000 (2007: £665,000) for the period.

Defined benefit schemes

The Group also operates 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 2006, updated by the scheme actuary to 27 December 2008.

The Company operates a defined benefit pension scheme in the UK. The disclosures set out below are based on calculations carried out as at 27 December 2008 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 27 December 2008, 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 30 December 2008 are £555,000. Employee contributions are expected at £75,000.

At 27 December 2008, no contributions were due to the pension scheme.

Notes to the financial statements for the period ended 27 December 2008 (continued)

21 Pension commitments (continued)

Principal assumptions

The principal actuarial assumptions at the balance sheet date were:

	At 27 December 2008	At 29 December 2007	At 30 December 2006
Discount rate	6.40%	5.90%	5.90%
Expected return on scheme assets	6.90%	7.20%	7.20%
Inflation	3.10%	3.35%	3.35%
Rate of increase in salaries	3.10%	3.35%	3.35%
Rate of increase in pensions in payment 5.00%/RPI	3.10%	3.35%	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:

	27 December 2008 Years	29 December 2007 Years
Longevity at age 65 for current pensioners		
- Men	87	87
- Women	89	89
Longevity at age 65 for future pensioners		
- Men	87	87
- Women	90	90

Notes to the financial statements for the period ended 27 December 2008 (continued)

21 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 27 December 2008	**Value at 27 December 2008 £'000**	Long term rate of return expected 29 December 2007	Value at 29 December 2007 £'000	Long term rate of return expected 30 December 2006	Value at 30 December 2006 £'000
Equities	**7.95%**	**5,512**	8.0%	8,239	7.6%	8,036
Bonds	**5.40%**	**3,736**	5.4%	3,737	5.0	3,180
Cash	**2.00%**	**93**	5.0%	61	4.6%	37
		9,341		12,037		11,253
Present value of scheme liabilities		**(13,636)**		(14,827)		(14,644)
Deficit in the scheme – pension liability		**(4,295)**		(2,790)		(3,391)
Related deferred tax asset		**1,202**		777		1,017
Net pension liability		**(3,093)**		(2,013)		(2,374)

The group has adopted the amendment to FRS 17 'Retirement benefits' 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 27 December 2008 or 29 December 2007 and consequently no restatement is required.

Notes to the financial statements for the period ended 27 December 2008 (continued)

21 Pension commitments (continued)

Change in plan assets

	27 December 2008	29 December 2007
	£'000	£'000
Opening fair value of scheme assets	12,037	11,253
Expected return	873	787
Actuarial losses	(3,750)	(304)
Contributions by employer	551	621
Contributions by employees	74	84
Benefits paid	(444)	(404)
Closing fair value of scheme assets	**9,341**	12,037

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 net assets in the year was a loss of £2,877,000 (2007: return of £483,000)

Change in plan liabilities

	27 December 2008	29 December 2007
	£'000	£'000
Opening defined benefit obligation	(14,827)	(14,644)
Service cost	(170)	(248)
Interest cost	(871)	(760)
Employee contributions	(74)	(84)
Actuarial gains	1,862	505
Benefits paid	444	404
Closing defined benefit obligation	**(13,636)**	(14,827)

Notes to the financial statements for the period ended 27 December 2008 (continued)

21 Pension commitments (continued)

Analysis of service cost:

	27 December 2008	29 December 2007
	£'000	£'000
Current service cost	**170**	248
Past service cost	**-**	-
Total operating charge	**170**	248

Analysis of the amount charged to other finance income:

	27 December 2008	29 December 2007
	£'000	£'000
Interest on pension plan liabilities	**(871)**	(760)
Expected return on assets in the pension plan	**873**	787
Net return to other finance income	**2**	27

Analysis of the amounts recognised in statement of total recognised gains and losses:

	27 December 2008	29 December 2007
	£'000	£'000
Actuarial losses on assets	**(3,750)**	(304)
Experience gains on liabilities	**(71)**	(438)
Gain on change of assumptions (financial and demographic)	**1,933**	944
Total (loss)/gain recognised in STRGL before adjustment for tax	**(1,888)**	202
Cumulative actuarial gain recognised in STRGL	**768**	2,656

Notes to the financial statements for the period ended 27 December 2008 (continued)

21 Pension commitments (continued)

History of experience gains and losses:

	27 December 2008 £'000	29 December 2007 £'000	30 December 2006 £'000	31 December 2005 £'000	1 January 2005 £'000
Difference between the expected and actual return on scheme assets:					
Amount	**3,750**	**304**	(601)	1,272	174
Percentage of scheme assets	**40.1%**	**2.5%**	(5.3%)	13.3%	2.4%
Experience gains and losses on scheme liabilities:					
Amount	**(71)**	**(438)**	(50)	171	24
Percentage of present value of scheme liabilities	**0.5%**	**3.0%**	0.3%	(1.1%)	(0.2%)
Total amount recognised in statement of total recognised gains and losses:					
Amount	**(1,888)**	**202**	2,096	(1,362)	(946)
Percentage of present value of scheme liabilities	**(13.8%)**	**1.4%**	14.3%	(8.9%)	(8.0%)

22 Called up share capital

Group and Company

	27 December 2008 £'000	29 December 2007 £'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

23 Reserves

	Share premium account Group £'000	Share premium account Company £'000	Retained earnings Group £'000	Retained earnings Company £'000
As at 30 December 2007	11,765	11,765	(36,130)	(36,445)
Loss for the financial period	-	-	(39,844)	(39,532)
Actuarial loss	-	-	(1,888)	(1,888)
Deferred tax on actuarial loss	-	-	422	422
Current tax on actuarial loss	-	-	107	107
As at 27 December 2008	**11,765**	**11,765**	**(77,333)**	**(77,336)**

24 Reconciliation of movements in total shareholders' (deficit)/funds

			Restated	
	Group	**Company**	Group	Company
	27 December 2008	**27 December 2008**	29 December 2007	29 December 2007
	£'000	**£'000**	£'000	£'000
(Loss)/profit for the financial period	**(39,844)**	**(39,532)**	5,163	4,711
Actuarial (loss)/gain	**(1,888)**	**(1,888)**	202	202
Movement on deferred tax relating to actuarial loss/(gain)	**422**	**422**	(168)	(168)
Movement on current tax relating to pension deficit	**107**	**107**	112	112
Total movements	**(41,203)**	**(40,891)**	5,309	4,857
Opening shareholders' funds	**25,258**	**24,943**	19,949	20,086
Closing shareholders' (deficit)/funds	**(15,945)**	**(15,948)**	25,258	24,943

25 Contingent liabilities

The group has no material contingent liabilities.

Notes to the financial statements for the period ended 27 December 2008 (continued)

26 Financial commitments

At 27 December 2008, annual commitments under non-cancellable operating leases were as follows:

	Group	**Company**	Group	Company
	27 December 2008	**27 December 2008**	29 December 2007	29 December 2007
	£'000	**£'000**	£'000	£'000
Expiring within one year	**143**	**143**	64	64
Expiring between one and two years	**39**	**39**	253	253
Expiring between two and five years	**194**	**194**	224	224
	376	**376**	541	541

All operating leases relate to plant, machinery and office equipment.

27 Capital commitments

Capital expenditure contracted but not provided for in the financial statements amounts to £2,517,000 (2007: £243,000).

28 Related party disclosures

Transactions with other companies within the Cott Group are not disclosed as the company and group have taken advantage of the exemption available under Financial Reporting Standard No. 8 'Related party disclosures' as the consolidated accounts of Cott Corporation, in which the company and group are included, are publicly available.

29 Ultimate parent company

The Directors consider Cott Retail Brands Limited, a company registered in England and Wales, as the immediate parent company of the smallest group in which Cott Beverages Limited is consolidated.

The ultimate parent company is Cott Corporation, a company incorporated in Canada, whom the Directors consider to be the ultimate controlling party. Copies of the ultimate UK parent's consolidated financial statements and the ultimate controlling party's consolidated financial statement may be obtained from The Secretary, Cott Retail Brands Limited, Citrus Grove, Side Ley, Kegworth, Derbyshire, DE74 2FJ.

30 Post balance sheet events

During April 2009 the decision was made to close a warehousing unit at the Nelson site. The warehouse is no longer in full term use and is being actively marketed for sale. The Directors' have reviewed the carrying value of the warehouse and no impairment or gain was recognised following this review.