Cott Beverages Limited

Report and financial statements

for the year ended 3 January 2004

Registered number: 2836071

Cott Beverages Limited

Report and financial statements for the year ended 3 January 2004

Cott Beverages Limited

Directors and advisers

Directors

Raymond P Silcock (Chairman)
Andrew Murfin
David R Main
Nicholas E Whitley

Secretary

Hackwood Secretaries Limited
One Silk Street
London EC2Y 8HQ

Registered office

Citrus Grove
Side Ley
Kegworth
Derby DE74 2FJ

Registered Auditors

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

Solicitors

Hammonds
2 Park Lane
Leeds LS3 1ES

Bankers

Lloyds TSB Bank Plc
City Office
P O Box 72
Bailey Drive
Gillingham Business Park
Kent ME8 OLS

Cott Beverages Limited

Directors' report
for the year ended 3 January 2004

The directors present their report and the audited financial statements for the year ended 3 January 2004.

Principal activities

The principal activity of the company during the year was the manufacture and sale of soft drinks.

Review of business and future developments

The business exceeded expectations during the year in a market which continued to experience intense price competition, due in part to above market average volume growth in core customers, increased customer base and of course, the exceptional summer. The directors continue with their commitment on excellent customer service, stringent cost control and improving manufacturing efficiency.

Results and Dividends

The profit and loss account for the year is set out on page 5.

The directors do not recommend the payment of a dividend in respect of the year ended 3 January 2004 (28.12.2002: £nil).

Directors

The directors of the company who held office throughout the year, unless otherwise stated, were:

Raymond P Silcock	(Chairman)
Paul R Richardson	(resigned 30 June 2003)
Andrew Murfin	(appointed 1 May 2003)
Christopher T F Birrell	(resigned 9 January 2004)
David R Main	
Nicholas E Whitley	

Directors' interests in shares of the company

No directors had any beneficial interest in the shares of the company at any time during the year. Under statutory instrument 802 1985, the interests of the directors in the capital of the ultimate parent company or any of its subsidiaries incorporated overseas are not required to be disclosed.

Payment to suppliers

It is the company'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 company abides by the agreed payment terms subject to the terms and conditions being met by the suppliers. The creditor days outstanding at the year end was 43 days (28.12.2002: 47 days).

Employees

The company'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 monthly briefs and through the use of staff notice boards.

The company'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 company encourages the involvement of employees in the company's performance through a SIP (Share Incentive Plan). This enables employees to purchase shares in Cott Corporation.

Cott Beverages Limited

Directors' report
for the year ended 3 January 2004 (continued)

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 3 January 2004. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

OR AND ON BEHALF OF
ACKWOOD SECRETARIES LI...

Hackwood Secretaries Limited
Company Secretary
9 March 2004

Cott Beverages Limited

Independent auditors' report to the members of Cott Beverages Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

Opinion

In our opinion the financial statements give a true and fair view of the company's affairs at 3 January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
9 March 2004

Cott Beverages Limited

Profit and loss account
for the year ended 3 January 2004

	Notes	**Year to 03.01.2004**	Year to 28.12.2002 before exceptional items	Year to 28.12.2002 exceptional items	Year to 28.12.2002 after exceptional items
		£'000	£'000	£'000	£'000
Turnover	2	**101,785**	83,547	-	83,547
Cost of sales	3	**(81,314)**	(68,099)	(738)	(68,837)
Gross profit		**20,471**	15,448	(738)	14,710
Net operating expenses	4,9	**(16,140)**	(13,910)	(585)	(14,495)
Operating profit		**4,331**	1,538	(1,323)	215
Loss on disposal of fixed assets		**-**	(146)	-	(146)
Profit before interest and taxation		**4,331**	1,392	(1,323)	69
Interest receivable	7	**195**			201
Interest payable	8	**(152)**			(786)
Profit/(loss) on ordinary activities before taxation	9	**4,374**			(516)
Tax on profit/(loss) on ordinary activities	10	**(1,590)**			(178)
Profit/(loss) for the financial year	21	**2,784**			(694)

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

The company has no recognised gains and losses other than the gains and losses above and therefore no separate statement of total recognised gains and losses has been presented.

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

Cott Beverages Limited

Balance sheet
as at 3 January 2004

	Notes	**03.01.2004**	28.12.2002
		£'000	£'000
Fixed assets			
Intangible fixed assets	11	**1,460**	2,025
Tangible assets	12	**37,516**	37,866
Investments	13	**100**	100
		39,076	39,991
Current assets			
Stocks	14	**8,526**	6,359
Debtors	15	**16,202**	16,165
Cash at bank and in hand		**1,866**	-
		26,594	22,524
Creditors: amounts falling due within one year	16	**(25,944)**	(27,120)
Net current assets/(liabilities)		**650**	(4,596)
Total assets less current liabilities		**39,726**	35,395
Creditors: amounts falling due after more than one year	17	**(20,000)**	(20,000)
Provisions for liabilities and charges	18	**(2,425)**	(878)
Net assets		**17,301**	14,517
Capital and reserves			
Called-up share capital	20	**49,625**	49,625
Share premium account		**11,765**	11,765
Profit and loss account	21	**(44,089)**	(46,873)
Equity shareholders' funds	22	**17,299**	14,515
Non-equity shareholders' funds		**2**	2
Total Shareholders' funds		**17,301**	14,517

The financial statements on pages 5 to 24 were approved by the board of directors on 9 March 2004 and were signed on its behalf by:

David R Main
Director

Cott Beverages Limited

Notes to the financial statements for the year ended 3 January 2004

1 Principal accounting policies

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 company is exempt under Section 228(2) of the Companies Act 1985 from the obligation to prepare and deliver group accounts, as it is included in the consolidated accounts of Cott Retail Brands Limited.

The company is a wholly owned subsidiary of Cott Retail Brands Limited, a company incorporated in Great Britain.

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 from publishing a cash flow statement.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention.

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 - 8.33%
Plant and machinery	8.33%
Fixtures and fittings	10%
Computer hardware and software	33%

Leasehold improvements are written off over the life of the lease. Freehold land is not depreciated.

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.

1 Principal accounting policies (continued)

Stocks and work in progress

Stocks and work in progress 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.

Intangible assets

The licence fee represents consideration paid for the right to use certain concentrates and recipes. It has been capitalised and is being written off over 5 years.

Impairment

The company undertakes a review for impairment of a fixed asset or intangible asset if events or changes in circumstances indicate that the carrying amount of the fixed asset or intangible asset may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is the higher of net realisable value and value in use, the fixed asset or intangible asset is written down to its recoverable amount. The value in use is determined from estimated discounted future net cash flows.

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 confirmation of acceptance of the goods is received.

Share Incentive Plan (SIP)

The company has a SIP scheme (Share Incentive Plan). Lloyds TSB Registrars administer the scheme. Shares in Cott Corporation are purchased mid month using the previous month's employee contributions. Any balance of funds is carried over to the next month. There are no free or matching shares. The fees charged by Lloyds TSB Registrars for setting up and administering the plan are charged to the profit and loss account as incurred. The SIP trust held no shares at 3 January 2004.

Foreign currencies

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

Taxation

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

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.

1 Principal accounting policies (continued)

Pension costs

Pension commitments arising in respect of the defined contribution schemes are charged to the profit and loss account in line with contributions payable for the year.

In respect of the defined benefit pension scheme, the fund is valued every three years by a qualified actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the year during which the company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the schemes.

Research and Development

Costs incurred in respect of research and development are expensed to the profit and loss account in the year in which they are incurred.

2 Turnover

The analysis of turnover by geographical area of destination is set out below:

	Year to 03.01.2004	Year to 28.12.2002
	£'000	£'000
United Kingdom	**95,218**	81,501
Rest of Europe	**6,496**	2,046
Rest of World	**71**	-
	101,785	83,547

3 Exceptional items

The prior year exceptional costs included in cost of sales (£738,000) related to a reorganisation undertaken to improve the manufacturing efficiency of the business and included redundancy costs of £429,000.

Exceptional items included in net operating expenses are explained in note 4.

Notes to the financial statements for the year ended 3 January 2004 (continued)

4 Net operating expenses

	Year to 03.01.2004	Year to 28.12.2002 before exceptional items	Year to 28.12.2002 exceptional items	Year to 28.12.2002 after exceptional items
	£'000	£'000	£'000	£'000
Distribution costs	**6,513**	5,666	-	5,666
Administrative expenses	**9,627**	8,244	585	8,829
Total net operating expenses	**16,140**	13,910	585	14,495

All the above relate to continuing operations. The prior year exceptional items are £692,000 of severance costs and £748,000 of consultancy costs relating to a restructuring of the business, less a receipt of £855,000 from the settlement of a legal claim

5 *Directors' emoluments*

	Year to 03.01.2004	Year to 28.12.2002
	£'000	£'000
Aggregate emoluments paid by the company	**755**	594
Company pension contributions to money purchase pension schemes	**27**	13
Compensation to past directors for loss of office	**127**	554
	909	1,161

Emoluments for the services of RP Silcock and PR Richardson 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. £322,000 (year ended 28.12.02 - £88,000) of PR Richardson's remuneration is attributable to services provided to the company.

Retirement benefits are accruing to two (year ended 28.12.2002 - two) directors under money purchase pension schemes. Retirement benefits are accruing to two (year ended 28.12.2002 - two) directors under defined benefit pension schemes. Five directors including the highest paid director exercised share options in Cott Corporation during the year.

5 Directors' emoluments (continued)

	Year to 03.01.2004	Year to 28.12.2002
Highest paid director	**£'000**	£'000
Aggregate emoluments	**322**	201
Company pension contributions to money purchase schemes	**-**	13
	322	214

The pension contributions relating to the highest paid director are disclosed within the financial statements of Cott Corporation.

6 Employee information

The average monthly number of persons employed during the year was:	**Year to 03.01.2004 Number**	Year to 28.12.2002 Number
By activity		
Production	**262**	266
Sales	**27**	24
Administration	**45**	40
	334	330

	Year to 03.01.2004	Year to 28.12.2002 Restated
	£'000	£'000
Staff costs		
Wages and salaries	**10,085**	8,527
Social security costs	**950**	778
Other pension costs	**494**	426
	11,529	9,731

The prior year comparatives have been restated to ensure comparability.

Notes to the financial statements
for the year ended 3 January 2004 (continued)

7 Interest receivable and similar income

	Year to 03.01.2004	Year to 28.12.2002
	£'000	£'000
On bank deposits or similar	**17**	60
Interest on deferred consideration	**143**	-
Imputed interest on deferred consideration	**35**	141
	195	201

8 Interest payable and similar charges

	Year to 03.01.2004	Year to 28.12.2002
	£'000	£'000
On bank loans and overdrafts	**147**	7
Imputed interest on deferred consideration	-	772
On finance leases	**5**	7
	152	786

9 Profit/(loss) on ordinary activities before taxation

	Year to 03.01.2004	Year to 28.12.2002
	£'000	£'000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Amortisation of intangible assets	**565**	565
Depreciation charge for the year: Tangible owned assets	**4,335**	4,152
: Tangible fixed assets held under finance leases	**91**	213
Auditors' remuneration for: Audit	**78**	61
: Other services	**64**	43
Hire of plant and machinery – operating leases	**218**	95
Hire of other assets – operating leases	**49**	96

Cott Beverages Limited

Notes to the financial statements
for the year ended 3 January 2004 (continued)

10 Tax on profit/(loss) on ordinary activities

	Year to 03.01.2004 £'000	Year to 28.12.2002 £'000
Current tax:		
UK Corporation Tax on profits for the year	**43**	-
Total current tax	**43**	-
Deferred tax		
Origination and reversal of timing differences	**1,547**	178
Total deferred tax	**1,547**	178
Tax on profit/(loss) on ordinary activities	**1,590**	178

Factors affecting tax charge for year		
Profit/(loss) on ordinary activities before tax	**4,374**	(516)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2002: 30%)	**1,312**	(155)
Effect of:		
Expenses not deductible for tax purposes	**347**	458
Accelerated capital allowances and other timing differences	**(1,616)**	(303)
Current tax charge for year	**43**	-

Cott Beverages Limited

Notes to the financial statements for the year ended 3 January 2004 (continued)

11 Intangible assets

	Licence
	£'000
Cost	
At 28 December 2002	2,824
At 3 January 2004	**2,824**
Amortisation	
At 28 December 2002	799
Charge for the year	565
At 3 January 2004	**1,364**
Net book value	
At 3 January 2004	**1,460**
At 28 December 2002	2,025

12 Tangible fixed assets

	Land and Buildings	Plant and Machinery	Fixtures and Fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 28 December 2002	22,468	27,449	4,724	54,641
Additions	-	3,625	451	4,076
At 3 January 2004	**22,468**	**31,074**	**5,175**	**58,717**
Depreciation				
At 28 December 2002	2,281	10,942	3,552	16,775
Charge for the year	506	3,267	653	4,426
At 3 January 2004	**2,787**	**14,209**	**4,205**	**21,201**
Net book value				
At 3 January 2004	**19,681**	**16,865**	**970**	**37,516**
At 28 December 2002	20,187	16,507	1,172	37,866

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

The net book value of tangible fixed assets includes an amount of £nil (28.12.2002: £91,000) in respect of assets held under finance leases

Notes to the financial statements for the year ended 3 January 2004 (continued)

13 Investments

Interests in group undertakings	£'000
At 28 December 2002 and 3 January 2004	**100**

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 Private Label Limited is a non-trading company. The company is exempt from the requirement to prepare group accounts under Section 228 of the United Kingdom Companies Act 1985, as it is a wholly owned subsidiary undertaking and its immediate parent undertaking is established under the law of a member state of the European Union.

14 Stocks

	03.01.2004	28.12.2002
	£'000	£'000
Raw materials	**5,557**	3,189
Finished goods	**2,969**	3,170
	8,526	6,359

15 Debtors

	03.01.2004	28.12.2002
	£'000	£'000
Trade debtors	**15,016**	14,034
Amounts owed by group undertakings	**73**	311
Other debtors	**442**	318
Prepayments and accrued income	**494**	384
Deferred consideration	**177**	1,118
	16,202	16,165

15 Debtors (continued)

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

The deferred consideration relating to the sale of the assets at the Sawley site in 1999 has been discounted to its current value using a discount rate of 8.5%.

16 Creditors: amounts falling due within one year

	03.01.2004	28.12.2002
	£'000	£'000
Trade creditors	**8,381**	9,737
Bank overdraft	-	1,333
Obligations under finance leases	-	36
Amounts owed to group undertakings	**7,763**	8,867
Other taxation and social security	**1,788**	1,418
Corporation tax	**43**	-
Other creditors and accruals	**7,969**	5,729
	25,944	27,120

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

17 Creditors: amounts falling due after more than one year

	03.01.2004	28.12.2002
	£'000	£'000
Amounts owed to group undertakings	**20,000**	20,000

Amounts owed to group undertakings are non-interest bearing, 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.

There are no finance lease obligations due after more than one year.

18 Provisions for liabilities and charges

	Deferred Taxation
	£'000
At 28 December 2002	878
Charged to the profit and loss account	1,547
At 3 January 2004	**2,425**

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

	Amount provided 03.01.2004	Amount provided 28.12.2002
	£'000	£'000
Tax effect of timing differences because of:		
Excess of capital allowances over depreciation	**4,552**	4,920
Unrelieved tax losses	**(2,052)**	(3,837)
Other	**(75)**	(205)
	2,425	878

There were no amounts unprovided as at 3 January 2004 (28.12.02 : £nil).

19 Pension commitments

The company operates two Group Personal Pension Schemes for certain employees. These are defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company, and amounted to £330,000 (year ended 28.12.2002: £264,000) for the year.

19 Pension commitments (continued)

The company also operates the Cott Beverages Limited Retirement and Death Benefit Scheme providing benefits based on final pensionable salary. The assets of the scheme, which is a funded scheme, are held separately from those of the company. The total pension cost for the company was £164,000 (year ended 28.12.2002: £162,000).

The contributions for this scheme were determined by a qualified actuary on the basis of regular investigations using the projected unit method. The most recent valuation was carried out on 1 May 2003. The assumptions which have the most significant effects on the results of the valuations are those relating to the rate of return on investments and the rates of increases of salaries and pensions. It was assumed that pre retirement investment returns would be 7.5% per annum, that post retirement investment returns would be 4.5% per annum and that salary increases would average 3.5% per annum. It was also assumed that pension increases would be 2.5% per annum on post 1988 Guaranteed Minimum Pension ("GMP"), 2.5% per annum on non-GMP for executive members pre 5 April 1997 service, 3% per annum on non-GMP Crystal Drinks members pre 5 April 1997 service and 2.5% per annum on non-GMP for all members post 5 April 1997 service. The market value of the scheme assets at 1 May 2003 was £5,697,000 and the actuarial value of those assets represented 67% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The deficit of £2,771,000 will be addressed by the company making an additional annual contribution of £360,000, payable monthly, over the average future service lives of the active members.

FRS 17 Disclosures

In November and December 2000, the Accounting Standards Board issued FRS 17 Retirement Benefits. FRS 17 will not be mandatory for the group and company until the year ended 26 December 2005. The FRS has an extended transitional year during which certain disclosures will be required in the notes to the financial statements.

The principal assumptions used by the actuary to determine the liabilities on an FRS17 basis were:

	03.01.2004	28.12.2002
Rate of increase in salaries	**3.9%**	3.5%
Rate of pension increases:		
Pre 88 GMP	**Nil**	Nil
Post 88 GMP	**2.9%**	2.5%
a) Ordinary Members		
Pre 6/4/97 excess over GMP	**Nil**	Nil
Post 5/4/97 excess over GMP	**2.9%**	2.5%
b) Executive members (all pension)	**2.9%**	2.5%
a) Ex-Crystal Members		
Pre 6/4/97 (excess over GMP)	**3.0%**	3.5%
Post 5/4/97 (excess over GMP)	**3.5%**	3.5%
Discount rate	**5.75%**	5.75%
Inflation	**2.9%**	2.5%

Notes to the financial statements for the year ended 3 January 2004 (continued)

19 Pension commitments (continued)

The assets in the scheme and the expected rates of return were:

	Long term rate of return expected 03.01. 2004	Value at 03.01.2004	Long term rate of return expected 28.12.2002	Value at 28.12.2002
	%	£'000	%	£'000
Equities	7.0	5,602	7.0	4,928
Bonds	4.5	828	4.5	666
Total market value of assets		6,430		5,594
Present value of scheme liabilities		(9,965)		(9,171)
Deficit in scheme		(3,535)		(3,577)
Related deferred tax asset		1,061		1,073
Net pension liability		(2,474)		(2,504)

If FRS 17 had been recognised in the financial statements, the effects would have been as follows:

Movement in the deficit during the year:

	03 01.2004	28.12.2002
	£'000	£'000
Opening deficit at 28 December 2002	(3,577)	(1,139)
Movement in the year:		
Current service cost	(213)	(205)
Contributions	158	172
Other finance charge	(152)	(17)
Actuarial gain/(loss)	249	(2,388)
Deficit 3 January 2004	(3,535)	(3,577)

19 Pension commitments (continued)

Operating profit charge

	Year to 03.01.2004	Year to 28.12.2002
	£'000	£'000
Current service cost	**213**	205
Total operating charge	**213**	205
Finance charge		
Expected return on pension scheme	**376**	470
Interest on pension scheme liabilities	**(528)**	(487)
Net return	**(152)**	(17)

Actuarial Gain/(Loss) recognised in the Statement of Total Recognised Gains and Losses ("STRGL").

	Year to 03.01.2004	Year to 28.12.2002
	£'000	£'000
Actual return less expected return on pension scheme assets	**418**	(1,871)
Experience gains and losses arising on scheme liabilities	**328**	20
Changes in assumptions underlying the present value of the scheme liabilities	**(497)**	(537)
Actuarial gain/(loss) recognised in the STRGL	**249**	(2,388)

Cott Beverages Limited

Notes to the financial statements for the year ended 3 January 2004 (continued)

19 Pension commitments (continued)

If the above amounts had been recognised in the financial statements, the company's net assets and profit and loss reserve at 3 January 2004 and 28 December 2002 would be as follows:

	03.01.2004	28.12.2002
	£'000	£'000
Net assets excluding pension liability	**17,301**	14,517
Net pension liability	**(2,474)**	(2,504)
Net assets including pension liability	**14,827**	12,013
Profit and loss reserve excluding pension liability	**(44,089)**	(46,873)
Net pension reserve	**(2,474)**	(2,504)
Profit and loss reserve including pension liability	**(46,563)**	(49,377)

History of experience gains and losses

	Year to 03.01.2004	Year to 28.12.2002
	£'000	£'000
Difference between the expected and actual return on scheme assets	**418**	(1,871)
Percentage of scheme assets	**6.5%**	33%
Experience gains and losses arising on the scheme liabilities	**328**	20
Percentage of the present value of the scheme liabilities	**3.3%**	0.2%
Total amount recognised in the STRGL	**249**	(2,388)
Percentage of the present value of the scheme liabilities	**2.5%**	26%

20 Called-up share capital

Company

	03.01.2004	28.12.2002
	£'000	£'000
Authorised		
2,000 redeemable preference shares of £1 each	**2**	2
74,998,000 ordinary shares of £1 each	**74,998**	74,998
	75,000	75,000
Allotted, called up and fully paid		
2,000 redeemable preference shares of £1 each	**2**	2
49,623,610 ordinary shares of £1 each	**49,623**	49,623
	49,625	49,625

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.

21 Profit and loss account

	£'000
At 28 December 2002	(46,873)
Profit for the year	2,784
At 3 January 2004	**(44,089)**

The profit and loss account reserve includes a goodwill reserve of £9,705,000 (28.12.2002: £9,705,000).

22 Reconciliation of movements in equity shareholders' funds

	03.01.2004	28.12.2002
	£'000	£'000
Opening equity shareholders' funds	**14,515**	15,209
Surplus/(deficit) for the financial year	**2,784**	(694)
Closing equity shareholders' funds	**17,299**	14,515

23 Financial commitments

At 3 January 2004, the group had annual commitments under non-cancellable operating leases as follows:

	03.01.2004	28.12.2002
		Restated
	£'000	£'000
Expiring within one year	**4**	21
Expiring between one and two years inclusive	**200**	33
Expiring between two and five years	**18**	196
	222	250

24 Capital commitments

Capital expenditure contracted but not provided for in the financial statements amounts to £nil (28.12.2002: £676,000).

25 Related Party Disclosures

Transactions with other companies within the Cott Group are not disclosed as the company has 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.

26 Ultimate parent company

The directors consider Cott Retail Brands Limited, a company registered in England and Wales, as the immediate and ultimate UK parent company. 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.

27 Acquisitions

On 28 December 2002, Cott Beverages Limited acquired the trade and assets of a fellow group undertaking, Cott Europe Trading Limited. The turnover for of Cott Europe Trading Limited for its year ended 28 December 2002 was £5,844,000 and it's profit after tax was £308,000.