

Coca-Cola International Sales Limited

Report and Financial Statements

31 December 2008

WEDNESDAY



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28/10/2009
COMPANIES HOUSE

Coca-Cola International Sales Limited

Registered No. 1861142

Directors

S Guha

C Sleight

P Matthews (resigned 29 May 2009)

D Kearney

G Smith

Secretary

P Matthews (resigned 29 May 2009)

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Office

1 Queen Caroline Street

London W6 9HQ

Directors' report

The directors present their report and financial statements for the year ended 31 December 2008.

Results and dividends

The profit for the year after taxation amounted to £1,701,000 (2007 – £1,796,000). An interim dividend of £3,600,000 was paid during the year (2007 – £nil).

Principal activity and review of the business

The principal activities of the company are the manufacture and procurement of soft drinks in the UK and Ireland.

Principal risks and uncertainties

The company has three principal customers with whom it has agreements. Should there be a termination of these agreements or a change in business relationships, the turnover of the company could decrease by a material amount.

Key performance indicators

The company's Key Performance Indicators are the level of turnover, reflecting the volume of products sold, and the level of operating profit. The turnover for the year was £19,757,000 (2007 – £19,758,000) and operating profit was £1,902,000 (2007 – £2,103,000).

Future developments

It is anticipated that Coca-Cola International Sales Limited (CCISL) will continue its current business.

Creditor payment policy

The company recognises the importance of maintaining good business relations with its suppliers and is committed to paying all invoices within agreed terms.

At 31 December 2008, the company had an average of 27 days (2007 – 30 days) purchases outstanding in trade creditors.

Directors

The directors who served the company during the year were as follows:

S Guha
C Sleight
P Matthews (resigned 29 May 2009)
D Kearney
G Smith

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



G Smith
Director

Date: 20-10-2009

Statement of directors' responsibilities

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Coca-Cola International Sales Limited

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Statement of Cash Flows] and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and 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).

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

Independent auditors' report

to the members of Coca-Cola International Sales Limited

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 company's affairs as at 31 December 2008 and of its profit for the year 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.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

Date: *27 OCTOBER 2009*

Profit and loss account

for the year ended 31 December 2008

	<i>Notes</i>	<i>2008</i> £000	<i>2007</i> £000
Turnover	2	19,757	19,758
Cost of sales		(17,813)	(17,481)
		<hr/>	<hr/>
Gross profit		1,944	2,277
Administrative expenses		(42)	(174)
		<hr/>	<hr/>
Operating profit	3	1,902	2,103
Interest receivable and similar income	6	485	457
Interest payable and similar charges	7	(6)	(1)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		2,381	2,559
Tax on profit on ordinary activities	8	(680)	(763)
		<hr/>	<hr/>
Profit for the financial year		1,701	1,796
		<hr/> <hr/>	<hr/> <hr/>

The above results are all in respect of continuing operations.

Statement of total recognised gains and losses

for the year ended 31 December 2008

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £1,701,000 in the year ended 31 December 2008 and profit of £1,796,000 for the year ended 31 December 2007.

Balance sheet

at 31 December 2008

	<i>Notes</i>	<i>2008</i> £000	<i>2007</i> £000
Fixed assets			
Tangible assets	10	88	97
Current assets			
Stocks	11	34	16
Debtors	12	4,676	7,220
Cash at bank and in hand		10,884	8,802
		15,594	16,038
Creditors: amounts falling due within one year	13	(4,831)	(3,385)
		10,763	12,653
Net current assets		10,763	12,653
Total assets less current liabilities		10,851	12,750
Capital and reserves			
Called up share capital	15,16	9,149	9,149
Profit and loss account	16	1,702	3,601
Equity shareholders' funds	16	10,851	12,750

The financial statements were approved by the Board of directors on 20-10-2009 and signed on behalf of the Board.


G Smith
Director

Notes to the financial statements

at 31 December 2008

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

Statement of cash flows

Publicly available consolidated accounts are produced by the group's ultimate parent undertaking, The Coca-Cola Company and, under FRS 1 (revised), Coca-Cola International Sales Limited is therefore not required to prepare a cash flow statement.

Depreciation

Freehold land is not depreciated. Other tangible assets are depreciated at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Freehold buildings	–	20 years
Plant and machinery	–	7 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income is recognised as interest accrues using the effective interest method.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax in the future at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2008

2. Turnover

Turnover comprises the invoiced price of goods and services supplied by the company stated net of value added tax. The whole of the company's turnover arises from the promotion and sale of soft drinks.

An analysis of turnover by geographical market is given below:

	2008 £000	2007 £000
UK	19,707	19,723
Europe	50	35
	<u>19,757</u>	<u>19,758</u>

3. Operating profit

This is stated after charging:

	2008 £000	2007 £000
Depreciation of owned fixed assets	9	12
Auditors' remuneration – audit services	20	19
– non-audit services (taxation)	12	11
	<u>41</u>	<u>42</u>

4. Directors' emoluments

The emoluments of directors who are also directors of a fellow subsidiary undertaking are included in the accounts of the fellow subsidiary undertaking (Beverage Services Limited) from which they are paid. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the other undertakings.

5. Staff costs

All staff costs are borne by the fellow subsidiary, Beverage Services Limited, from which they are paid.

6. Interest receivable and similar income

	2008 £000	2007 £000
Interest income	480	452
Rental income	5	5
	<u>485</u>	<u>457</u>

7. Interest payable and similar charges

	2008 £000	2007 £000
Bank charges	1	1
Interest charges	5	–
	<u>6</u>	<u>1</u>

Notes to the financial statements

at 31 December 2008

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2008 £000	2007 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	674	762
<i>Deferred tax:</i>		
Origination and reversal of timing differences (note 14)	6	1
Tax on profit on ordinary activities	<u>680</u>	<u>763</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £000	2007 £000
Profit on ordinary activities before tax	2,381	2,559
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 – 30%)	679	768
<i>Effects of:</i>		
Permanent disallowances	3	4
Capital allowances in excess of depreciation	(6)	(10)
Adjustments in respect of previous years	(2)	–
Current tax for the year (note 8(a))	<u>674</u>	<u>762</u>

(c) Factors that may affect future tax charges

The UK statutory rate of corporation tax changed from 30% to 28% from 1 April 2008.

9. Dividends

	2008 £000	2007 £000
Ordinary – interim paid	3,600	–

Notes to the financial statements

at 31 December 2008

10. Tangible fixed assets

	<i>Freehold land £000</i>	<i>Freehold property £000</i>	<i>Plant and machinery £000</i>	<i>Total £000</i>
Cost or valuation:				
At 1 January and 31 December 2008	5	183	338	526
Depreciation:				
At 1 January 2008	–	91	338	429
Provided during the year	–	9	–	9
At 31 December 2008	–	100	338	438
Net book value:				
At 31 December 2008	5	83	–	88
At 31 December 2007	5	92	–	97

11. Stocks

	<i>2008 £000</i>	<i>2007 £000</i>
Finished goods	34	16

In the opinion of the directors, the difference between the purchase price or production cost of stocks and their replacement cost is not material. Stocks are held in consignment at independent packers and at various warehouses in the United Kingdom.

12. Debtors

	<i>2008 £000</i>	<i>2007 £000</i>
Trade debtors	596	715
Amounts owed by group undertakings	2,923	5,726
Other debtors	1,134	750
Deferred tax asset (note 14)	23	29
	<u>4,676</u>	<u>7,220</u>

13. Creditors: amounts falling due within one year

	<i>2008 £000</i>	<i>2007 £000</i>
Trade creditors	4,440	2,231
Amounts due to group undertakings	53	463
Accruals	46	284
Corporation tax payable	292	407
	<u>4,831</u>	<u>3,385</u>

Notes to the financial statements

at 31 December 2008

14. Deferred taxation

The movement in deferred taxation is as follows:

	2008 £000	2007 £000
At 1 January	29	30
Charge for the year (note 8)	(6)	(1)
At 31 December	<u>23</u>	<u>29</u>
The deferred tax consists of:		
Decelerated capital allowances	<u>23</u>	<u>29</u>
Total deferred tax asset (note 12)	<u>23</u>	<u>29</u>

15. Authorised and issued share capital

<i>Authorised</i>		2008 £000	2007 £000
Ordinary shares of £1 each		9,149	9,149
<i>Allotted, called up and fully paid</i>			
	<i>No.</i>	2008 £000	2007 £000
Ordinary shares of £1 each	9,148,686	9,149	9,148,686

16. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 1 January 2007	9,149	1,805	10,954
Profit for the year	-	1,796	1,796
At 31 December 2007	<u>9,149</u>	<u>3,601</u>	<u>12,750</u>
Profit for the year	-	1,701	1,701
Dividend paid	-	(3,600)	(3,600)
At 31 December 2008	<u>9,149</u>	<u>1,702</u>	<u>10,851</u>

Notes to the financial statements

at 31 December 2008

17. Related party transactions

As the company is a wholly-owned subsidiary of Coca-Cola Holdings (United Kingdom) Limited, a company registered in England and Wales which prepares consolidated financial statements, the company, pursuant to FRS 8, has not included details of transactions with other companies which are subsidiaries of the Coca-Cola group.

18. Ultimate parent undertaking and controlling party

The directors consider the immediate parent undertaking and controlling party to be Coca-Cola Holdings (United Kingdom) Limited. The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is The Coca-Cola Company, incorporated in Delaware, USA.

The parent undertaking of the smallest such group is Coca-Cola Holdings (United Kingdom) Limited, registered in England and Wales. Copies of both companies' accounts can be obtained from this company's registered office.