

# Innocent Limited

**Report and Financial Statements**  
31 December 2014

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30/09/2015

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COMPANIES HOUSE

## **Innocent Limited**

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### **Directors**

S E Roche  
S Mori  
D R Lamont  
J L Davenport

### **Secretary**

J L Davenport

### **Auditors**

Ernst & Young  
Harcourt Centre  
Harcourt Street  
Dublin 2

### **Bankers**

Bank of Scotland plc  
The Mound  
Edinburgh EH1 1YZ

### **Solicitors**

Joelson Wilson & Co  
30 Portland Place  
London W1B 1LZ

### **Registered Office**

Fruit Towers  
342 Ladbroke Grove  
London W10 5BU

Registered No. 4007092.

## Strategic Report

### Principal activities and review of the business

The company's principal activities during the year continued to be the development, manufacturing and distributing of natural healthy food and drinks.

The company's key financial and other performance indicators during the year were as follows;

	2014 £m	2013 £m	Change %
Turnover	201.8	202.2	-0.2%
Turnover excluding food	193.0	189.2	+2.0%
Operating profit	7.6	9.6	-20.8%
Shareholder funds	58.4	50.7	+15.2%
Portions of fruit sold	752m	735m	+2.3%
Average number of employees	241	226	+6.6%

In 2013, we developed and implemented a new strategy to grow the business with the ambition of becoming Europe's favourite little juice company.

The strategy is based on:

- Being brand and innovation led
- Investing in 4 key geographic regions (UK, France, Germany, Sweden)

In 2014, we launched a number of new products, including 'supersmoothies', a Grocer award winning piece of innovation. Our innovation pipeline will see a number of new products coming out in 2015, including coconut water and a carbonated refreshment drink. In addition we continued to drive brand awareness and trial through various marketing activities across the Group.

In the UK, the chilled juice category has been challenging and this has impacted our ability to grow the business.

In 2014 we took the decision to focus on our drinks portfolio and started to wind down our food business, with this area of the business ceasing to trade in April 2015.

As a result of these activities turnover, excluding food, increased by 2.0%.

We sold 752 million portions of fruit in 2014; helping millions on their way to their recommended 5 portions of fruit and veg a day and it makes us proud that we are helping to improve the health of people across Europe.

Furthermore, we continued to work closely with our suppliers on ethical sourcing, responsible packaging and supply chain efficiency, targeting reductions in energy, water and waste. We developed new action plans with all of our suppliers to improve their sustainability performance, in conjunction with the Sustainable Agriculture Initiative. We started a new sustainable agriculture project to reduce agrochemical use in Costa Rican pineapple plantations, documented our Indian mango climate change adaptation project in a short film and scaled up our Spanish strawberry water efficiency project to train farmers in techniques that can reduce water use by 40%.

### Principal risks and uncertainties

#### Financial risks

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital management and to reduce the impact of price fluctuations, whether due to the demand of raw materials or foreign currency fluctuations.

- **Credit risk**  
Credit risk is the risk that one party to a financial instrument will cause a financial loss of the other party by failing to discharge an obligation. The company's policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures.
  
- **Liquidity risk**  
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations.
  
- **Cash flow risk**  
Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. The company manages this risk, where significant, by use of derivatives as explained below.
  
- **Pricing risk**  
Pricing risk is the risk that the movement in the price of key materials will adversely affect the profitability of the business. The company aims to manage the risk of movement in the price of fruit by the use of forward purchase contracts.

Innocent Limited, uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency.

#### Competitive risks

Competitive risks have continued to increase with the introduction of new competitors and supermarket own brand smoothies and the increase of promotional activity and discounts in the market.

On behalf of the Board



J L Davenport  
Financial Director

28<sup>th</sup> September 2015

**Directors' Report**

**Directors**

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

G Ruiz (resigned 22 June 2015)  
S E Roche  
S Mori  
D R Lamont  
J L Davenport

**Charitable contributions**

The company has agreed to make charitable contributions of £950,000 (2013: £339,000) to charities.

**Going concern**

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having reviewed the company's current position and cash flow projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**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 is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

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

On behalf of the Board



J L Davenport  
Financial Director

28<sup>th</sup> September 2015

## **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic report, the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNOCENT LIMITED**

We have audited the financial statements of Innocent Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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**Matters on which we are required to report by exception**

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

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

Ernst & Young.

George Deegan (Senior statutory auditor)  
for and on behalf of Ernst & Young, Statutory Auditor  
Dublin  
30<sup>th</sup> September 2015



**Profit and Loss Account**  
For the year ended 31 December 2014

		2014	2013
	Notes	£000	£000
Turnover	2	201,803	202,219
Cost of sales		<u>(148,751)</u>	<u>(147,127)</u>
Gross profit		53,052	55,092
Distribution costs		(33,644)	(29,434)
Administrative expenses		(11,802)	(16,067)
Operating profit	3	<u>7,606</u>	<u>9,591</u>
Interest receivable and similar income	6	296	404
Interest payable and similar charges	7	<u>(357)</u>	<u>(524)</u>
Profit from ordinary activities before taxation		7,545	9,471
Tax on profit on ordinary activities	8	70	(243)
Profit for the financial year	19	<u>7,615</u>	<u>9,228</u>

The profit of £7,615,000 for the year ended 31 December 2014 was derived in its entirety from continuing operations.

**Statement of Total Recognised Gains and Losses**  
For the year ended 31 December 2014

		2014	2013
	Note	£000	£000
Profit for the financial year	19	7,615	9,228
Exchange difference on retranslation of net assets of branch undertakings	19	64	55
Total recognised profit relating to the year		<u>7,679</u>	<u>9,283</u>

**Balance Sheet**  
As at 31 December 2014

	Notes	2014 £000	2013 £000
<b>Fixed assets</b>			
Tangible assets	9	1,676	1,426
Investments	10	3,997	3,997
		<u>5,673</u>	<u>5,423</u>
<b>Current assets</b>			
Stocks	11	12,354	12,761
Debtors: amounts falling due after more than one year	12	2,108	434
Debtors: amounts falling due within one year	12	68,596	35,709
Cash at bank and in hand		19,164	53,565
Short term deposits		5,000	-
		<u>107,222</u>	<u>102,469</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(53,438)</u>	<u>(56,594)</u>
<b>Net current assets</b>		<u>53,784</u>	<u>45,875</u>
<b>Creditors: amounts falling due after one year</b>	13	<u>(1,038)</u>	<u>(558)</u>
<b>Net Assets</b>		<u>58,419</u>	<u>50,740</u>
<b>Capital and reserves</b>			
Called up share capital	18	0	0
Capital contribution reserve	19	51,746	51,746
Profit and loss account	19	6,673	(1,006)
<b>Shareholders' funds</b>	19	<u>58,419</u>	<u>50,740</u>

The financial statements on pages 10 to 22 were approved by the Board of Directors and authorised for issue on 28<sup>th</sup> September 2015 and are signed on its behalf by:



J L Davenport  
Financial Director

28<sup>th</sup> September 2015

## **Notes to the financial statements**

**As at 31 December 2014**

### **1. Accounting policies**

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

#### **Group financial statements**

Group financial statements have not been prepared as the company is exempt from preparing such financial statements under section 400 of the Companies Act 2006. The company's results are included in the group financial statements of the parent undertaking, Fresh Trading Limited. The Company's financial statements present information about it as an individual company and not about its group.

#### **Going Concern**

The financial statements have been prepared on a going concern basis as, having reviewed the company's current position and cash flow projections the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements.

#### **Statement of cash flows**

Under FRS 1 the company is exempt from the requirement to prepare a statement of cash flows on the grounds that it is a wholly owned subsidiary undertaking of a company producing publicly available group financial statements.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	over a period of between 2 and 5 years straightLine
Motor vehicles	-	over a period of between 2 and 5 years straightLine

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.

Assets under construction are stated at cost and will be depreciated from the date on which the assets come into use.

#### **Investments**

Fixed asset investments are stated at cost less provision for impairment in value. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1. Accounting policies (continued)

**Stocks** are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:

Raw materials	purchase cost on a first-in, first-out basis
Finished goods	cost of direct materials, blending costs and attributable overheads, based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

**Short term deposits**

Short term deposits represent 95 day deposits held with a financial institution.

**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, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- 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 substantially enacted at the balance sheet date.

**Revenue recognition**

Revenue is recognised to the extent that the company 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. The following criteria must also be met before revenue is recognised:

- Sale of goods: 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 receipt by the buyer of the goods.
- Interest income: Revenue is recognised as interest accrues using the effective-interest method.

- Listing fees and stuffing fees: Fees that are paid in order for our products to be listed on-shell are deducted from net revenue. Fees that represent a separable, discretionary cost are treated as a distribution cost.

**1. Accounting policies (continued)**

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

With effect from 1<sup>st</sup> January 2014, it is considered that the results of the overseas branch are more dependent on sterling than its own reporting currency, therefore the results of the branch are incorporated using the temporal method, thereby treating all transactions as though they had been entered into by the undertaking itself in sterling, and translation differences taken to the profit and loss account.

**Lease commitments**

Rentals payable under operating leases are charged in the profit and loss account on a straightline basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review. The company has no finance or hire purchase leases.

**Long term incentive plan**

The employee bonus scheme is a 3 year incentive plan which commenced on 1 January 2013 and concludes on 31 December 2015. Annually, employees are granted award units based on several factors including the employees' level, the employees' current year performance and the Company's performance. Award units are then valued based on the Company's revenue performance against a 3 year growth target. The accrual as at 31 December 2014 of £1,038,000 represents the cumulative balance accounted for since inception. The cumulative value of all award units, in each respective performance year, will be paid within 60 days of 1 January 2016.

**Pensions**

The company makes contributions to a defined contribution plan on behalf of its employees. Contributions are charged to the profit and loss account as they become due, in accordance with the rules of the scheme.

**2. Turnover**

Turnover, which is stated net of value added tax, represents the invoiced amounts of goods sold to third parties; net of credits and discounts. Turnover is attributable to the company's continuing principal activity.

All turnover originates in the UK. An analysis of turnover by geographical destination is given below:

	2014	2013
	£000	£000
UK	146,892	159,943
Europe	54,911	42,276
	<u>201,803</u>	<u>202,219</u>

## Innocent Limited

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### 3. Operating Profit

This is stated after crediting:

		2014	2013
	Notes	£000	£000
Depreciation of tangible fixed assets	9	899	840
Loss on disposal of fixed assets	9	6	16
Operating lease rentals	14	38	26

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Auditors' fees for audit and non-audit services are paid by the parent undertaking, Fresh Trading Limited.

### 4. Directors' remuneration

	2014	2013
	£000	£000
Aggregate remuneration in respect to qualifying services	492	323
Aggregate contributions to pension scheme	5	-
Aggregate amounts receivable under long term incentive plan*	123	66
	<u>620</u>	<u>389</u>

The amounts in respect of the highest paid director are as follows:

	2014	2013
	£000	£000
Remuneration	285	211
Contributions to pension scheme	1	-
Aggregate amounts receivable under long term incentive plan*	84	46
	<u>370</u>	<u>257</u>

\*These amounts have not been paid as at 31 December 2014.

## Innocent Limited

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### 5. Staff costs

	2014	2013
	£000	£000
Wages and salaries	14,176	12,590
Social security costs	1,422	1,414
Other pension costs	158	90
	<u>15,756</u>	<u>14,094</u>

Other pension costs relate to contributions under a defined contribution scheme.

The average monthly number of employees during the year was made up as follows:

	No.	No.
Sales and distribution	178	164
Administration	63	62
	<u>241</u>	<u>226</u>

### 6. Interest receivable and similar income

	2014	2013
	£000	£000
Bank interest receivable	123	167
Interest receivable from group companies	173	237
	<u>296</u>	<u>404</u>

### 7. Interest payable and similar charges

	2014	2013
	£000	£000
Interest payable to group companies	357	517
Other interest payable	0	7
	<u>357</u>	<u>524</u>

**8. Tax**

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014	2013
	£000	£000
<i>UK corporation tax</i>		
Current tax	1,869	2,104
Group relief received	(1,690)	(1,978)
Adjustment in respect of prior years	41	140
Double taxation relief	(145)	(126)
	<u>75</u>	<u>140</u>
<i>Foreign tax</i>		
Current tax	145	126
Effect of exchange rate changes	(2)	-
Adjustment in respect of prior years	(13)	112
	<u>130</u>	<u>238</u>
<b>Total current tax (note 8(b))</b>	<u>205</u>	<u>378</u>
<i>Deferred tax</i>		
Adjustments in respect of previous periods	(89)	(235)
Origination and reversal of timing differences	(199)	34
Effect of changes in tax rate on liability	14	65
Effect of changes in exchange rate	(1)	1
	<u>(275)</u>	<u>(135)</u>
<b>Total tax (credit)/charge for the year</b>	<u>(70)</u>	<u>243</u>



**8. Tax (continued)**

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014	2013
	£000	£000
Profit on ordinary activities before tax	<u>7,545</u>	<u>9,471</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	1,622	2,202
<i>Effects of:</i>		
Non-taxable income/Expenses not deductible for tax purposes	15	28
R&D allowances in excess of accounting deduction	-	(92)
Adjustments in respect of previous periods	28	252
Other timing differences	232	(34)
Group relief received	(1,690)	(1,978)
Effect of exchange rate changes	(2)	-
Current tax for the year (note 8(a))	<u>205</u>	<u>378</u>

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

**9. Tangible fixed assets**

	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£000	£000	£000
<b>Cost:</b>			
At 1 January 2014	4,620	124	4,744
Additions	1,128	27	1,155
Disposals	(1,058)	-	(1,058)
At 31 December 2014	<u>4,690</u>	<u>151</u>	<u>4,841</u>
<b>Depreciation:</b>			
At 1 January 2014	3,228	90	3,318
Charge for the year	873	26	899
Disposals	(1,052)	-	(1,052)
At 31 December 2014	<u>3,049</u>	<u>116</u>	<u>3,165</u>
<b>Net book value:</b>			
At 31 December 2014	<u>1,641</u>	<u>35</u>	<u>1,676</u>
At 1 January 2014	<u>1,392</u>	<u>34</u>	<u>1,426</u>

**10. Investments**

	<i>Subsidiary undertakings</i>
	£000
<b>Cost:</b>	
At 1 January 2014	3,997
Additions	-
At 31 December 2014	<u>3,997</u>
<b>Net book value:</b>	
At 31 December 2014	<u>3,997</u>
At 1 January 2014	<u>3,997</u>

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### 10. Investments (continued)

Details of the investments in which the company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Subsidiary undertaking</i>	<i>Holding</i>	<i>Proportion of rights and shares held</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
Innocent APS	Ordinary shares	100%	Drinks sales and distribution	Denmark
Innocent AB	Ordinary shares	100%	Dormant	Sweden
Innocent Alps GmbH	Ordinary shares	100%	Drinks sales and distribution	Austria
Innocent SAS	Ordinary shares	100%	Drinks sales and distribution	France
Innocent BV	Ordinary shares	100%	Dormant	Netherlands

### 11. Stocks

	2014	2013
	£000	£000
Raw materials and consumables	6,095	7,899
Finished goods and goods for resale	6,259	4,862
	<u>12,354</u>	<u>12,761</u>

### 12. Debtors

	2014	2013
	£000	£000
Trade debtors	33,827	25,929
Amounts owed by group undertakings	31,973	7,277
Other debtors	1,934	118
Prepayments	1,159	1,076
Other taxes and social security costs	892	1,309
Deferred tax (note 17)	708	434
Corporation tax asset	211	-
	<u>70,704</u>	<u>36,143</u>

Amounts falling due after more than one year included in the above are deferred tax of £708,000 (2013: £434,000) and other debtors balance of £1,400,000.

**13. Creditors**

	2014	2013
	£000	£000
Trade creditors	22,223	17,793
Amounts owed to group undertakings	16,118	25,836
Other taxes and social security costs	882	566
Other creditors	341	225
Accruals	14,912	12,715
Corporation tax liability	-	17
	<u>54,476</u>	<u>57,152</u>

Amounts falling due after more than one year included in the above are accruals for the employee bonus scheme of £1,038,000 (2013: £558,000).

**14. Obligations under leases**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	2014	2013
	<i>Land and buildings</i>	<i>Land and buildings</i>
	£000	£000
Operating leases which expire:		
Within 1 year	38	26
	<u>38</u>	<u>26</u>

**15. Derivatives**

The group purchases forward foreign exchange contracts to manage foreign exchange fluctuations and interest rate swaps to manage interest rate volatility. The company's forward contracts generally have terms of 90 days or less. The company does not use forward contracts for trading purposes. The company's ultimate realised gain or loss with respect to currency fluctuations depends upon the currency exchange rates and other factors in effect as the contracts mature.

**15. Derivatives (continued)**

At 31 December 2014, the following foreign currency forward contracts were outstanding:

	Notional amount 2014 £000	Notional amount 2013 £000
Buy US Dollar/Sell Sterling	52,199	56,992
Buy Euro/Sell Sterling	5,734	10,244
	<u>57,933</u>	<u>67,236</u>

The fair value of outstanding foreign currency forward contracts at 31 December 2014 was £2,765,000.

At 31 December 2014, the following interest rate swaps were held:

	Notional amount 2014 £000	Notional Amount 2013 £000
Interest rate swaps	(12,000)	(12,000)

The fair value of outstanding swaps at 31 December 2014 was -£1,440,000.

**16. Other financial commitments:**

At 31 December 2014, the company also had a commitment of £30,870,994 (2013: £34,972,636) relating to future fruit commodity contracts in order to manage raw material price volatility. Commodity contracts requiring settlement by physical delivery are not financial instruments, and as such fair values for these contracts have not been disclosed.

Innocent Limited, together with European Refreshments (a Coca-Cola group company) and The Coca-Cola Company, are each joint parties to a commitment that between them they shall donate £1,000,000 per annum to the Innocent Foundation for the remaining term of 3 years.

## Innocent Limited

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### 17. Deferred taxation

	<i>Deferred tax asset</i>
	<i>£000</i>
At 1 January 2014	434
Prior year under provision	89
At 1 January 2014	<u>523</u>
Originating and reversal of timing differences	199
Rate adjustments	(14)
At 31 December 2014 (note 12)	<u>708</u>

The deferred tax consists of:

	2014	2013
	£000	£000
Depreciation in excess of capital allowances	552	383
Other timing differences	156	51
	<u>708</u>	<u>434</u>

### 18. Issued share capital

	2014		2013	
	No.	£	No.	£
<i>Allotted, called up and fully paid</i> Ordinary shares of £1 each	2	<u>2</u>	2	<u>2</u>

**19. Reconciliation of shareholders' funds and movements on reserves**

	<i>Share capital</i>	<i>Capital contribution reserve</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£000	£000	£000	£000
At 1 January 2013	-	51,746	(10,289)	41,457
Profit for the year	-	-	9,228	9,228
Foreign exchange revaluation	-	-	55	55
At 31 December 2013	-	51,746	(1,006)	50,740
Profit for the year	-	-	7,615	7,615
Foreign exchange revaluation	-	-	64	64
At 31 December 2014	-	51,746	6,673	58,419

**20. Related party transactions**

In 2014 the company made a charitable contribution of £950,000 to the Innocent Foundation, a related party of the company by virtue of common directors/trustees.

The company has taken advantage of the exemptions available under FRS 8 not to disclose transactions with group companies where group financial statements are publicly available. No other transactions which require disclosure by FRS 8 took place during the year.

**21. Ultimate parent undertaking and controlling party**

The immediate parent Company is Fresh Trading Limited, a company incorporated in the United Kingdom. The ultimate parent company is The Coca-Cola Company, a company incorporated in Delaware, USA. The Coca-Cola Company is the largest group and Fresh Trading Limited is the smallest group which includes the Company and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements for The Coca-Cola Company are available from The Coca-Cola Company.

**22. Events after the reporting date**

In 2014, the directors took the decision to focus on the company's drinks portfolio and started to wind down the food business, with this area of the business ceasing to trade in April 2015.

**23. Approval of the financial statements**

The Board of Directors approved and authorised for issue these financial statements on 28th September 2015.