AG Barr

BUILDING GREAT BRANDS

ANNUAL REPORT AND ACCOUNTS 2024

INTRODUCTION

A.G. BARR is a UK-based branded multi beverage business focused on growth and the creation of long-term shareholder value.

Ambitious and value-driven, with strong consumer focus, we are brand owners and builders, offering a diverse and differentiated portfolio of brands that people love.

Established almost 150 years ago in Scotland, now operating across the UK and with export markets throughout the world, we strive to grow our business both organically and through targeted acquisition.

Employing over 1,000 people across four business divisions and nine UK locations, we are proud to be a responsible business that listens to our consumers, builds lasting customer relationships, takes care of our people, values diversity, gives something back to our communities and works to minimise our environmental impact.

For more information
visit our website agbarr.co.uk

Our locations

Offices
Cumbernauld – Head Office; Bolton (Barr Soft Drinks); Camden (FUNKIN and MOMA); Leeds (Boost)

Barr Soft Drinks

Factories
Cumbernauld; Milton Keynes; Forfar

Distribution centres
Cumbernauld; Milton Keynes

Distribution depots
Dagenham; Moston; Wednesbury

For more information
visit our website agbarr.co.uk

OUR PURPOSE, VALUES AND CULTURE

Our purpose:

To create value, with values – for our shareholders, consumers, customers and for society as a whole.

We do this by:

Building great brands.

Our business purpose has always been underpinned by strong values. We believe that how we act reflects who and what we are. We strive to behave responsibly across our four core values.

For nearly 150 years we have developed a positive, results-driven and supportive culture. As we grow our business organically and through acquisition, it is important that we retain the entrepreneurial spirit of the new and exciting additions to our Group, while also ensuring that we continue to value and nurture the unique essence of what makes A.G. BARR a great business to be part of.

For more information on our people, culture and employee values see pages 23 to 27. →

OUR FOUR CORE VALUES:

- **Acting with integrity**
- **Respecting the environment**
- **Supporting healthy living**
- **Giving back**

IN THIS REPORT

Corporate Governance

Our section 172(1) statement describing how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duties under section 172 of the Companies Act 2006 is set out in the Corporate Governance Report on pages 61 to 69 and is incorporated by reference into this Strategic Report.

HIGHLIGHTS OF THE YEAR

Revenue

£400m

+25.9%

Adjusted profit before tax*

£50.5m

+16.1%

Profit before tax

£51.3m

+15.5%

Basic earnings per share (EPS)

34.59p

+13.5%

Employee engagement

76%

Full year dividend*

15.05p

Acquisitions during the year

1

tropical drinks brand RIO

Women in Leadership

42%

For more information on our KPIs see page 13 →

No Time To Waste environmental sustainability programme

90%

CO_2 reduction from each of our new biomethane-fuelled trucks

* Items marked with an asterisk are non-GAAP measures. Definitions and relevant reconciliations are provided in the Glossary on pages 180 to 184.

Why invest in us?

FIND OUT MORE ABOUT OUR COMPETITIVE ADVANTAGES
Our business model can be found on pages 8 and 9

INVESTMENT CASE

01
Ambitious with value-driven strategy

02
Strong core brands with challenger mentality

03
Clear growth opportunities

04
Disciplined capital allocation

05
Responsible and sustainable

06
Financial strength

Find out more about our stakeholder engagement on pages 61 to 65 →

OUR BUSINESS AND BRANDS

We are brand owners and builders, offering a diverse and differentiated portfolio of brands that people love.

Barr Soft Drinks

At our core is Barr Soft Drinks, brightening people's lives with refreshingly different soft drinks.

Whether it's the iconic **IRN-BRU**, launched in 1901 and still going strong today, the vibrant **RUBICON** fruit based brand or the unique range of **BARR** flavours, Barr Soft Drinks' brands offer people a choice of great tasting products and bring exciting innovation to the market, available across multiple channels.

Established

1875

Employees

931

Boost Drinks

The **BOOST** business is always looking for new trends and to appeal to the evolving tastes of drinkers. Enjoying a very strong position within the UK independent retail channel, **BOOST** offers an exciting range of flavours across several functional drinks categories – Energy Stimulation, Sport and Iced Coffee. To further strengthen the Boost business's portfolio we acquired the tropical fruit drinks brand **RIO** in 2023.

Established

2006

Acquired

2022

Employees

35

INFORMATION ON OUR FULL PORTFOLIO OF BRANDS
can be found at www.agbarr.co.uk/our-brands

4	**17**	**1,030**	**9**
Business divisions	Number of brands	Employees	UK sites

FUNKIN

FUNKIN operates within the exciting and dynamic cocktail market. Real fruit means authentic taste and **FUNKIN** believes that to shake the best cocktail you have to use the best ingredients. That's why they use the best fruit to create their premium products, famous amongst top bartenders. As the UK's number 1 cocktail brand **FUNKIN** provides innovative and unique purées, syrups, mixers and a growing ready to drink cocktail range, for behind the bar and at home. Making ordinary moments extraordinary.

Established
1999

Acquired
2015

Employees
47

MOMA

MOMA uses a blend of the highest quality wholegrain jumbo oats that give its oat drinks a full-bodied flavour and its porridge a distinctively creamy texture. **MOMA** believes in crafting simple, natural ingredients into food and drink that tastes awesome, because a little extra skill and care turns 'good for you' into 'great'.

Established
2006

Acquired
2022

Employees
17

CHAIR'S INTRODUCTION

I am pleased to report that A.G. BARR has enjoyed a further year of significant progress across multiple fronts, in addition to delivering an excellent financial performance.

Mark Allen OBE
Chair

Overview

Revenue grew by 25.9% year-on-year and we finished the year with adjusted profit before tax* of £50.5m, 16.1% ahead of the prior year.

Despite continued global macro uncertainty and volatility we have navigated these challenging times well. Our long-term growth strategy has been well executed during the year. We have continued to invest in our brands, people and infrastructure and have made good progress against our medium-term margin development plans, following the first full year of ownership of the higher growth but currently lower margin Boost and MOMA businesses.

Highlights during the year included:

- Strong revenue and volume growth across our soft drinks portfolio, with a standout performance from the Rubicon brand
- Good progress on a number of fronts in the first full year of ownership of the Boost business alongside the acquisition of the Rio tropical fruit drinks brand
- Margin rebuild plan well underway, accompanied by strong cash generation and balance sheet strength

Our performance has been delivered by an excellent team of people across the whole Group, who have worked hard in the execution of our winning strategy.

Dividend

The Board is pleased to maintain its progressive dividend policy and recommends a final dividend of 12.40p per share to give a proposed total dividend for the full year of 15.05p per share. This represents year-on-year growth of 14.9% (2022/23: 13.10p). The final dividend is payable on 7 June 2024 to shareholders on the Register of Members at the close of business on 10 May 2024. The ex-dividend date is 9 May 2024.

Board

As planned, after 62 years with the business, Robin Barr stepped down from the Board in May 2023. We were pleased to welcome Julie Barr and Louise Smalley as Non-Executive Directors during the course of the year.

In August 2023, after over 21 years as CEO, Roger White announced his intention to retire from the business. He will step down from the Board at the end of April 2024, remaining available until the end of July to support a smooth leadership transition.

Roger has led the transformation of A.G. BARR from a regional soft drinks business into the highly successful multi-beverage, branded company that it is today and he has been instrumental in delivering significant value to shareholders, stakeholders and employees. It has been a great pleasure to work with Roger and on behalf of the Board I would like to thank him for the huge contribution he has made to A.G BARR's success over two decades as CEO and to wish him well for the future.

I was delighted to communicate earlier this year that Euan Sutherland will join as the Group's CEO with effect from 1 May 2024. Euan has a wealth of consumer goods experience, an excellent track record in delivering sustainable growth and a history of improving efficiency and profitability through major transformation programmes. Euan is well placed to lead A.G. BARR through the next exciting phase of its development and to ensure the continued long-term success of the business.

Responsibility

Our Environmental, Social and Governance Board sub committee is now well established and providing important oversight and direction for the Group, with a particular focus over the past 12 months on our environmental sustainability progress and our net-zero roadmap.

We continue to make good progress across our broader responsibility agenda. Highlights during the course of the year include FUNKIN's achievement of B Corp status*, validating its high social and environmental standards, as well as external recognition, received from both customers and industry bodies, of the progress we have made. Further details can be found within our Responsible Business Report.

People and culture

I have previously referenced A.G. BARR's unique and positive culture. I am pleased to update shareholders that our levels of employee engagement as measured by our Everyone Barr None survey, have risen further over the last 12 months. This reflects the steps we continue to take, supporting our colleagues across areas such as diversity and equality, reward, mental health, learning and development as well as workplace flexibility.

We continue to build on our unique culture, protecting and supporting the individuality of our business divisions, people and brands. Over the course of the year, we have been encouraged by the open and constructive feedback received at various Board engagement sessions which now informs much of our thinking, planning and future actions.

We are equally as proud of our values and behaviours as we are of our financial performance.

Prospects

Looking ahead, while we operate in what is likely to remain a volatile environment, I am confident that we have a Group with growth momentum, market-leading brands, a strong margin rebuild plan which is well underway and a long-term strategy which will deliver superior shareholder returns.

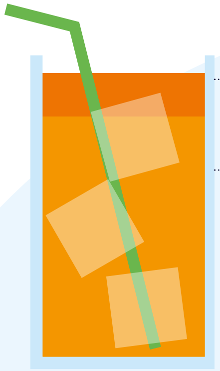
Mark Allen OBE
Chair
26 March 2024

* Items marked with an asterisk are non-GAAP measures. Definitions and relevant reconciliations are provided in the Glossary on pages 180 to 184.

OUR FINANCIAL PERFORMANCE

Basic Earnings per share

Reported profit attributable to equity holders divided by weighted average number of shares in issue.



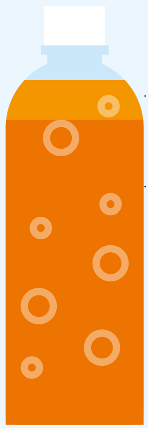
2024
34.59p

2023
30.47p

+13.5%

Dividend

Total dividend declared for the full year excluding any special dividend.



2024
15.05p

2023
13.10p

+14.9%

Our business model aims to be simple, effective and profitable.

WHAT WE DO

We make...

We pride ourselves on our safe and effective manufacturing capabilities. We produce high quality brands across our well-invested and efficient Barr Soft Drinks production sites in Cumbernauld and Milton Keynes alongside our water production facility at Forfar. With glass, carton, plastic and can capability, we produce 99% of Barr Soft Drinks' products in-house. We directly source many of our key raw materials, with a particular competency in exotic fruit, develop our own recipes and design all our packaging – all underpinned with the aim of reducing our environmental impact and supporting continuous improvement.

We move...

With our own fleet of more than 60 vehicles, as well as long-standing relationships with our key distribution partners, our business model supports our drive to deliver great service to all our customers. Operating across multiple routes to market, we have a well established and efficient distribution network servicing our diverse sales channels. Our operating model is both flexible and agile.

Barr Soft Drinks

Boost – Partial in-sourced production by Barr Soft Drinks

FUNKIN – Partial in-sourced production by Barr Soft Drinks

MOMA

We behave responsibly...

We take our responsibilities seriously and continuously strive to be a sustainable and responsible business. In particular we have an important role to play in the transition to a low carbon and climate-resilient economy and this is becoming an increasingly important and integral part of our overall A.G. BARR business model.

Our responsible behaviour also encompasses our management of risk, ensuring that we are thinking ahead and taking mitigating actions where appropriate. We have a robust risk management framework embedded across the business, allowing a wide range of employees at different levels to contribute.

We market...

From IRN-BRU's signature style of maverick adverts to FUNKIN's unique social engagement, when it comes to marketing, innovating and building our brands we like to have some fun and to appeal to the widest possible range of consumers. Whether through mainstream advertising, digital and social media, sponsorship or supporting local community events, we use our creativity and consumer insight to deliver distinctive and memorable brand building activity.

We sell...

Building long-lasting relationships with our customers across all our key markets is fundamental to our business. Whether it's a large food retailer, a wholesaler, a regional restaurant group or a local independent shop, we work collaboratively with all our customers to understand their businesses and find winning consumer propositions in a practical and profitable way.

More information on our responsible actions can be found on pages 20 to 43 and a full review of our principal risks is detailed on pages 49 to 54.

WE CREATE VALUE, WITH VALUES...

Our business model has proven successful for almost 150 years and continues to create and deliver value, with values, to a wide range of stakeholders.

Shareholders

£14.7m

of dividends paid during the year

£17.8m

re-invested in long-term business growth through annual cash capital expenditure*

Employees

£56.6m

paid in salaries and wages to our employees across the UK

Suppliers and customers

100+

suppliers directly contracted and working closely with thousands of customers

UK economy and communities

96%

of our revenue is generated in the UK, and through our £11.7m corporation tax and £6.3m national insurance payments to the government, we continue to play our part in growing the UK economy while also donating over £78k to good causes across our communities

* See page 127

Purpose

Our overarching purpose is to create value, with values – for our shareholders, consumers, customers and for society as a whole. We do this by building great brands.

Strategic priorities

Our strategic priorities bring this purpose to life and set out the steps we take to build a great business with great brands.

Connecting with consumers

Consumer insight drives our business. Consumer preferences are changing and we take the time to listen, to understand and to respond proactively to ensure our portfolio of brands constantly develops to meet our consumers' changing needs.

At an A.G. BARR Group level this insight is a key factor in how we identify potential acquisition targets. We monitor consumer trends closely, specifically in relation to fast moving packaged consumer goods, identifying developments in the beverage sector as well as emerging or high growth categories of interest.

At a business division level these consumer trends underpin our approach to innovation, including product, packaging and ingredients, as well as our consumer engagement and marketing activities.

Building brands

We are brand owners and builders, growing our diverse and differentiated brand portfolio both organically and through acquisition.

For our existing portfolio of powerful brands we do this in a number of ways – we innovate, we grow brand awareness, we develop loyalty through consumer engagement activity, and we build our product distribution through effective sales execution with customers.

We are ambitious, with a proven track record of successfully acquiring new brands. Our core competency lies in soft drinks, however we have broadened our brand portfolio in recent years with a particular focus across the multi-beverage landscape.

Driving efficiency

We continually strive for greater effectiveness across our business, investing for growth, efficiency and sustainability, while also ensuring strong financial controls.

From investment in new software solutions to an increasing focus on digital development and automation, as our business develops we are committed to driving continuous improvement across our processes and infrastructure.

And in our Barr Soft Drinks business division we continuously invest in our asset base, driving operational improvements and flexibility through our capital investment programmes, equipping us with some of the industry's most efficient operational capability.

Building trust

Building and maintaining long-lasting trust and successful relationships is central to our business and always has been. Our responsible behaviour over nearly 150 years has created a firm foundation, upon which we want to build further.

Being a trusted business that acts with integrity is fundamental to our stakeholder relationships – from our consumers and customers to our suppliers and communities. Equally, as the world around us evolves, with climate change in particular becoming increasingly more pressing, our strategic choices are more than ever informed and supported by our desire to do the right thing and to play our part in addressing the key issues facing the world and society.

Behaving responsibly for over 145 years. We are proud of our brands and business. We are also proud of the positive contribution we believe we make to society. It is our belief that how we act reflects who and what we are.

OUR KEY RESPONSIBILITY COMMITMENTS

We act with integrity

We respect the environment

We support healthy living

We give back

More information on our responsible actions can be found on pages 20 to 43

FINANCIAL KEY PERFORMANCE INDICATORS

More information on our performance can be found in our CEO Statement on pages 14 to 17 and in our Financial Review on pages 44 to 47.

Revenue

£400.0m

25.9%

2024 **£400.0m**

2023 **£317.6m**

The increase in value of revenue recorded relative to the prior year. Like-for-like revenue growth*, which excludes the impact of the Boost acquisition, was 8.0%.

Gross margin*

38.6%

(170) bps

2024 **38.6%**

2023 **40.3%**

Reported gross profit divided by revenue.

Adjusted profit before tax*

£50.5m

16.1%

2024 **£50.5m**

2023 **£43.5m**

Reported profit before tax after adjusting items.

Adjusted operating margin*

12.3%

(130)bps

2024 **12.3%**

2023 **13.6%**

Adjusted operating profit and before the deduction of interest and taxation, divided by revenue.

Adjusted EBITDA margin*

15.4%

(170)bps

2024 **15.4%**

2023 **17.1%**

EBITDA (defined as adjusted operating profit before depreciation and amortisation) divided by revenue.

Return on capital employed*

18.7%

70bps

2024 **18.7%**

2023 **18.0%**

Reported profit before tax as a percentage of invested capital. Invested capital is defined as year end non-current plus current assets less current liabilities excluding all balances relating to any provisions, financial instruments, interest-bearing liabilities and cash or cash equivalents.

Net cash from operating activities

£48.5m

35.1%

2024 **£48.5m**

2023 **£35.9m**

Cash generated in the ongoing regular business activities in the year

Basic earnings per share

34.59p

13.5%

2024 **34.59p**

2023 **30.47p**

Reported profit attributable to equity holders divided by weighted average number of shares in issue.

Full year dividend per share*

15.05p

14.9%

2024 **15.05p**

2023 **13.10p**

Total dividend declared for the full year.

* Items marked with an asterisk are non-GAAP measures. Definitions and relevant reconciliations are provided in the Glossary on pages 180 to 184.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

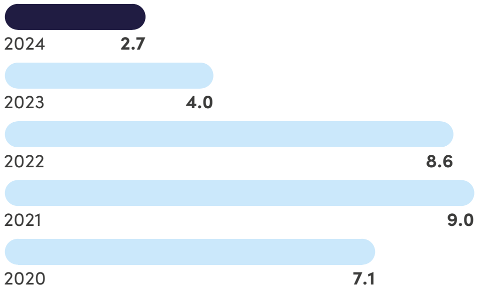
In support of our responsibility commitments we measure a range of non-financial KPIs as set out below:

Find out more about our responsibility commitments in our responsibility report

More on page 21

Accident incident rate

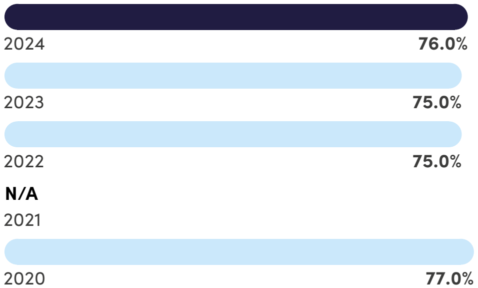
2.7



Number of accidents (RIDDOR) per 1,000 people – relative to both our employees and agency workers. 2023 includes Boost and MOMA data from the dates of acquisition. Further information is provided in our safety and wellbeing culture section on pages 23 to 24.

Employee engagement

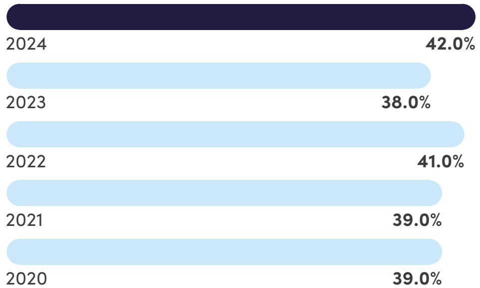
76%



As measured by our annual employee survey. Due to the impact of the pandemic, no survey was conducted in 2020/21. 2023 excludes Boost and MOMA which were not part of the A.G. BARR Group at the time the survey was conducted.

Women in leadership

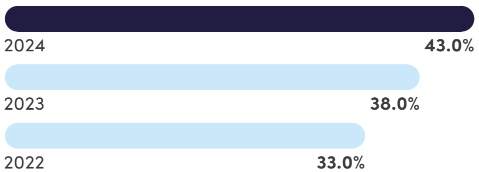
42%



Number of females defined as leaders/senior managers at the close of the financial year. See page 26 for further information.

Carbon emission reduction across our operations

43%

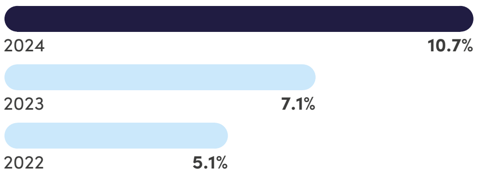


Baseline year
2021

Percentage reduction in total Scope 1 and Scope 2 greenhouse gas emissions versus 2021 baseline year using a market-based approach. 2024 Scope 1 data provided in the SECR section on page 40 reflects a change in methodology not yet factored into the baseline year. To allow a like for like comparison with the baseline year, this KPI excludes the impact of the changed methodology. Including it would result in a 5% reduction against the baseline year. See page 40 for further information.

Improvement in water usage efficiency

10.7%

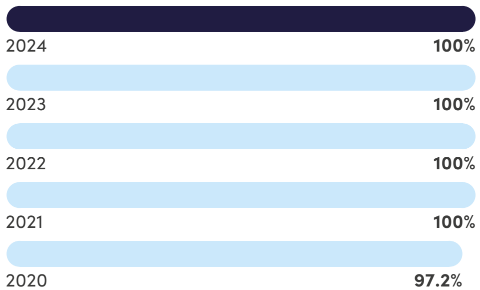


Baseline year
2021

KPI reset in 2021 following detailed analysis of our water footprint, our refreshed water strategy and action plan. Ratio of total water used relative to total litres of product produced. Further information is provided in our waste and water section on page 32.

Non-hazardous waste diverted from landfill

100%



Quantity of non-hazardous waste from Company-owned sites diverted from landfill relative to total non-hazardous waste.

CHIEF EXECUTIVE'S REVIEW

Over the past 12 months we delivered an excellent financial performance and made significant progress across our strategic objectives.

Roger White
Chief Executive

Overview

I am delighted to report our results for the 52 weeks ended 28 January 2024.

As this is my final annual reporting of A.G. BARR results I wanted to take the opportunity to say how exceptionally proud I am of all the teams across the Group who make this such a unique and special business.

Over the past 12 months we have delivered an excellent financial performance and made significant progress across our strategic objectives. We have navigated the challenges of persistent inflation, a volatile regulatory environment and changing consumer habits, delivering well against our priorities.

The following financial metrics quantify our strong performance:

- Revenue £400.0m ↑25.9%
- Adjusted profit before tax* £50.5m ↑16.1%
- Reported profit before tax £51.3m ↑15.5%
- Net cash at bank* £53.6m ↑1.3%
- Basic earnings per share 34.59p ↑13.5%

Definitions of adjusted items are provided on page 180.

Strategic objectives

We are driven by our overarching Group purpose – to create value with values – underpinned by our consistent strategic priorities:

- Connecting with consumers
- Building brands
- Driving efficiency
- Building trust

During the year we leveraged our capabilities to drive superior growth across the Group, both in value and volume. In this period of significant inflation during which volume growth has been hard to come by, our performance is all the more pleasing.

We continued to invest across the Group in support of our long-term organic revenue and profit growth ambitions. We have also benefited from the growth and diversification that our recent acquisitions have brought to the Group, further reinforcing the importance of such value-adding acquisitions as part of our overall growth strategy. Our growing brand portfolio is strongly aligned with current consumer and category trends, providing choice for all.

Soft drinks market

Across the period the total UK soft drinks market increased in value by 8.3% while volumes declined by 2.9%. These trends were similarly reflected in both the Carbonates and Stills sub sectors. The high levels of price inflation prevalent across the market in 2022 continued into 2023, however the scale of these inflationary increases eased somewhat in the latter part of the year.

Within soft drinks market sub categories, while lemonade and mixers continued to decline, Energy and Sports once again significantly outperformed the market, with strong gains in both value and volume terms.

We are pleased to report that the Group's soft drinks portfolio, supported by our brand building and pricing strategy, delivered both value and volume market share gains in the period.

Source: Circana Total Soft Drinks Market 52 weeks to 27 January 2024.

Cocktail market

The on-trade channel remained variable across the year, with late night venues in particular experiencing reduced footfall in the context of consumers feeling the impact of increased cost of living pressures. Despite these tougher market conditions, the value of cocktails remained flat at £688m and cocktail penetration increased – one in five (9.4m) on-premise GB consumers now drink cocktails out of home, a 0.2% increase on the prior year.

Growth of ready to drink (RTD) products has continued at pace within the UK take home market, now worth £544m. Cocktails have been the main growth driver within the total RTD category, increasing in value by 19.2%, more than four times the rate of the RTD category as a whole. FUNKIN remains the number one RTD cocktail brand within this growing sector.

Source: CGA Mixed Drinks Report Q3 2023; Nielsen Pre-Mixed Alcoholic Drinks Total Coverage Data MAT 27/01/2024

Plant-based milk market

The value of the plant-based milk market grew year-on-year by 1.2% with volumes down 8.6% and is now worth £369m. Oat milk continued to be the key growth driver in the category with volume growth of 2.9% and value sales up 12%, compared to value declines in almond (down 11%), soya (down 7%), and coconut (down 11%) milks.

Oat milk's share of the total plant-based milk market increased to 59%, up from 53% in the previous year, with 21% of UK households now purchasing oat milk.

MOMA grew significantly ahead of the total plant-based milk market with sales up 37%, driven by its specific focus on the growing oat milk sub category, its strong brand momentum as well as distribution gains.

Sources: Nielsen Total Market Plant-Based Milk 52 weeks to Dec 23; Kantar UK Household Penetration 52 weeks ending 02/11/2023.

Porridge market

The value of the total porridge market grew 13% versus the prior year with volumes down 0.7% and is now worth £249m. All porridge subcategories were in value sales growth, with the convenience-focused pots segment showing the fastest growth, up 18%.

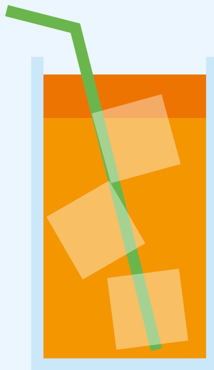
MOMA's porridge pot range grew ahead of the market, up 20% in value driven by strong sales momentum and distribution gains in large multiple retailers.

Source: Nielsen Total Porridge 52 weeks to Dec 23.

OUR FINANCIAL PERFORMANCE

Revenue

The increase in value of revenue recorded relative to the prior year.



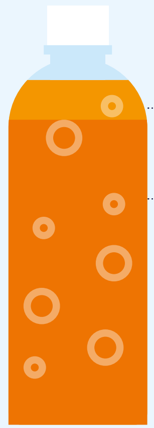
2024
£400.0m

2023
£317.6m

+25.9%

Adjusted profit before tax

Adjusted profit before tax is reported profit before tax after adjusting items.



2024
£50.5m

2023
£43.5m

+16.1%

CHIEF EXECUTIVE'S REVIEW
CONTINUED

Strategy

Connecting with consumers

Consumer engagement has remained fundamental to the delivery of our strategy across the year. Our portfolio of brands appeals to a wide demographic of consumers and we employ a broad and varied range of activities to increase brand awareness, create excitement, build loyalty and offer choice.

Across our soft drinks portfolio we have invested in a number of successful advertising and marketing campaigns, including a new IRN-BRU creative, "WIRE", which engaged consumers in the great IRN-BRU taste debate, Rubicon's successful "Made of Different Stuff" campaign, with a strong social media focus, and Boost's "Let's Do This" consumer advertising programme, targeting growth across a range of channels.

FUNKIN's summer campaign "It's FUNKIN Time!" raised brand awareness with 18 to 34-year olds to 47%, while MOMA's "The Barista's Choice" out of home and digital advertising campaign promoted the brand's credentials as a high-quality oat drink perfect for both professional baristas and home coffee making alike.

We believe sponsorship remains an important means of connecting with consumers. As such Rubicon RAW renewed its partnerships with GB Snowsports and the Boardmasters Festival, while Boost continued its partnership with Leeds United Football Club, raising brand awareness with football fans and beyond.

Building brands

Brand building is at the heart of our growth strategy. Across the year we launched a number of innovative new products, created exciting flavours and limited editions, and gained incremental customer distribution through effective sales execution within multiple channels.

Our core soft drinks brands performed very strongly.

IRN-BRU grew volume ahead of the market and delivered an 8% increase in sales revenue. IRN-BRU XTRA continued to grow, supported by two sell-out Tropical and Ice Cream limited edition flavours across the summer, reflecting consumers' ongoing preference for great tasting, no sugar options.

Energy & Sports continue to be the fastest growing subcategories within the UK soft drinks market, up 16.4% and 54.8% respectively in value terms. Boost brought strong incremental sales to the Sport drinks market with its Raspberry & Mango limited edition innovation, delivered successful new product development to the 500ml can market with Blood Orange and Raspberry Crush and reinvigorated the brand's citrus proposition with the introduction of 250ml Lemon & Lime.

We now have greater scale and presence in energy as we combine the Boost brand, Rubicon RAW Energy and our new energy innovation, PWR-BRU.

The Rubicon brand had an excellent year, with sales up 15%, driven by growth across the full brand portfolio. Rubicon's exotic fruit proposition and its vibrant and energetic brand positioning are proving a winning combination, with consumers keen to experience flavours and products that differ from the norm.

FUNKIN's innovation progressed at pace. From new additions to its RTD range, including Margarita, Aperitivo Spritz and a non-alcoholic Passion Fruit Martini, to its new premium Double Shot bar strength RTD cocktails in cans, the brand remains the UK's Number 1 cocktail choice behind the bar and at home.

MOMA continued to build its position in the plant-based oat drink market and within the breakfast porridge category. With the range growing to include an organic oat milk product, and the development of a new professional range designed specifically for the speciality coffee sector, MOMA is a growing challenger brand with strong British farming and craft oat credentials.

In support of our brand-building strategy we were pleased to acquire the tropical fruit drinks brand Rio for a total consideration of £12.3m in October 2023. Rio has been marketed, sold and distributed on an exclusive licence basis by Boost Drinks since 2021. The acquisition allows us to realise the benefits of full brand ownership, support Rio's continued growth and accelerate our manufacturing in-sourcing plans to access margin benefits.

Outlook

I would like to take the opportunity to thank all of the teams across the Group who have worked hard to deliver this excellent overall performance. It has been a privilege to lead the business and work alongside incredibly talented people.

We closed the year in strong financial health and with our brands and business poised for further growth. I have every confidence that our strategy, alongside our results-driven teams, unique brands and well-invested assets will continue to support our growth and success in the years ahead.

Roger White
Chief Executive
26 March 2024

Details of all our responsibility commitments, goals and activities can be found on 20 to 43 →

Examples of our strategy in action can be found on 18 to 19 →

Driving efficiency

2023 was a year of further investment in efficiency and continuous improvement across the business.

Our multi-year capital investment programme at our Cumbernauld site is progressing to plan in its second year. This asset refresh programme will deliver faster and more efficient production lines, more dual production capability with our Milton Keynes site, providing greater resilience and flexibility, as well as contributing to our net-zero roadmap, through lower emissions and reductions in packaging weights.

Following the acquisition of the Boost business in December 2022, we have commenced the first phase of our planned manufacturing in-sourcing activity. This in-sourcing, alongside our overarching supply chain capital investment programme, brings operational leverage and synergy benefits supporting our margin rebuild plans.

Building trust

It has been a further year of progress across our responsible business priorities and commitments.

The FUNKIN business was delighted to achieve B Corp accreditation, a further significant milestone in FUNKIN's development, certifying its high standards of social and environmental performance.

Our **No Time To Waste** environmental sustainability programme continued to drive the business towards the achievement of our science-based targets and net-zero commitment. Tangible progress across the year included new bio-fuelled vehicles and further increases in recycled content across our packaging. This progress received welcome external validation through an improved rating (A) from the Climate Disclosure Project, widely considered to be one of the most comprehensive independent environmental data sets available.

We continued to support our people across a variety of areas both professionally and personally – from learning and development opportunities to assistance with financial planning – and we are pleased to report that our employee engagement, measured by our annual survey, saw Group-wide engagement increase to 76%, versus an industry benchmark of 69%. (Source: WorkL)

Building trust also extends to our customers and suppliers with whom we aim to build strong collaborative relationships. As an example, Boost celebrated its 20th anniversary in Northern Ireland with a retailer recognition 'Always in your Corner' campaign, and we were delighted to achieve "Best Overall Service" at the Scottish Wholesale Association's awards ceremony – our 12th win in 14 years.

* Items marked with an asterisk are non-GAAP measures. Definitions and relevant reconciliations are provided in the Glossary on pages 180 to 184.

OUR STRATEGY IN ACTION

New IRN-BRU "WIRE" ad

Our latest IRN-BRU advert hit screens in March, another movie parody focused on the great IRN-BRU taste debate.

Connecting with consumers

FUNKIN Innovates

New Double Shot bar strength cocktails.

Building brands

B Corp

FUNKIN achieved B Corp status.

Building trust

Boost and RIO

Successful initial in-house manufacturing of Boost and RIO brands.

Driving efficiency

MOMA

New MOMA organic oat milk.

Building brands

Winning with our customers

Best Overall Service for Barr Soft Drinks at the Scottish Wholesale Association's awards ceremony – our 12th win in 14 years.

Building trust

More information on our strategy see 10 to 11 →

Award-winning innovation

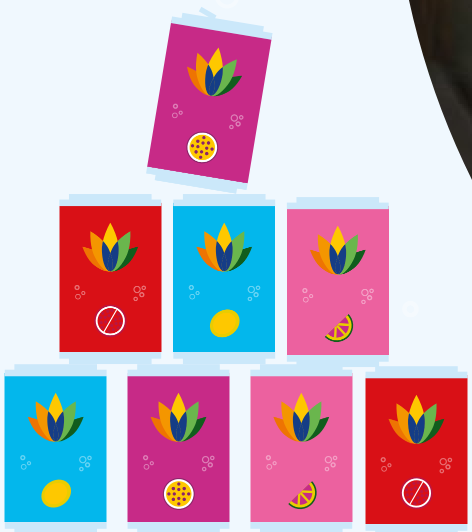
Rubicon Rose Lemonade, a Silver winner at The Grocer magazine's annual New Product and Packaging Awards.

Building brands

Rubicon

Successful new '**Made of Different Stuff'** campaign.

Connecting with consumers



We unleashed the PWR of BRU

A bold new energy brand from IRN-BRU.

Building brands

Barr Soft Drinks investment

Barr Soft Drinks' £30m capital investment programme on track.

Driving efficiency

RESPONSIBLE BUSINESS REPORT

We are pleased to introduce our most up to date Responsible Business Report which sets out our ambitions, progress and future plans related to our responsibility agenda. Our approach and narrative remain consistent. The report also contains updates and highlights on what has been achieved over the past 12 months.

We are proud of our brands and business. We are also proud of the positive contribution we believe we make to society. It is our belief that how we act reflects who and what we are.

For almost 150 years we've been brand owners and builders, offering a diverse and differentiated portfolio of brands that people love and our business has grown as a result. The continued financial strength of our business is important not only to our employees and our shareholders, but also on a broader basis, where our performance positively impacts a wide range of stakeholders and the UK economy.

Our overarching business purpose is to create value, with values – for our shareholders, consumers, customers and for society as a whole. Our values include a commitment to behave responsibly. Our responsibility agenda has always been woven into the fabric of our business and, in today's world, as we grow and develop, it's more important than ever that we play our part in addressing the key issues facing society, such as the need to tackle the impact of climate change.

We are also mindful that our actions can contribute towards global improvements. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership.

Behaving responsibly for almost 150 years.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

While there will be actions we take that contribute both directly and indirectly to many of the SDGs, we have focused our SDG connections where we believe we can most directly play our part. These are:

Good health and wellbeing
Ensure healthy lives and promote wellbeing for all at all ages

Gender equality
Achieve gender equality and empower all women and girls

Decent work and economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

Responsible consumption and production
Ensure sustainable consumption and production patterns

Climate action
Take urgent action to combat climate change and its impacts

OUR KEY RESPONSIBILITY COMMITMENTS

We focus our specific responsibility goals and commitments on those areas where we believe we can make the greatest positive economic, environmental and social impact, supporting our contribution to a sustainable future for all. We also engage with a wide range of stakeholders, as set out on pages 61 to 65, to ensure that our priorities are aligned. As such, behaving responsibly at A.G. BARR is underpinned by four key commitments which we believe to be material matters to both our business and our key stakeholders:

* Further information on employee engagement and women in leadership is provided on page 13 within the non-financial KPI section

** Science-based target as approved by Science Based Target Initiative (SBTi).

*** Net-zero achievement in accordance with SBTi requirements. Reductions are targeted across Scope 3 emissions associated with purchased goods and services and upstream and downstream transport and distribution. See page 39 for more information.

Note: Goals below stated in calendar years.

We act with integrity

Key focus areas

- Safety and wellbeing
- Employee engagement
- Responsible policies and practices

Long-term goals

Accident incident rate
- Zero work-related reportable accidents

Employee engagement*
- 2025 Goal: 80%

Women in Leadership*
- 2025 Goal: 45%

We respect the environment

Key focus areas

- Carbon reduction
- Packaging
- Water and waste
- Sustainable sourcing

Long-term goals

Never again send non-hazardous waste to landfill

Carbon emission reduction across our own operations (Scope 1 & 2 emissions market-based approach)**
- 2030 Goal: 60% reduction from a 2020 base year
- 2035 Goal: 90% reduction from a 2020 base year

Carbon emission reduction across our wider supply chain (Scope 3 emissions) **
- 2030 Goal: 25% reduction from a 2020 base year
- 2050 Goal: 90% reduction*** from a 2020 base year

Improvement in water usage efficiency
- 2025 Goal: 10% improvement from a 2020 base year

Recycled PET content
- 2025 Goal: Full portfolio 100% rPET

We support healthy living

Key focus areas

- Calorie reduction
- Responsible advertising and marketing
- Labelling

Long-term goals

To continue to advertise responsibly, offer a wide range of pack sizes to assist with portion control and, by providing clear nutritional information, enabling our consumers to make informed choices.

We give back

Key focus areas

- Community engagement
- Charity partnership
- Employee volunteering

Long-term goals

To support good causes across our communities, through financial donations and by increasing awareness and supporting fundraising and volunteering across our own teams.

Non-financial information statement

The information presented here and throughout the report (as cross-referenced in the accompanying table), complies with the requirement under sections 414CA and 414CB of the Companies Act 2006 to provide information on certain non-financial matters. Our Responsible Business Report provides the required information in relation to content on environmental matters, our employees, community issues and social matters, as well as setting out our non-financial metrics.

Our business risks are included within our Risk Management section. The Responsible Business Report also complies with the Streamlined Energy and Carbon Reporting (SECR) requirements as required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have complied with the requirements of Listing Rule 9.8.6R by including climate-related financial disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and recommended disclosures, except for Metrics and Targets B given we are unable to disclose Scope 3 emissions for the current year. We have also complied with the requirements of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (SI 2022/31) and the Limited Liability Partnerships (Climate-related Financial Disclosure) Regulations 2022 (SI 2022/46), collectively referred to as CFD thereafter.

It is the Group's policy to conduct all of its business in an honest and ethical manner. It is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates.

The Group is a UK Real Living Wage accredited employer.

Theme	Cross reference (within Annual Report & Accounts unless otherwise stated)	Page reference
Environmental matters	Responsible Business Report – We respect the environment	Pages 28 to 41
Employees	Business model Responsible Business Report – We act with integrity	Pages 8 to 9 Pages 23 to 27
Social matters	Business model Responsible Business Report – We support healthy living Responsible Business Report – We give back	Pages 8 to 9 Page 42 Page 43
Non-financial metrics	Non-financial KPIs	Page 13
Business risks	Risk Management	Pages 48 to 55
Business model	Business model	Pages 8 to 9
SECR	Responsible Business Report – SECR reporting	Pages 40 to 41
TCFD and CFD	Responsible Business Report – TCFD and CFD disclosures	Pages 33 to 40
ABC Governance	Audit & Risk Committee Report	Pages 70 to 71
Supplier controls	Responsible Business Report – Sustainable sourcing	Page 32
Policies & Procedures	Including Supplier Code of Conduct (Human Rights), Modern Slavery Statement, ABC and Employment Protection Policies	**www.agbarr.co.uk/responsibility/policies-terms-of-business-and-brand-rules/**

The Group publishes its Modern Slavery Act Transparency Statement annually. This explains the steps that we take to seek to ensure that there are no incidents of modern slavery within the business and our supply chain, in accordance with the UK Modern Slavery Act 2015. The Board reviews the Group's operational, legal and compliance framework to prevent modern slavery in its supply chain, which includes employee training, contractual terms and conditions, and due diligence processes.

The Group's Anti-bribery and Corruption Policy (ABC Policy), available on the Group website, emphasises the Group's zero tolerance approach to bribery and corruption. It sets out the Group's responsibilities, and of those working for it and parties acting on its behalf, in observing and upholding its position on bribery and corruption in compliance with applicable laws, and provides information and guidance to those working for the Group and parties acting on its behalf on how to recognise and deal with bribery and corruption issues. The ABC Policy is clearly communicated to all employees and ABC training is provided to employees on induction and on a regular basis thereafter.

The Group maintains an anti-bribery and corruption register, which records details of corporate hospitality, and gifts given and received by employees over a specified value. The Group's international teams undertake appropriate due diligence on all third parties acting on its behalf and maintain a third party anti-bribery and corruption register. The Audit and Risk Committee reviews the effectiveness of the Group's anti-bribery systems and controls, and reviews and approves the Group's ABC Policy on an annual basis. No bribery and corruption issues arose during the year.

There is currently no specific human rights policy in place however our Supplier Code of Conduct, available on the Group website, sets out the minimum standards we require our key suppliers to meet, including human rights, and forms part of their contractual commitment to us. As a UK business, we comply with the full spectrum of employee protection legislation. We believe our existing policies ensure the rights of our own employees are respected fully and our robust supplier controls provide assurance when considering human rights impacts beyond our direct control.

We act with integrity

Safety and wellbeing culture

We work hard to create a culture in which health, safety and wellbeing are our top priorities. Our ultimate goals in this area are zero work-related accidents and the provision of safe and healthy working environments for all. We continuously improve our management systems to underpin our objectives and to ensure compliance with all health and safety related legislation as a minimum. Our thorough and varied health and safety management activity programme is designed to keep safety at the top of everyone's agenda, with actions ranging from safety awareness initiatives and safety training, to site audits and reporting.

Over the past 12 months we have continued to review our workplace activities and focus on reducing risk through the implementation of suitable control measures. Our health, safety and wellbeing related activity has included:

- Ongoing review and roll-out of updated risk assessments and safe systems of work.
- Internal training, including dynamic risk assessment, contractor control and accident investigation.
- Provision of IOSH Working and Managing Safely courses across our supply chain teams.
- IOSH Managing Safely/Safety for Managers courses.
- Provision of Mentally Healthy Workplace Training for Managers.
- Two-way communication via health and safety committees and representatives across all business areas.
- Continued partnership with the Keil Centre, supporting and validating our performance against our safety cultural maturity targets.
- Health, Safety and Wellbeing Days – a series of face-to-face events carried out across all of our sites to help drive improved behaviours, awareness and decision making. This year we invited external speaker Lisa Ramos to deliver powerful impact sessions at our Cumbernauld and Milton Keynes sites. Lisa was injured in a forklift truck accident and recounts the impact on her and her family.
- Health and Safety Awards – recognising those employees who have gone above and beyond to improve the safety of themselves and others.
- Health and Safety pulse surveys gauging the views and priorities of employees.
- Robust internal audit programme to help ensure compliance with legal requirements and identify and implement continual improvement opportunities.
- We implemented new health and safety management system software that provides easy to use and robust accident and near miss reporting.
- We implemented a new driver safety programme for everyone who drives a car as part of their work activities. This comprises of a driver risk assessment and tailored e-learning modules.
- Focused leadership training for our health and safety representatives at Milton Keynes and Cumbernauld.

SAFETY HIGHLIGHT

Accident incident rate reduced from 4.0 to

2.7

We act with integrity continued

We are pleased to report that our accident incident rate, the number of RIDDOR accidents per 1,000 people, reduced from 4.0 to 2.7 during the past 12 months. This, along with our ISO 45001 certification, are clear validations of the hard work that is ongoing to improve our safety standards and culture.

Our accident incident rate KPI, as detailed in our non-financial KPIs on page 13, includes those accidents involving our own and agency employees, however as part of our regular accident monitoring and reporting processes, any accidents that occur on our premises by contractors or other third parties are recorded, fully investigated and the learnings taken into account.

We will continue to work hard towards delivering our safety goals in the year ahead.

From a wellbeing perspective we support our employees across a wide range of areas. From hybrid working arrangements, which provide greater flexibility to office-based colleagues, to the provision of training and resources to raise awareness of wellbeing issues, such as mental health and the menopause, we work hard to create a culture where open conversations are encouraged and our people are properly supported.

Employee Engagement

For almost 150 years we have developed a positive, results-driven and supportive culture. As we grow our business both organically and through acquisition, it is important that we retain the entrepreneurial spirit of the new and exciting additions to our Group, while also ensuring that we continue to value and nurture the unique essence of what makes A.G. BARR a great business to be part of.

Underpinning everything that we do is our belief in performance through people – positive and engaged teams are central to our success. Communication is key to this engagement and we use a wide range of channels and tools to suit the different needs and preferences of our people.

SAFETY HIGHLIGHT

5 years

with zero lost time accidents at Forfar factory

EMPLOYEE ENGAGEMENT HIGHLIGHT

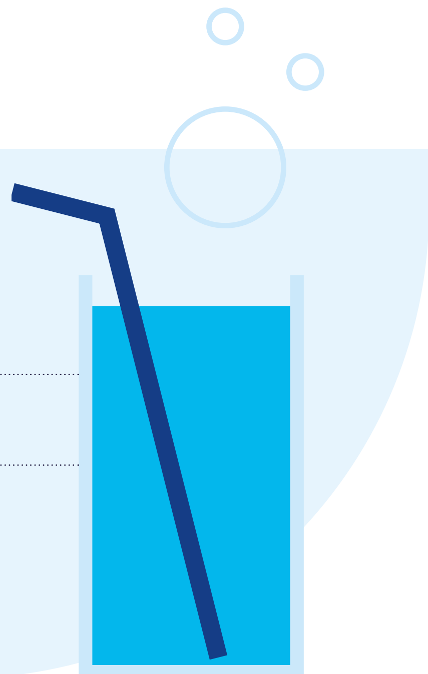
Employee engagement in 2024

76%

2023: 75%

2024
76%

2023
75%



Employee values

Underpinning our corporate values, our four business divisions have their own employee values. These behavioural frameworks are central to who they are and how they operate, playing an important role in building teams and strengthening performance.

At Barr Soft Drinks, which comprises our largest group of colleagues, employee values are embodied by the Barr Behaviours. Created by our own people they represent what is important to a business that has been successful for over a century – Being Brilliant, Always Learning, Results Driven and Relationships Matter.

For the more recent additions to the A.G. BARR Group – **FUNKIN, MOMA** and **Boost** – their employee values are more reflective of the entrepreneurial and agile nature of their businesses, which we believe are important characteristics to retain and nurture.

From recruiting new employees to developing existing teams, these employee values support how our teams work together to enhance performance and are fundamental to our success.

For more information on our employee values visit our website at agbarr.co.uk

Learning and development

Our business is committed to learning and development to ensure everyone has the required skills and knowledge to thrive in their current role as well as building readiness for the capabilities we are likely to need in the future.

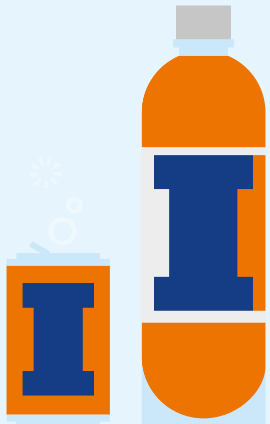
We have developed a Company-wide learning culture where all colleagues are encouraged and enabled to take ownership of their performance and drive their own development and careers. How colleagues learn and develop can vary and we therefore ensure that we provide a blended learning experience whenever possible.

In recognition of our commitment to building colleague confidence and competence we have grown our learning and development team over the past 12 months. The ever-changing and volatile external landscape make reskilling and upskilling more important than ever before. We recognise the importance of skilled employees, exceptional leaders and knowledge – all vital to our ongoing commercial success. As such, in addition to our regular technical and compliance based training, we have shaped progressive development programmes to accelerate the development of key colleague populations. We are pleased to be in a position to deliver much of this development in-house which we believe will increase the likelihood of the development being embedded across our organisation for the long term.

LEARNING AND DEVELOPMENT HIGHLIGHT

Careers Week

Almost 170 of our people participated in our new Careers Week initiative, an opportunity to learn more about career planning and development. Covering areas such as career planning, apprenticeships, and our internal e-learning catalogue, this will now become an annual event as part of our learning and engagement calendar.

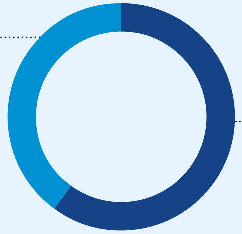


We act with integrity continued

GENDER DIVERSITY AS AT YEAR END

Board & Company Secretary

2024
40%
Female

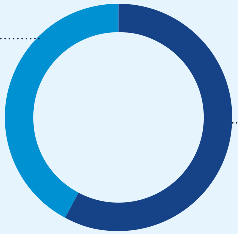


2024
60%
Male

	2023	2024
Male	7	**6**
Female	3	**4**

Leadership team

2024
42%
Female

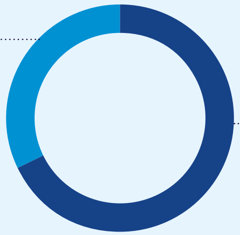


2024
58%
Male

	2023	2024
Male	63	**62**
Female	39	**44**

All employees

2024
32%
Female



2024
68%
Male

	2023	2024
Male	701	**699**
Female	313	**331**

Diversity, equity and inclusion

We strive to be an inclusive employer that supports colleagues regardless of their gender or background and tackles any barriers that are preventing them from being their best. We continue to focus on delivering small steps focused on positive change.

We aim to recognise and celebrate individuality as we continue to encourage, respect and value difference. We are focused on building a workforce that is truly representative of the communities we serve.

The gender balance across the organisation now sits at 68% men and 32% women, broadly indicative of our industry. On our journey towards greater gender equality we set a new KPI in 2020 related to women in leadership, targeting 45% women across the leadership population by 2025 and we are pleased to have made further progress in this regard with senior female representation across the Group now at 42%, up from 38% in the prior year.

The key metrics from our latest Barr Soft Drinks Gender Pay Report are detailed below:

Mean Gender Pay Gap
1.4%
2022: -5.1%

Median Gender Pay Gap
-4.6%
2022: 6.0%

Mean Bonus Pay Gap
-13.4%
2022: -1.1%

Median Bonus Pay Gap
-5.1%
2022: -17.6%

Positive numbers are favourable to men, and negative numbers are favourable to women.

Our mean gender pay gap has shifted since 2022 and is now slightly favourable to men.

This is considered to be within the neutral range. Last year, it was favourable to women. However, overall our figures have improved as we get closer to 0%.

Both our mean and median bonus pay gaps are favourable to women.

% employees receiving a bonus payment

Male
94%
2022: 89%

Female
95%
2022: 93%

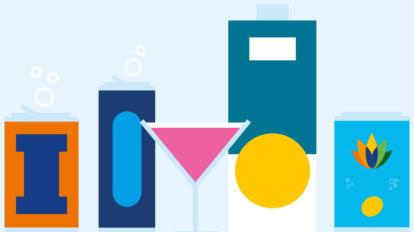
Our focus is on making diversity, equity and inclusion not a "separate thing to do" but to embed it into our day-to-day business. We are on a journey and are confident that our focus areas for the year ahead will support further positive progress.

The full Barr Soft Drinks Gender Pay Report is available on our website at www.agbarr.co.uk

DIVERSITY, EQUITY AND INCLUSION HIGHLIGHT

Improved website Accessibility

Our corporate website is now more functional, inclusive and customisable for both visitors and employees alike following the introduction of a new user accessibility toolbar.



Reward

Our approach to reward aims to link remuneration with the delivery of our key strategic priorities and our overarching purpose, to create value, with values – for our shareholders, consumers, customers and for society as a whole.

We strive to offer a fair and transparent total reward package that drives a performance-led culture and is linked to both the long-term sustainable success of the business and our values.

We target our pay at the market median or above, ensuring we can attract and retain high-calibre employees. We operate a number of incentive and bonus schemes designed to reward and motivate strong individual and collective performance.

We offer employees a modern and flexible range of benefits, offering choice to our increasingly diverse workforce. Our flexible benefits scheme allows eligible employees to select the benefits most suitable to them personally, using an allocated monetary allowance. Healthcare features prominently, with a selection of health-related benefits made available either on a core benefit basis or within the suite of flexible benefits made available to employees.

We comply fully with all the regulations associated with rewarding our employees fairly and are a UK Real Living Wage accredited employer.

More information on how we ensure that our approach to remuneration supports our strategy is available in the Directors' Remuneration Report on pages 74 to 105.

Responsible policies and procedures

We have high expectations of our suppliers, our partners and ourselves. Across almost 150 years of operation, we have developed robust and responsible policies that guide what we do and how we work with others. The key policies, statements and guidelines we rely upon and that support our responsibility commitments are available on our Group website at www.agbarr.co.uk.

Risk and regulation awareness

We have a robust risk management framework in place that is embedded across the business. In addition to the Group risk register, governed by the Board, business division and functional risk registers have been developed across our teams, allowing a wide range of employees at different levels to contribute to our risk assessment and assurance processes.

Our reputation is extremely important to us and it is the responsibility of every employee to act professionally, fairly and with integrity. This requires an understanding of the regulatory risks we face and how we can all play a part in mitigating these risks.

In support of this, we require employees to complete the following five mandatory training modules:

- Introduction to Risk
- Data Protection
- Competition, Pricing and Confidentiality
- Anti-Bribery and Corruption
- Anti-facilitation of tax evasion

Further details on our risk management actions can be found on pages 48 to 55. →

We respect the environment

We take our environmental responsibilities very seriously, constantly seeking to minimise our impact on the world we operate in. We focus on energy, waste and water reduction, limiting the impact of our packaging as well as working towards our long-term carbon reduction targets.

We have been accredited to the Environmental Standard ISO 14001 since 2003. This certification provides a framework against which we have developed comprehensive environmental procedures and monitoring systems. These processes have allowed us to measure our environmental performance and focus our activities on delivering long-term improvements.

Carbon reduction

We have an important role to play in the transition to a low carbon and climate-resilient economy.

Aligned to the Science Based Target Initiative's (SBTi) Net-Zero Standard, we have SBTi approved near and long-term science-based emission reduction targets and an SBTi verified science-based net-zero target of 2050.

With continued support from the Carbon Trust we have now completed a full carbon footprint assessment for our 2022/23 financial year covering our Scope 1, 2 and 3 greenhouse gas emissions. Our first full carbon footprint assessment took place in 2020/21. Building up year-on-year data allows us to assess our impact and track progress towards our long-term goals.

In focus

Science-based targets explained

In 2015, 196 governments signed the Paris Agreement, which aims to keep average temperature increase to well below 2°C above pre-industrial levels. More explicitly, the agreement sets out to limit the temperature increase even further to 1.5°C.

The Science Based Target Initiative (SBTi) enables companies to demonstrate their leadership on climate action by publicly committing to science-based greenhouse gas (GHG) reduction targets. Science-based targets provide clearly defined pathways for companies to reduce GHG emissions. Targets are considered science-based if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.

SBTi requires companies to focus initially on reducing their emissions from their direct GHG emissions (Scope 1), their indirect emissions, including the consumption of purchased electricity (Scope 2) and then on their wider indirect (Scope 3) emissions.

OUR 2022-2023 GREENHOUSE GAS EMISSIONS

Scope 1

2.5%

Direct emissions from activities we control (4,364 tonnes)

Scope 2

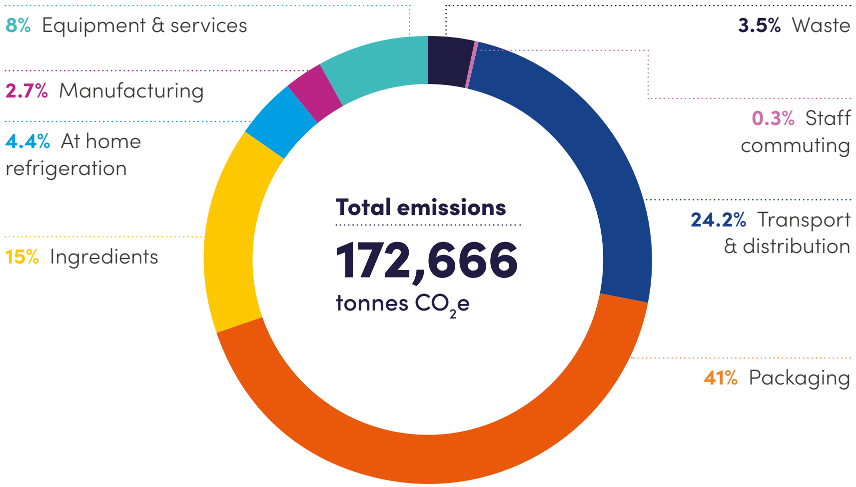
0.1%

Market-based. Indirect emissions from purchased energy (180 tonnes)

Scope 3

97.4%

All other emissions that occur in the value chain (168,122 tonnes)



Our 2022/23 greenhouse gas emissions

A detailed breakdown of our 2022/23 greenhouse gas emissions is contained within the Metrics and Targets section of our TCFD and CFD disclosures on pages 33 to 40. These disclosures also contain our Streamlined Energy Carbon Reporting (SECR) report which sets out our Scope 1 and 2 data for the 2023/24 financial year.

Our 2022/23 carbon reporting includes 8,720 tonnes of emissions from our recently acquired Boost and MOMA business divisions. MOMA's emissions are included for the full year, as a result of our majority shareholding position, prior to the full business acquisition in December 2022. For Boost the data includes eight weeks of emissions from the point of acquisition in December 2022.

These additions to our Group have resulted in a year-on-year increase in our total carbon footprint. However, on a like-for-like basis, excluding the impact of MOMA and Boost, our year-on-year emissions have reduced, despite the underlying business increasing sales volumes. We delivered a number of positive carbon reduction initiatives across the year including the purchase of 12 new trucks fuelled by renewable bio-methane (Bio-CNG), further plastic lightweighting and an increase in our use of recycled plastic across our packaging.

Following the addition of the MOMA and Boost businesses to our Group, we are now in the process of recalculating our 2020 greenhouse gas emission baseline data, from which our science-based targets are calculated. We will work with the SBTi to renew our targets ensuring our data and our goals are representative of our enlarged business.

We are fully committed to achieving our science-based targets. For our Scope 1 and 2 emissions we have a deliverable and realistic net-zero roadmap. This roadmap builds on the progress we have already made and extends into future initiatives including further electric vehicles, solar panels, air source heat pumps and other degasification projects.

For our Scope 3 targets, including purchased goods and services as well as upstream and downstream transport and distribution, we are working closely with our key suppliers and partners.

Our roadmap to net-zero on page 31 sets out our progress and plans.

CARBON REDUCTION HIGHLIGHT

90%

20% of our trucks are now fuelled by renewable biomethane (Bio-CNG), delivering a 90% reduction in CO_2e in comparison to a diesel HGV.

We respect the environment continued

Packaging

We believe that packaging should be treated by all as a valuable resource and recycled, not discarded as litter or waste.

100% of our Barr Soft Drinks and FUNKIN packaging is recyclable with clear on-pack recycling messages. As part of our No Time to Waste programme we are now working across the whole Group to align our packaging recyclability.

We continually seek to reduce the amount of packaging we use and our No Time To Waste plastic and packaging workstream has established a clear strategy with a long-term goal of 100% circular packaging. This means a future where packaging is reduced, recycled and reused and supports our commitment to the UK Plastics Pact, of which we became signatories in 2022.

Reducing the environmental footprint of our packaging will be a critical part of our journey to reach net-zero.

Following the introduction of 100% recycled plastic (rPET) into all of our IRN-BRU and Rubicon 500ml bottles in 2022, saving over 2,000 tonnes of virgin plastic every year, we are proud to have added further rPET into our portfolio during 2023. This was achieved at our Milton Keynes site where every plastic bottle produced now contains at least 30% rPET.

We have retained our goal of having our full portfolio in 100% rPET by the end of the 2025 calendar year, however this is an area that we keep under regular review. The availability of appropriate quality food grade recycled plastic remains an ongoing issue across the food and drink industry, in the UK and beyond.

While consumers increasingly understand the need to recycle, plastic bottle caps are often found as litter. As a responsible manufacturer we are moving to new designs that have our plastic bottle and carton caps connected to the pack after opening. This means the whole pack – container and cap – can be recycled together.

We produced our first attached cap bottles at our Milton Keynes site in the latter part of 2023 and aim to convert the majority of our soft drinks portfolio by the end of 2024. The new plastic bottle design brings an associated plastic lightweighting benefit, with a current annual virgin plastic reduction of over 100 tonnes for bottles produced at Milton Keynes.

PLASTIC AND PACKAGING HIGHLIGHT

Cap attached plastic bottles

Introduction of first cap attached plastic bottles with associated plastic lightweighting at our Milton Keynes site – this saves over 100 tonnes of virgin plastic – the weight of around 20 adult elephants.

THE ROAD TO NET-ZERO

Our ambitious commitments are being delivered through our No Time To Waste environmental sustainability programme, which brings together our net-zero, plastic and packaging, waste, water and sustainable sourcing workstreams. No Time To Waste is central to the achievement of our science-based targets and we were pleased to bring both Boost and MOMA into the programme during the year.

Further information is available on pages 33 to 40 within our TCFD disclosures.

OUR PROGRESS

2020

- ESG Board Committee established
- Launch of No Time To Waste environmental sustainability programme
- Switch to 100% renewable electricity
- Climate Disclosure Project ('CDP') score improves to B classification
- Introduction of 100% recycled packaging film on Barr Soft Drinks consumer multipacks

2021

- Completion of first full carbon footprint assessment
- 45% reduction in greenhouse gases since 2015
- CDP score improves to A- classification
- Electric vehicle charging points installed at all main Company-owned sites
- Fully electric fork lift truck fleet
- Introduction of plant-based bio cartons

2022

- SBTi approved science-based targets and net-zero commitment
- Full compliance with TCFD
- First bottles in 100% recycled plastic (rPET)
- FUNKIN glass bottle recycled content increased from 14.6% to 42.5%
- New signatory of UK Plastics Pact
- Successful trial of Hydrotreated Vegetable Oil (HVO) as fuel alternative to diesel

2023

- 20% of trucks fuelled by renewable bio-methane (Bio-CNG)
- CDP score improves to A classification
- Introduction of first cap attached plastic bottles
- Further packaging lightweighting
- 30% rPET introduced in all PET plastic bottles produced at our Milton Keynes site

OUR PLANS

2024–2030

- Targeting 100% rPET across full Barr Soft Drinks portfolio
- Plastic and aluminium packaging lightweighting
- Increased use of recycled content and renewable materials
- Supplier engagement and collaboration programme
- Transition of remaining truck fleet to renewable fuel
- Reduce Company car fleet and move to electric vehicles
- Degasification at our main manufacturing sites through solar panels and heat pumps
- Installation of lower energy intensive manufacturing equipment at our Cumbernauld site, including new PET and can filling lines
- Key suppliers transition to green electricity

2030

- Reduce Scope 1 and 2 GHG emissions by 60%
- Reduce Scope 3 GHG emissions from purchased goods and services and upstream and downstream transport and distribution by 25%

2030–35

- Further degasification through solar panels and heat pumps
- Removal/reduction of CO_2 as a manufacturing processing aid
- Supplier engagement and collaboration programme

2035

- Become net-zero across our own operations

A NET-ZERO FUTURE

2035–50

- Further use of recycled content and renewable materials
- Logistics partners move away from diesel
- Suppliers and logistics partners delivering on their net-zero commitments

2050

Become net-zero across our full value chain

NO TIME TO WASTE

We respect the environment continued

Water and waste

As a multi-beverage business, water is an important ingredient, as well as a necessary resource we rely upon across our operations. There is increasing awareness of the challenges faced in managing water resources and we are extremely aware of the part we have to play in protecting this precious commodity.

We are pleased to report further improvements in our water usage efficiency. Our ratio of total water used relative to total litres of product produced has improved by 10.7% against our 2020 baseline, supported by a number of initiatives across our manufacturing sites. This reflects the early achievement of our 2025 water efficiency target. More information can be found in our non-financial KPI section on page 32.

We have also invested in additional water metering at our Milton Keynes site during the year. This technology is already providing useful data across our production lines, supporting the identification of further areas where water consumption can be reduced in the year ahead.

As part of our sustainable sourcing strategy we also know that the most significant water use in our value chain is in agriculture. The crops that we rely upon for many of our products, such as mangos, are grown in hot, potentially water-stressed areas, and we are working in partnership with our global suppliers to encourage sustainable practices.

Once again we are pleased to have achieved our long-term target related to waste with 100% of our non-hazardous waste diverted from landfill. Our objective is to maintain this performance on a permanent basis.

We are also targeting waste reduction across our own operational sites. Our Brilliance in the Making continuous improvement programme, operated across our own factories, identifies and delivers initiatives that generate efficiency, waste and water improvements. As a result of process improvements across the year, and a specific focus on material reduction, we have removed over 15 tonnes of operational waste on an annual basis. We have also successfully diverted 495 tonnes of waste from disposal, through partnerships and arrangements with organisations that can reuse our waste and put it to meaningful use.

WASTE HIGHLIGHT

Extending the life of packaging

Many of our raw materials and ingredients are delivered to us in cardboard packaging – we have partnered with a number of businesses to reuse rather than recycle these items, putting them to useful purposes, extending the life of the packaging and saving unnecessary recycling and reprocessing.

Sustainable sourcing

As climate change and a rising population put pressure on our limited natural resources, it is important for all our raw materials to be sourced sustainably and used effectively.

As one of our **No Time To Waste** workstreams, sustainable sourcing is key to ensuring our high-quality ingredients and materials are sourced and manufactured in a fair, ethical and environmentally responsible way.

Our Supplier Code of Conduct sets out the key supplier principles we work to and the minimum standards we require our suppliers to meet, which form part of their contractual commitments to us. This Code is fundamental to ensuring we work with suppliers who uphold the highest standards with respect to human rights, conditions of employment and who actively reduce their environmental footprint. We ensure our critical suppliers have embedded sustainable and ethical practices in their organisations, and that they are committed to maintaining these principles within their own supply chains.

Our key suppliers must acknowledge their compliance on an annual basis through our stringent supplier approval process, which uses questionnaires and audits to confirm adherence to our standards across a broad range of requirements. For many years we have used the Supplier Ethical Data Exchange (Sedex) platform, a not-for-profit global membership organisation dedicated to driving improvements in ethical and responsible business practices. We also use the Sedex Supplier Approval Questionnaire as an important secondary validation step which allows independent benchmarking of suppliers on a consistent measurable basis.

WATER HIGHLIGHT

Over 1 million

litres of water saved as a result of improved rinsing efficiencies on IRN-BRU production runs at our Cumbernauld factory

The output from these questionnaires also allows us to collaborate and engage with our suppliers to set objectives and action plans to deliver sustainable and continuous improvements. This includes active and ongoing dialogue with our key suppliers related to their carbon reduction plans – their actions support the delivery of our Scope 3 science-based targets, and ultimately our net-zero ambition.

Materiality and stakeholder engagement

We regularly engage with internal and external stakeholders to ensure that our responsibility agenda is addressing the material issues.

Governance

Our responsibility agenda is integrated into our strategic, financial and business planning, as well as our risk management processes, with ultimate accountability sitting with the Board.

Our Executive teams are responsible for the delivery and execution of our responsibility actions and programmes, supported where appropriate by sub-committees and functional or project teams. Further information on the governance of our climate-related risks and opportunities is detailed in our TCFD and CFD disclosures as follows.

Independent assurance

We continued to work with third party assurers, the Carbon Trust, across the past 12 months. They have completed a review and verification of our Group operations for Scope 1, 2 and 3 emissions for the year ended January 2023 against the 14064-3 standard.

Scope 1 and 2 verification for the year ended January 2024 is underway.

CLIMATE HIGHLIGHT

A class rating

CDP score improves to A rating

CDP DRIVING SUSTAINABLE ECONOMIES

Having developed the world's first certification for organisational CO_2e Reduction Standard and product carbon footprints, the Carbon Trust is a leading carbon footprint certification body.

During 2023 we were also pleased to improve upon our Climate Disclosure Project (CDP) rating which has now increased to an A classification. CDP is a not-for-profit charity that runs a global environmental disclosure system. CDP is widely used and considered to be one of the most comprehensive independent environmental data sets available. The CDP Score Report allows us to benchmark and compare our environmental stewardship with peers, and provides additional information that can help inform our forward-looking improvement programmes.

Further information on our corporate governance framework can be found on 58 to 69 →

TCFD and CFD disclosure

The Task Force on Climate-related Financial Disclosures (TCFD) and the Climate-related Financial Disclosure (CFD) requirements both provide a framework for companies to report the potential financial impacts from climate change on their business. They also require reporting of the progress made by the organisation against the targets set to mitigate climate-related risks and to reduce its impact on the environment.

These frameworks are designed to help investors and wider stakeholders understand how businesses are managing climate-related financial risks, across four key areas:

Governance – setting out the respective roles of the Board and management team in managing risks and opportunities.
Strategy – identifying risks and opportunities over different time horizons and explaining how these impact strategic and financial planning.
Risk Management – having processes in place for managing identified risks and including these within the overall risk management framework.
Metrics and Targets – explaining how both climate change impact and exposure to risks are measured, setting targets and tracking ongoing progress.

Using this framework we set out our full disclosures as follows.

Governance

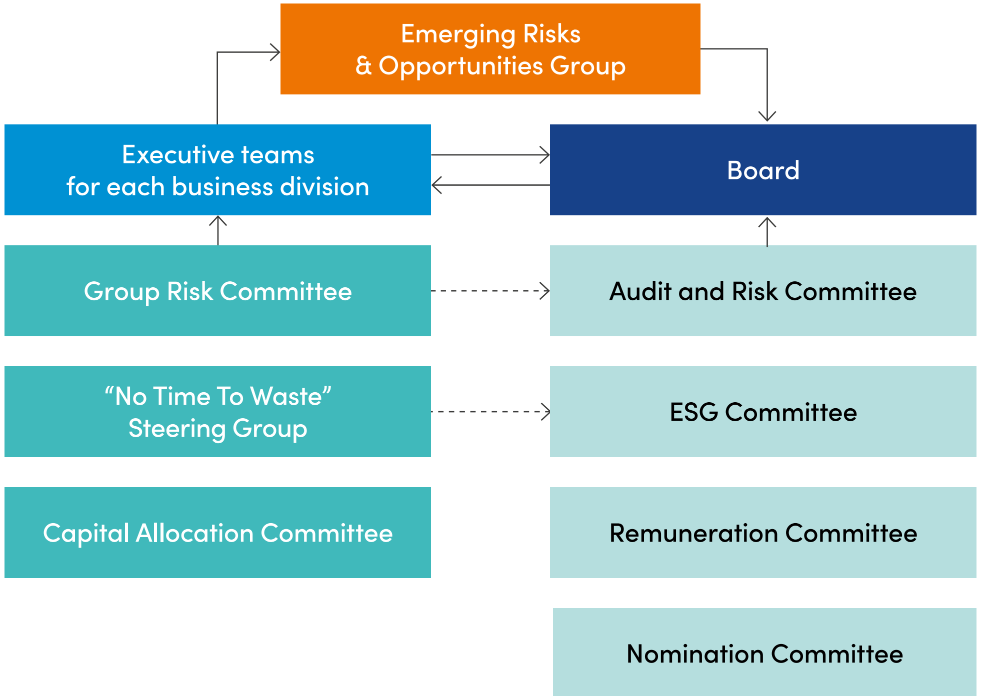
Board of Directors

The A.G. BARR Board has accountability for the oversight of climate-related risks and opportunities impacting the Group.

The Board of Directors considers climate-related risks and opportunities when reviewing and agreeing the Company strategy, agreeing future objectives, budgets and KPIs, setting policies and when considering potential M&A activity.

The Board carries out a full review of our Group risk register and principal risks, including those related to climate change, twice a year.

In addition, the Board regularly discusses climate-related issues across a variety of Board meeting agenda items. These include matters arising from its sub-committees, particularly from the Environmental, Social and Governance (ESG) Committee, as well as from general business updates, where climate-related issues will often be integral. Examples during the year include discussions on science-based targets, net-zero roadmap, as well as the approval of our strategic capital investment programme, incorporating projects which will contribute to greenhouse gas reduction.



We respect the environment continued

A structured process for identifying and quantifying emerging risks and opportunities across the Group, similar to our risk management approach, provides a framework to support broader thinking on new and emerging areas, including those related to climate change. With input from all of our Executive teams, this plays an important role in the Board's strategic planning process. The Board completed a robust assessment of the Group's emerging risks, including those related to climate change, during the year.

Corporate climate-related targets, set by the Executive teams and ratified by the ESG Committee, are monitored by the Board on a regular basis.

The Board, in turn, delegates some elements of its responsibility to its various sub-committees, as set out below:

- The **Audit and Risk Committee** has the delegated responsibility to monitor our internal financial controls as well as our internal control and risk management systems. Its risk management oversight includes the review of our Group risk register and principal risks, including those related to climate change, at least twice per year.
- The **Environmental, Social and Governance Committee** assists the Board in fulfilling its oversight responsibilities with respect to the Company's management of all relevant ESG matters. The ESG Committee has delegated responsibility for approving the Company's environmental sustainability strategy and reporting back to the Board. It meets twice a year as a minimum.
  The ESG Committee owns, and is responsible for monitoring and updating, our material risks and opportunities related to climate change. A full review was undertaken during the year against three climate scenarios. See the Strategy section for the output.
- The **Remuneration Committee** is responsible for determining our remuneration policy, including how climate-related factors are taken into consideration and reflected in reward. Executive Directors' long-term incentive plan awards, by way of illustration, include an environmental sustainability performance measure. Further information is available in our Directors' Remuneration Report on page 76.
- The **Nomination Committee** is responsible for Board appointments and succession planning.

Business Divisions

Our Executive teams across our business divisions are responsible for managing the climate-related risks and opportunities faced by our Group on both a long-term strategic basis and day to day. Our strategic planning process considers both the risks and opportunities arising from climate change and a specific process related to emerging risks and opportunities. The Executive teams are supported across a number of areas as set out below:

- Our **Group Risk Committee** ensures that a strong framework is in place to manage operational risks effectively, including those associated with climate change. The Committee oversees our principal risks and uncertainties, and reviews the effectiveness of risk management and compliance systems in managing those risks. The aim of the Committee is to ensure that employees understand the importance of good risk management, that a supportive risk management culture is embedded across the Group and that risk management processes are clearly deployed.
- The **No Time To Waste Steering Group**, chaired by the CEO, governs our Group-wide environmental sustainability programme. The No Time To Waste Steering Group has overall responsibility for setting the Group's environmental sustainability strategy, for achieving the Company's climate change objectives, and for monitoring and managing risks and opportunities related to climate change. The No Time To Waste programme encompasses five key workstreams associated with reducing the effects of climate change with a risk register in place across the programme. The risks identified, along with opportunities arising from the climate change agenda, are reviewed on a monthly basis.
- Our **Capital Allocation Committee** is responsible for ensuring the best use of our capital resources in line with our strategy and plans. This includes the review and approval of capital expenditure programmes related to environmental sustainability, taking into account the risks and opportunities in investment decisions.
- Our **Emerging Risks and Opportunities Group** is responsible for identifying and managing emerging risks and opportunities at an A.G BARR Group level. This group conducts an annual review prior to making recommendations to the Board, the output from which forms part of our Board's annual Strategy Review.

Strategy

Our Board has ultimate responsibility for agreeing our business strategy, taking into account, and reflecting where appropriate, the risks and opportunities associated with climate change. As detailed above, the Board's strategic thinking and decision making is supported and informed by our Executive teams and by a number of Board sub-committees.

As detailed in the Metrics and Targets section that follows, our key climate related objective, borne out of our strategy, relates to our achievement of our science-based targets and our ultimate net-zero commitment. Our associated net-zero road map is set out on page 31.

Our strategic timeframes are as follows:

- Short-term: 0 to 1 years
- Medium-term: 1 to 5 years
- Long-term: 5+ years

These timeframes have been selected to align with our annual budgeting process, our internal integrated planning process (3 to 5 years) and our longer term thinking on emerging risks and opportunities.

The opportunities, as well as physical and transition risks considered material to our Group, are detailed below, along with our strategic responses. A full review was undertaken during the year against three climate scenarios with the resilience of our strategy specifically tested against scenarios where global temperatures rise by more than 2°C (RCP 4.5).

Our methodology for defining material financial and strategic impacts on our business is aligned with our risk management approach, detailed in the Risk Management section that follows. Gross risk impacts that fall in the categories of "moderate", "major" or "critical" would be deemed to be material.

Physical risks

associated with increased severity of extreme weather events such as cyclones and floods (acute), and associated with changes in precipitation patterns and extreme variability in weather patterns, rising mean temperatures and rising sea levels (chronic).

Risk Type & Description	Timeframe	Potential financial impact
Chronic risk The risk that long-term climate change impacts the future availability, quality and cost of the natural ingredients required to manufacture our products, such as sugar, fruit and water.	Long-term	■□□

Strategic response:
We have dedicated Sustainable Sourcing and Water workstreams within our No Time To Waste environmental sustainability programme with ambitious strategies in these areas. By way of illustration of action taken related to fruit availability, we have developed a network of suppliers who can supply materials from different origins and have set up a programme to approve products from different geographical sources, such as passion fruit from Vietnam, in addition to our existing supply from Ecuador, thus reducing risk of supply issues and ultimately protecting availability.

We have developed an upstream farming location database which allows us to see beyond our direct suppliers and understand specific farming locations. By reviewing this data we can better understand the mitigating actions we can take and spread our farming sources across broader geographical areas.

As a core ingredient, we have three approved mango suppliers who source from two distinct districts in India to provide us with diverse sources of the fruit. We are also engaging with suppliers to establish alternative sources from other countries, such as Bangladesh, to mitigate against poor crop yields.

Engagement has now commenced with the Sustainable Agricultural Initiative to support us in working with our suppliers to help mitigate and manage longer-term climate change impacts.

Our well communicated sugar reduction programme also provides mitigation against some of the risks associated with sugar availability. With a portfolio now less reliant on sugar we have reduced our exposure to potential longer-term sugar sourcing issues.

Risk Type & Description	Timeframe	Potential financial impact
Acute risk The risk that an extreme weather event impacts the crop or yield of a natural ingredient used within our products or that an extreme weather event causes supply chain, transport or customer service disruption – such as a flood at one of our strategic supplier locations, resulting in a lack of supply for some key materials and loss of sales. The greatest risks to our business operations in terms of extreme weather events are likely to be severe winter weather affecting our ability to service customers, or an extreme weather event at a key supplier, e.g. flooding. Severe storms could also affect harvests, transport and/or logistics. Logistical challenges could lead to an immediate, but likely short-term, impact on sales while any harvest impact could lead to reduced supply and higher raw material prices.	Long-term	■□□

Strategic response:
In addition to broadening our supplier base to mitigate key supplier risk we ensure that we retain appropriate levels of inbound raw material stock and outbound finished stocks. We also discuss with suppliers their disaster mitigation recovery plans.

We have a fully researched suite of contingency recipes using alternative ingredients where appropriate should short-term weather events impact raw material availability.

Potential financial impact movement:

■□□ Moderate

■■□ Major

■■■ Critical

We respect the environment continued

Transition risks

associated with changes to policy and legislation, technology, the market and reputation.

Risk Type & Description	Timeframe	Potential financial impact
Policy and legal risk The risk of higher costs as a consequence of planned/potential regulation such as a carbon tax, or packaging related regulations/taxes such as UK Extended Producer Responsibility (EPR). The IEA Net-Zero Emissions by 2050 climate scenario identifies a potential need to introduce carbon pricing for all industries in developed countries starting from $140 per tonne CO_2e in 2030, rising to $205 per tonne CO_2e in 2040.	Medium-term	1 of 3
Strategic response: We have approved science-based targets that will see us becoming net-zero across our own operations by 2035 and across our full supply chain by 2050, if not sooner. We have already begun our decarbonisation journey in areas such as moving to 100% renewable electricity and 100% electric forklift trucks. We are also focused on reducing, reusing and recycling across our packaging. 100% of our Barr Soft Drinks and FUNKIN packaging is already recyclable and we are increasing our use of recycled material. We now have 100% recycled plastic film across consumer multipacks and introduced our first 100% recycled bottles in April 2022, as part of a longer-term objective of having 100% recycled content across our full portfolio of plastic bottles. Discussions are also underway with our glass bottle and aluminium can suppliers on how we can work together to increase recycled content in the products they provide. We are reducing packaging where possible, such as a recent reduction in the weight of our factories' outer stretch wrap. In addition, we are positive supporters of the implementation of the Deposit Return Scheme (DRS) in the UK, which will help to mitigate potential EPR costs for the business – the latest government proposals in this area have confirmed that containers subject to DRS will be out of scope of EPR.		
Market and technology risk The risk that energy and other related costs rise as industry transitions to new sustainable business models e.g. renewable electricity, packaging material supply, bio fuel etc. This could result in increased costs to the business as our supply base passes these increases through.	Medium-term	1 of 3
Strategic response: Volatile input costs, particularly energy related, are mitigated where possible by timely procurement and long-term contract management such as our 10-year renewable electricity agreement. We monitor market conditions carefully and ensure that decision-making takes into account external trends and economic forecasts, ensuring availability can meet our supply needs at an acceptable cost.		
Market risk The risk that consumer or customer behaviours change in relation to single-use packaging or as a result of regulatory changes designed to reduce the impact of climate change, such as DRS, resulting in a reduction in demand for our products or consumers switching to brands perceived as more sustainable.	Medium-term	2 of 3
Strategic response: We are positive supporters of the implementation of an interoperable UK-wide DRS scheme. By incentivising consumers to return their drinks containers, DRS will set drinks packaging apart, as drinks containers will become part of a truly circular economy. The delivery of our net-zero roadmap, and specifically our drive to reduce, reuse and recycle across our packaging, are key to improving our environmental credentials and further building trust with consumers.		

Opportunities

associated with resource efficiency, energy sources, products and services, markets and resilience.

Opportunity Description & Type	Timeframe	Potential financial impact
Energy source opportunity Use of lower-emission energy sources, such as photovoltaic panels and heat pumps for the generation of electricity, heat and steam, leading to a reduction in greenhouse gas emissions.	Medium-term	
Strategic response: These initiatives present a significant opportunity to reduce our Scope 1 (by the reduction of gas consumption from heat pumps) and Scope 2 (from on-site electricity generation from photovoltaic panels) emissions, thereby mitigating the on-cost associated with the potential introduction of carbon pricing while also potentially delivering utility cost reductions.		
Market opportunity The opportunity that consumer behaviours change, with consumption patterns shifting towards products perceived to be more environmentally friendly, resulting in sales opportunities. More environmentally conscious consumer behaviours could include supporting companies who have clear plans to achieve net-zero or who are actively engaged in DRS schemes. It could also extend to the favouring of domestic produced products. This opportunity could also lead to the attraction of new talent to our workforce.	Long-term	
Strategic response: Communication with our customers and consumers is key to ensuring our environmental sustainability plans and progress are well understood. We provide regular updates to our customers via our sales teams and we are increasingly communicating directly with consumers, both on pack and through traditional and social media channels. The recent acquisition of the MOMA business illustrates how sustainability factors are now integrated into business and corporate development decision-making. The MOMA brand champions UK oats and British farming, and as a dairy milk alternative, oat milk is one of the most sustainable options.		

We believe that our strategic actions are currently providing an acceptable degree of long-term resilience, taking into consideration different climate-related scenarios.

Risk management

Identifying risks

Each department or function in the Company has its own risk register that is reviewed on a regular basis. Climate-related risks, including those associated with existing and emerging regulatory requirements, are identified and assessed alongside other business risks during the departmental reviews. Departmental risk registers feed into the Group risk register, which is reviewed by our Group Risk Committee every two months.

The Emerging Risks and Opportunities Group, as already detailed in the Governance section, is responsible for the Group's emerging risks and opportunities register, with a longer-term horizon than that considered by the departmental units.

The ESG Committee owns, and is responsible for monitoring and updating, our material risks and opportunities related to climate change. The ESG Committee is supported by a cross-functional group of senior executives who help input into this process both in terms of risk identification and assessment aligned to varying climate scenarios. A full review was undertaken during the year against three climate scenarios. The three scenarios were used in order to represent best-case, intermediate and worst-case situations against which to consider impacts and likelihoods.

We respect the environment continued

Best-case climate scenario **IEA Net-Zero Emissions (NZE) by 2050**	**Scenario narrative & context** Under this scenario, the global energy sector reaches net-zero emissions of CO_2 by 2050 by deploying a wide portfolio of clean energy technologies and without offsets from land-use measures. It also depends on a high degree of fair and effective global co-operation and collaboration. All countries are required to contribute to deliver the desired outcomes. This scenario assumes that all regions introduce pricing of CO_2 emissions alongside other policies designed to bring about clean energy transitions in the NZE Scenario. For advanced economies the assumed carbon price by 2030 is $140 per tonne of CO_2.
Intermediate climate scenario **IPCC RCP 4.5 pathway**	**Scenario narrative & context** Emissions start declining by approximately 2045 to reach roughly half of the levels of 2050 by 2100. Global temperatures rise between 2°C and 3°C, by 2100, sea levels rise and many plant and animal species are unable to adapt.
Worst case climate scenario **IPCC RCP8.5 / SSP5**	**Scenario narrative & context** Limited efforts are made by governments and businesses to reduce greenhouse gas emissions, leading to temperature rises of 4°C above pre-industrial levels by 2100. In this scenario, the emphasis turns to protecting the population and operational assets from the catastrophic impact of the changing climate as opposed to reducing the emissions themselves. We chose this scenario to assess the potential physical risks on our business and supply chain, as it is supported with long-term data ranges on temperature, precipitations and rise in sea-levels. The data from the scenario extends to 2100 and allows us to take long-term views on risks, considering the impact of market change in the locations of our own assets and at the origin of our key materials.

Assessing risks

Our Group risk register guidelines provide the framework for defining financial and strategic impacts on our business. This framework applies equally to climate-related risks and categorises five levels of risk impact: "insignificant", "minor", "moderate", "major" and "critical".

The Group risk register guidelines also include definitions for the likelihood of the risks, including: "rare", "unlikely", "possible", "likely" and "almost certain".

Different parameters are taken into account when assessing the potential impact of a risk, including financial aspects, environmental aspects and other aspects such as health and safety and corporate reputation. Each risk is given a risk rating before and after mitigating actions.

Gross risk impacts that fall in the categories of "moderate", "major" or "critical" would be deemed to be material.

From a financial perspective, a "moderate" impact is defined as impacting financial turnover or profit by between 3% and 10%, a "major" impact is defined as impacting financial turnover or profit by more than 10% and less than 25%. A financial impact of 25% of more on turnover or profit would be deemed as "critical".

Managing risks

The resolution of moderate impacts requires the input from our Executive teams. The resolution of major and critical impacts requires the input from the Board and/or its sub-committees.

The Group Risk Committee reports back to the Audit and Risk Committee, attended by Board Directors. Similarly, the ESG Committee reports to the Board on the material climate-related risks identified.

Mitigating actions are developed for each risk and their effectiveness is reviewed on an ongoing basis. New actions are triggered in order to further reduce the net score of each risk, especially for those risks that sit outside of the Board risk appetite. Functional risk registers are reviewed in depth by the Group Risk Committee according to an annual schedule to ensure that risks are well represented and that actions are taken to reduce the level of risk for the business.

Metrics & targets

The mitigating actions for our key climate-related risks, identified through our ESG Committee and our multi-functional and business-wide risk management process, are being managed primarily through our **No Time To Waste** environmental sustainability programme. This programme has identified a number of long-term climate-related goals, with the key deliverables being the achievement of our science-based targets and the ultimate delivery of our net-zero by 2050 commitment. Other climate-related targets and KPIs, including those related to packaging, waste and water are detailed within our long-term goals and non-financial key performance indicators on pages 13 to 21.

Our metrics and targets focus primarily on the reduction of Scope 1, 2 and 3 greenhouse gas emissions, identified as a cross-industry, climate-related metric category.

Environmental targets form part of the business metrics assessed during the year and where appropriate are linked to individual reward. The Long Term Incentive Plan (LTIP) for Executive Directors includes a measure aligned to environmental sustainability.

Our SBTi approved science-based carbon reduction targets are in line with the latest climate science recommendations necessary to meet the goals of the Paris Agreement and limit the temperature increase to 1.5°C above pre-industrial levels.

These targets are detailed below and set out our commitment to be net-zero across our own operations by 2035 and across our wider supply chain by 2050, if not sooner.

Our science-based targets

Overall Net-Zero Target
We commit to reach net-zero greenhouse gas (GHG) emissions across the value chain by FY2050 from a FY2020 base year.

Near-term Targets
We commit to reduce absolute Scope 1 and 2 GHG emissions 60% by FY2030 from a FY2020 base year. We also commit to reduce absolute Scope 3 GHG emissions from purchased goods and services, upstream transport and distribution and downstream transport and distribution 25% within the same timeframe.

Long-term Targets
We commit to reduce absolute Scope 1 and 2 GHG emissions 90% by FY2035 from a FY2020 base year.

We also commit to reduce Scope 3 GHG emissions from purchased goods and services, upstream transport and distribution and downstream transport and distribution 90% by FY2050 from a FY2020 base year.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Notes: FY2020 refers to A.G. BARR financial year 2020/21 ended in January 2021. The same convention applies to FY2030, FY2035 and FY2050.

Our 2022/23 greenhouse gas emissions

	Emissions (tCO_2e)		
	2020/21	2021/22	**2022/23**
Total Scope 1	**5,434**	**3,848**	**4,364**
Total Scope 2 – market based	**1,888**	**1,036**	**180**
Scope 3			
Category 1a – Purchased goods and services (product-related)	106,608	86,767	98,109
Category 1b – Purchased goods and services (non-product related)	7,625	11,877	5,233
Category 2 – Capital goods	1,763	3,311	8,623
Category 3 – Fuel and energy related activities	2,150	2,158	2,476
Category 4 – Upstream transportation and distribution	4,587	30,616	21,806
Category 5 – Waste generated in operations	66	117	191
Category 6 – Business travel	226	85	177
Category 7 – Employee commuting	427	223	399
Category 8 – Upstream leased assets	–	–	–
Category 9 – Downstream transportation and distribution	18,768	18,254	17,565
Category 10 – Processing of sold products	–	348	128
Category 11a – Use of sold products (direct)	–	–	4,768
Category 11b – Use of sold products (indirect)	3,428	2,016	2,745
Category 12 – End-of-life treatment of sold products	1,570	4,236	5,794
Category 13 – Downstream leased assets	–	–	–
Category 14 – Franchises	62	–	–
Category 15 – Investments	–	99	108
Total Scope 3	**147,280**	**160,107**	**168,122**
Total Scope 1, 2 & 3	**154,602**	**164,991**	**172,666**

Note: Scope 2 emissions for 2022/23 have been revised from 176 to 180 following the Carbon Trust verification process. See the SECR report for further explanation.

We respect the environment continued

Our total 2022/23 emissions increased year-on-year by 4.7%.

Our combined Scope 1 and 2 emissions reduced as a result of a number of positive actions. These are detailed in the SECR section that follows.

Scope 3 increased primarily as a result of:

- increased sales volumes
- the addition of a full year of emissions for the MOMA business
- the addition of eight weeks of emissions for the Boost business

Our SBTi approved science-based targets were established using our 2020/21 baseline emissions and were therefore calculated prior to the acquisitions of MOMA and Boost. We are now in the process of recalculating this baseline data to include MOMA and Boost. This will allow us to track and report on future progress against our science-based targets, using accurate comparators and ensuring our data and our goals are representative of our enlarged Group.

On a like-for-like basis, excluding the impact of MOMA and Boost, and taking into account emissions from Barr Soft Drinks and FUNKIN, our total year-on-year emissions reduced by 1,049 tonnes, reflecting the progress made against our net-zero commitment. Further information can be found within our carbon reduction section and net-zero roadmap on pages 28 to 31.

While our full carbon footprint assessments run a year in arrears due to calculation and validation requirements, our Scope 1 and 2 emissions data is available for the 2023/24 financial year in the SECR section. This shows a significant increase in year-on-year Scope 1 emissions as a result of a change in the recommended methodology related to CO_2 used in our manufacturing processes, previously classified and accounted for in Scope 3 emissions. Excluding these reclassified emissions, our Scope 1 and 2 emissions would have reduced by 43% versus the baseline. Work is ongoing to recalculate our baseline 2020/21 data using this new methodology to allow a valid comparison to be drawn on an ongoing basis.

TCFD and CFD Compliance Statement

We have complied with the requirements of LR 9.8.6(8)R, except for Metrics and Targets B given that our Scope 3 emissions are disclosed in arrears, by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. The climate-related financial disclosures made comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Scope 3 emissions are disclosed a year in arrears due to calculation and validation requirements.

Streamlined Energy and Carbon Reporting (SECR)

We are reporting against the SECR framework for the fourth year, for the period 30 January 2023 to 28 January 2024. We report as a quoted Company and confirm that all the minimum requirements have been addressed and are presented here. All global energy and emissions reported relate to UK operations – there are no non-UK energy and emissions.

Our total energy consumption for 2023/24 was 44,446,210 kWh. This includes our electricity and natural gas usage for our production, distribution and office buildings as well as transport fuels for logistics vehicles and Company cars.

Under a location-based approach the total global Scope 1 and 2 carbon emissions associated with our reported energy use and fugitive emissions from refrigerant leaks and carbonation losses for 2023/24 were 11,696.41 tCO_2e, as summarised in the table below:

Carbon Emissions (Location-based)*	2023/24	2022/23
Scope 1 emissions – (tCO_2e)	**6,897.47**	4,363.67
Scope 2 emissions – purchased electricity (tCO_2e)	**4,798.94**	4,328.29
Scope 2 emissions – purchased steam (tCO_2e)	**–**	130.87
Total Scope 1 & 2 emissions (tCO_2e)	**11,696.41**	**8,822.83**

* The location-based approach applies UK grid average carbon emission factors to all Scope 2 purchased electricity.

Under a market-based approach the total global Scope 1 and 2 carbon emissions associated with our reported energy use and fugitive emissions from refrigerant leaks for 2023/24 were 6,944.01 tCO_2e, as summarised in the table below:

Carbon Emissions (Market-based)*	2023/24	2022/23
Scope 1 emissions – (tCO_2e)	**6,897.47**	4,363.67
Scope 2 emissions – purchased electricity (tCO_2e)	**46.54**	48.70**
Scope 2 emissions – purchased steam (tCO_2e)	**–**	130.87
Total Scope 1 & 2 emissions (tCO_2e)	**6,944.01**	**4,543.24**

* The market-based approach accounts for zero carbon renewable electricity purchase (backed by REGOs) at all A.G. BARR's facilities excluding the FUNKIN, Middlebrook, Boost & MOMA leased sites.

** The previously published Scope 2 market-based figure has been revised due to a verification update after publication of the 2022/23 annual report. The published report for 2022/23 stated the Scope 2 market-based purchased electricity figure as 45.16 tCO_2e, but the verified figure is confirmed as 48.70 tCO_2e. This change was due to a residual grid mix emission factor update during the verification process.

Methodology

The methodology used is the WBCSD/WRI Greenhouse Gas Protocol – a corporate accounting standard revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance. An operational control approach has been taken. We have used the UK Government greenhouse gas conversion factors for company reporting 2023. Scope 2 emissions from purchased electricity have been measured using a location-based approach.

Intensity ratio

For 2023/24 location-based emissions, our emissions intensity, measured as the total Scope 1 and 2 emissions relative to the thousand litres of product produced is 25.63 kg CO_2e per thousand litres of product produced. This compares to 20.34 kg CO_2e per thousand litres of product produced, as detailed in our previous Annual Report. The increase is due to additional reporting of fugitive CO_2 emissions from the carbonation process.

Energy efficiency actions

1. We are procuring REGO backed renewable electricity across all our operational sites, leading to a significant reduction in Scope 2 emissions (under market-based reporting).
2. We are rolling out our Brilliance in the Making continuous improvement programme across our manufacturing sites. Through this programme, we are investing heavily in the training of our staff on better problem solving and teamworking skills. This programme improves energy efficiency through reduction in changeover times, through improvements in line reliability and the reduction of waste.
3. As part of our capital investment programme at our Cumbernauld manufacturing site we are in the process of installing a new PET line. The oven of the new line will consume circa 11% less power than the previous line. High pressure air consumption will be 20% less than on the previous line. This will result in an estimated annual 195,000 kWh savings.
4. We procured and received 12 CNG trucks that run on biomethane to replace diesel. This is expected to deliver reductions of 240 tCO_2e per annum.
5. The trucks at our Moston depot ran on Hydrotreated Vegetable Oil instead of diesel, contributing to an estimated reduction of 100 tCO_2e.

We support healthy living

Calorie reduction
Our job has always been, and continues to be, about understanding consumers and their changing tastes and preferences, and providing them with great products and choice.

We have significantly reduced the total sugar content across our soft drinks portfolio and continue to introduce new and innovative reduced and no sugar products in response to our consumers' changing tastes and preferences and our desire to reduce total calories consumed.

New price and location restrictions came into force in England in October 2022, applicable to High Fat, Sugar and Salt ('HFSS') products. The definition of "high sugar" for standard soft drinks is greater than 4.5g total sugar per 100ml and therefore 97% of our current soft drinks portfolio is HFSS exempt.

The UK Soft Drinks Industry Levy (SDIL), often referred to colloquially as the "sugar tax", has an exemption threshold of less than 5g total sugars per 100ml, therefore 97% of our soft drinks portfolio is also exempt from the SDIL.

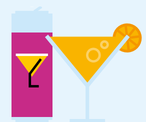
Responsible advertising and marketing
We take our responsibility in how we market, promote and advertise our products very seriously. We advertise responsibly, offer a wide range of pack sizes to assist with portion control and, by providing clear nutritional information, enable our consumers to make informed choices. We fully comply with all of the appropriate regulations and in some cases go beyond the standards set, such as in the area of energy drinks where our industry code exceeds regulatory requirements.

Labelling
We are committed to providing clear calorie and nutritional information on our packs and/or our websites to help consumers choose products that are right for them. We were one of the earliest adopters of the government's voluntary front of pack nutritional labelling on all our Company-owned Barr Soft Drinks brands, which is a simple traffic light style scheme, making it even easier for consumers to find the information they need.

Research and Development
Our positive portfolio position is supported by our in-house research, development and innovation team, which delivers a wide range of reformulation and innovation projects, using the experience and capability to optimise recipes and carry out robust consumer research to ensure our recipes meet consumer preferences.

SUPPORTING HEALTHY LIVING HIGHLIGHT

Offering choice
The launch of FUNKIN's first non-alcoholic ready to drink cocktail – Alcohol Free Passion Fruit Martini – offering choice to those trying to restrict their alcohol consumption but not wanting to miss out on the vibrant flavour and velvety smooth texture of a bar-quality cocktail.



We give back

Engaging with communities
Supporting and working with our local communities has been at the core of our business since we were first established in 1875.

We support a range of charities and community groups across the UK, from local clubs and charity fundraisers to large charities helping people on a national scale. We help in various ways, including financially, through donations, or on a practical level with employee volunteering.

Employee volunteering
Our employees are encouraged to take part in volunteering activities, giving something back to local communities. This year saw employees volunteering for a range of deserving causes, including Marie Curie, The Drinks Trust and SportsAid.

GIVING BACK HIGHLIGHTS

The Drinks Trust

The good cause: The Drinks Trust – dedicated to the drinks and hospitality workforce

How we supported: From fundraising to running a marketing masterclass to upskill the future stars of the hospitality industry, the FUNKIN team continued its support of this important charity, which helps people both financially and with their wellbeing and skills development.

Marie Curie

The good cause: Marie Curie – the UK's largest end-of-life charity

How we supported: Marie Curie is Barr Soft Drinks' current charity partner which sees the business division donating £150,000 over the three-year relationship, enhanced by employee fundraising. In 2023 teams across our sites embraced a 3-minute ice cold bath challenge raising an additional £9,000 to provide care and support to terminally ill people and their loved ones.

Age Scotland

The good cause: Age Scotland – the national charity for older people

How we supported: This year IRN-BRU released a limited-edition pair of extra comfy trousers designed for Christmas feasting. All trouser profits went to Age Scotland, providing over 300 friendship calls over the festive season.

SportsAid

The good cause: SportsAid – the charity supporting talented young athletes to achieve their ambitions in sport and life

How we supported: Boost Drinks partnered with SportsAid in 2022 and in 2023 continued its support by giving some of the UK's most promising athletes a social media masterclass.

FINANCIAL REVIEW

An excellent financial performance with strong top and bottom line growth, delivering record revenue and profit, and confidence in the Group's long-term growth strategy.

Stuart Lorimer
Finance Director

Overview

The business has delivered a very pleasing set of results in a competitive market environment, reflecting the benefit of strong brands, an agile organisation and a talented team.

Revenue grew 25.9% to £400.0m. Like-for-like revenue growth*, which excludes the dilutive effect of the Boost acquisition, was up 8.0%. This strong performance was broad-based across the portfolio, driven by core brand distribution gains and successful revenue management that supported margins but ensured our brands remained affordable during a period of continued pressure on household incomes.

As expected, operating margin was impacted by the 2022 Boost acquisition. However, the Group reported a record adjusted profit before tax* of £50.5m up 16.1% on the prior year (2022/23: £43.5m), driven by our strong trading performance, further efficiency across our supply chain as well as progress across our margin rebuild programme. Reported profit before tax was £51.3m (2022/23: £44.4m).

Our balance sheet and cash generation remain strong. During the year £60.2m cash generated from operations funded the £12.3m acquisition of Rio Tropical Limited in October 2023, supported the continued commitment to capital investment across our operating sites (cash capital expenditure* of £17.8m) and gives the confidence to recommend a 17.0% increase in the final dividend in line with our progressive dividend policy. Following these significant investments in brands and assets, we ended the year with £53.6m net cash in bank* (2022/23: £52.9m).

The Group has significant debt capacity headroom of up to 2.5x EBITDA. However, in the near term, we value the financial flexibility that positive cash position provides.

The ongoing investment in our brands, asset base and people reinforces our confidence that the business will continue to grow and create value in line with our strategic ambition.

Adjusting items

The reported results include a £0.8m credit (2022/23: £0.9m credit) within operating expenses which has been excluded from adjusted profit before tax*. The adjustment relates to a prior year accrual associated with the acquisition earn-out of Boost Drinks Limited in December 2022. Following the lapse of the earn-out, the accrual is no longer required and has been released.

Segmental performance

There are three reportable segments in the Group:

- Soft drinks
- Cocktail solutions
- Other

Soft drinks – Revenue up 30.0%, gross profit up 23.7%.

A strong performance across our soft drinks segment was driven by the combination of growth in average unit selling price and growth in underlying volume (up c.3%) in an overall market that experienced volume decline.

Despite mixed summer weather, IRN-BRU and Rubicon delivered both volume and revenue growth as a result of securing new customers, extending distribution with existing customers, revenue growth, improved format mix and successful innovation.

IRN-BRU performed particularly well in England, benefiting from the continued success of zero sugar XTRA which delivered double digit growth. IRN-BRU's innovation across the year focused on limited edition summer flavours as well as a Scottish launch of a new product, PWR-BRU, into the energy category.

Rubicon had a very strong year, delivering double-digit growth in both volume (up 10.0%) and revenue (up 14.7%), with an impressive performance from both Rubicon Spring and Rubicon Sparkling, underpinned by Rubicon Still's return to growth and the continued focus on Rubicon RAW, the brand's energy drink launched in 2021.

Our financial results for 2023/24 include a full 12 months' contribution from the Boost portfolio, while the prior year comparators include Boost's contribution for only the two months from the point of acquisition.

The Boost Drinks portfolio spans energy, sports and iced coffee and includes Rio, the tropical fruit drinks brand acquired by the Group in October 2023. The portfolio held volumes flat in a year when the business was focused on margin after a challenging period of sustained input inflation.

Across the remainder of our portfolio, KA grew 7.8% in revenue and 5.3% in volume. This offset Sun Exotic and Simply Fruity which lost volume as a result of production and customer prioritisation decisions.

Cocktail solutions – Revenue up 0.2%, gross profit down (4.9)%.

FUNKIN reported broadly flat revenue versus particularly strong prior year comparatives, in the context of a difficult period for the on-trade and lost distribution in Australia, as a result of supply chain challenges. The on-trade environment was more challenging with customers under pressure from lower late night venue footfall, consumer spending squeeze and high inflation across their cost base.

Volume and revenue continued to grow strongly in the important take home channel. FUNKIN ready to drink (RTD) cocktails maintained their market leading position in the grocery channel with broader and deeper distribution of their award-winning RTD cocktails.

Other – Revenue up 28.0%, gross profit up 39.1%.

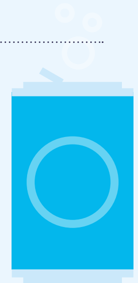
This segment represents our MOMA business division, comprising oat milk drinks and other oat-based products, primarily porridge. Since acquisition we have consistently invested in the long-term potential of oat milk, given MOMA's growing position in this winning segment of plant-based drinks.

MOMA continues to build distribution, achieving revenues over £10m for the first time, up 28% versus the prior year. Oat milk continues to grow in both grocery and out of home channels. Targeted customer wins in speciality coffee outlets are particularly pleasing and indicate further growth potential in a market where taste and quality are highly prized.

SEGMENTAL PERFORMANCE – REPORTED REVENUE

Soft drinks

+30%

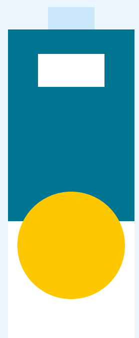


Cocktail

+0.2%

Other

+28%



Margins
While pricing moderated across many commodities, as core material costs came off their 2022 record highs, cost inflation persisted in employment and service-related inputs.

Gross margin of 38.6% was a decline on the prior year (2022/23: 40.3%) as a result of the known medium-term structural impact from the Boost and MOMA acquisitions. This impact was offset by disciplined cost management, the benefit of a resilient and stable supply chain, and the operational efficiencies delivered from the accelerated initial phase of Boost/Rio in-sourced manufacturing.

Overhead costs increased by 23.8% reflecting a full year of the Boost business, marketing support behind our brands and ongoing investment in our talent base. We continually invest in talent, through both additional resources and competitive reward and remuneration, in order to retain and recruit the right skills to support future growth.

At 12.3%, adjusted operating margin* was 130 basis points below the prior period (2022/23: 13.6%). This was an improvement upon our expectations from earlier in the year and largely a consequence of the successful acceleration of Boost and Rio production in-sourcing. This provides further confidence that our margin rebuild programme will deliver as planned over the next two years.

Interest
The Group remained net cash positive throughout 2022/23, with surplus cash held on rolling short-term deposits. Resulting interest income of £1.4m offset finance charges of £0.2m largely associated with lease interest costs under IFRS 16.

Taxation
The reported tax rate for the year ended 28 January 2024 was 25.0% compared with 23.6% for the year ended 29 January 2023. The corporation tax rate was 19% for the first 2 months of the financial period and 25% for the remaining 10 months (2022/23: 19%). Deferred tax was calculated at 25% for the full 12 months.

Earnings per share (EPS)
Adjusted basic EPS* for the year was 33.88p, an increase of 14.2% on the prior year. This reflects the strong profit performance, an unchanged share base and the increased tax charge detailed above. Excluding the impact of taxation, EPS rose 16.1%. Basic reported EPS was 34.59p, an increase of 13.5% on last year. Based on a diluted weighted average of 112,448,605 shares, diluted EPS was 34.24p (2022/23: 30.22p).

Dividends
The Group's dividend policy aims to deliver a progressive and sustainable dividend to shareholders that has regard to performance trends including revenue, profit after tax and cash, and that satisfies certain guiding principles around dividend cover, payout ratios and medium-term profit outlook.

In line with this framework, and following the interim dividend of 2.65p per share paid in October 2023, the Board is recommending a final dividend for the period of 12.40p. This will bring the full year dividend to 15.05p per share (2022/23: 13.10p per share) which provides 2.3 times dividend cover and delivers a payout ratio of 51%. Subject to approval by shareholders at the AGM in May, the final dividend will be paid to holders of ordinary shares on the register as of 10 May 2024 with an ex-dividend date of 9 May 2024.

Balance sheet
Disciplined capital allocation is a key component of our business strategy. The Board regularly reviews this strategy in the context of its prevailing risk appetite, current capital programme and strategic plans. We continue to believe that a strong balance sheet supports growth, while enabling M&A and securing a sustainable progressive dividend. The Board retains a medium-term intention to operate an efficient balance sheet, which would include a prudent amount of debt, and is comfortable that the cash flows and earnings profile of the Group could support a debt capacity up to 2 – 2.5x EBITDA. However, in the near term, the Group wishes to have the financial flexibility provided by a positive cash position to provide agility to react to adverse trading conditions and fund, from existing cash and debt resources, potential mergers and acquisitions that are a key element of the Group's growth strategy. We will review annually the level of cash held against these objectives to identify any surplus.

In the year ended 28 January 2024, the Group successfully completed the acquisition of the Rio tropical drinks brand through the purchase of Rio Tropical Limited for £12.3m. The acquisition was fully funded from Group cash reserves. The Rio brand had previously been marketed and distributed under a franchise agreement by Boost Drinks Limited. Securing full ownership of the brand allows the Group to invest in its long-term growth. The primary financial implications of the acquisition are the elimination of brand owner royalty payments and a £15.3m increase in intangible assets.

The Group remains financially strong with net cash at bank, no material trade debt issues, appropriate inventory levels, a defined benefit pension surplus and a £23.9m increase in the net asset base to £292.7m. Together with operating profit growth, these deliver a healthy and improving Return on Capital Employed of 18.7%.

Cash flow
Our cash performance remains positive with cash generated from operations of £60.2m and a profit to cash conversion ratio* of 96.0%, driven by a continued focus on disciplined cash management.

Overall working capital impact on cash flow has been an outflow of £5.2m. Higher inventories, from a combination of input cost inflation, increased mango stocks and a planned stock-build to support customer service during the installation of our new PET line at Cumbernauld have been partially offset by improved finished stock management. Trade payable have benefited from lower finished goods in both FUNKIN and Boost while trade receivables have increased by 6%, broadly in line with revenue.

Cash capital expenditure* of £17.8m (2022/23: £14.6m) was focused on our multi-year asset refresh programme at our Cumbernauld site. This programme continues on plan with the upgrade of our large format PET line successfully commissioned in the summer of 2023 and the installation of a new small format PET line on schedule for completion in the first quarter of 2024.

The capital programme is part of an overall longer term, supply chain optimisation programme that aims to support future profit growth by providing improved efficiency, capacity and customer service. The programme will facilitate improved capacity utilisation by enabling the in-sourcing of much of the Boost/Rio production currently undertaken by contract packers. This in-sourcing initiative is an important element of our margin rebuild strategy. It commenced in November 2023 with the successful in-house production of key Boost and Rio canned products and will complete in 2026/27 at which time we aim to be producing over 90% of Boost/Rio products in our own facilities.

Financial risk management

The Group's risk management process is owned by the Board and operates at every level within the business to support the successful delivery of our strategic objectives and financial plans. The process is based on a balance of risk and opportunity, determined through assessment of the likelihood and impact of the risk and within the context of the Group's risk appetite, as established by the Board. Risks are monitored throughout the year with consideration to internal and external factors, and updates to risks and mitigation plans are made as required. The principal risks that could potentially have a significant impact on our business have not changed since the end of the financial year.

Treasury and commodity risk management

The treasury and commodity risks faced by the Group are identified and managed by the Group Treasury and Commodity Committee whose activities are carried out in accordance with Board approved policies and subject to regular Audit and Risk Committee oversight.

Key financial risks managed by this committee include exposures to foreign exchange rates and the management of the Group's debt, commodity and liquidity positions. The Group uses financial instruments to hedge against foreign currency exposures. No transactions are entered into for speculative purposes.

The Group seeks to mitigate risks in relation to the continuity of supply of key raw materials and ingredients by developing strong commercial relationships with its key suppliers. The Group manages commodity pricing risk actively and where commercially appropriate will enter into fixed price supply contracts with suppliers to reduce risk.

As at 28 January 2024, the Group had £20.0m of funds held on short-term, interest earning deposit with two relationship banks. In addition to the Group's cash position, the Group had £20.0m of unutilised committed debt facilities, consisting of a revolving credit facility with our principal relationship bank. This expires in February 2026. Our funding requirements and facilities are continually reviewed to ensure they remain appropriate, providing a balance of security and optionality.

Accounting policies

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards and the Listing Rules of the Financial Conduct Authority. There have been no changes to the accounting policies applied this year. All new or amended standards that are applicable have been adopted with no material impact on the results for the current and prior reporting periods.

Pensions

The Group continues to operate the A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme. This is a defined benefit scheme based on final salary, which also includes a defined contribution section for pension provision to senior managers. The defined benefit scheme has been closed to new entrants since 5 April 2002 and closed to future accrual for members in May 2016. Existing and new employees have been invited to join an outsourced defined contribution scheme.

The pension scheme remains well funded and no cash payments were made in 2023/24. The scheme's triennial valuation as at April 2023 identified a £3.2m surplus on a technical provisions basis and indicated that the scheme could be expected to reach self-sufficiency by 2032, with no additional cash contributions required.

On an IAS 19 valuation basis, which is determined before the benefit of the Central Asset Reserve (CAR) funding arrangement, the surplus of £2.4m as at 29 January 2023 improved to a surplus of £3.2m as at the balance sheet date. The scheme has a long-established financial de-risking strategy that includes pensioner buy-in policies and asset hedging. The Group continues to work proactively with the Pension Trustee to further de-risk the pension liabilities and secure the commitments to employee benefits as part of the Group's ongoing strategic risk management.

We believe our robust financial fundamentals are key in the support of our strategy, brand momentum and strong execution plans, enabling us to deliver growth in the year ahead and beyond.

Stuart Lorimer
Finance Director
26 March 2024

* Items marked with an asterisk are non-GAAP measures. Definitions and relevant reconciliations are provided in the Glossary on pages 180 to 184.

Note: The Group utilises a range of financial and non-financial performance indicators to manage and report on the business. These are set out on pages 12 to 13.

The Board is responsible for the Group's risk management and internal control systems and for reviewing their effectiveness, supported by the Audit and Risk Committee.

Julie A. Barr
Group Legal and Risk Director

Risk management approach

A risk management framework is in place, which sets out the ongoing processes for the identification, assessment and management of risks, and for their ongoing monitoring and review. The Board has defined its risk appetite in a number of key areas for the business – this sets out the relative level of risk that the Group is prepared to seek or accept in the pursuit of its long-term strategic objectives. The aim is to ensure that the risks taken by the Group fall within its defined risk appetite.

Effective risk management is essential to enable us to achieve our operational and strategic objectives and deliver long-term value creation. During the reporting period we have continued to enhance our culture of risk management throughout the organisation, which will contribute towards the successful execution of the Group's long-term strategy.

Robust risk assessment

The risk management framework sets out a systematic approach to risk management, which is designed to identify risks to the business, regardless of source. Once identified, risks are assessed according to the likelihood and impact of the risk occurring and an appropriate risk response is determined in line with the Group's risk appetite. Risks are re-assessed based on the strength of the mitigating controls implemented. The implementation of risk mitigation plans is subject to ongoing monitoring and review. A risk-scoring matrix is used to ensure that a consistent approach is taken across the business at both a corporate and functional level. This risk assessment and review process is documented in the appropriate risk register. Risks are reviewed on an ongoing basis; the Group's risk register is formally reviewed by the Risk Committee every two months and by the Board and the Audit and Risk Committee ('ARC') twice each year.

The Board carries out a robust assessment of the Group's emerging risks at least once each year using a horizon-scanning approach together with internal and external insights. The purpose of these assessments is to identify key emerging risks for further evaluation, monitoring and action planning. Last year a new structure and processes were implemented to improve the identification and management of emerging risks for the Group, linked to the Board's strategic planning process – these have operated effectively during the year under review. A Group emerging risks and opportunities register is in place, covering all Group divisions; emerging risks are captured on the emerging risk register and are subject to annual review by a group comprising senior executives from across the business, including the CEO and Finance Director. Recommendations arising from that review are presented to the Board and the output therefrom informs the Group's strategy review presented to the Board each year. The Risk Committee reviews the emerging risk register at least annually. Emerging risks remain on the emerging risk register until they are captured on an appropriate risk register or are no longer deemed to be an emerging risk. The Board has completed a robust assessment of the Group's emerging risks, including those related to climate change and technology, during the period.

Risk control assurance

Internal audit work is undertaken by an independent organisation which develops an annual internal audit plan having reviewed the Group's risk register and following discussions with the external auditors, management and members of the ARC.

During the year the ARC has reviewed reports covering the internal audit work. This has included assessment of the general control environment, identification of any control weaknesses and quantification of any associated risk, together with a review of the status of mitigating actions. The ARC has also received reports from management in relation to specific risk items, together with reports from the external auditors, who consider controls to the extent necessary to form an opinion as to the truth and fairness of the financial statements.

The Group's internal control and risk management systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable but not absolute assurance against material misstatement or loss.

The report of the ARC can be found on pages 70 to 73.

Principal risks and uncertainties

The Board has carried out a robust, systematic assessment of the principal risks facing the Group during the period, including those which would threaten its business model, future performance, solvency, liquidity or reputation. The table below sets out the Group's principal risks as determined by the Board, the net risk ratings, the net risk movement from the prior year and examples of corresponding controls and mitigating actions. The Group's principal risks have continued to evolve during the year against the backdrop of a challenging and uncertain external environment; management has continued to focus on the implementation of appropriate mitigating actions and controls, in line with the Group's risk appetite. The principal risks set out in the table below represent the Group's current risk profile – these are not intended to be an exhaustive list of all risks facing the Group. The principal risks are prioritised on a net risk basis.

Effective risk management is essential to enable us to achieve our operational and strategic objectives and deliver long term value creation.

The net risk movement from the prior year for each principal risk is set out in the table below.

Principal risks and uncertainties
Net risks relating to the Group

Movement: – No change ^ Increased V Decreased N New

Risk	Impact	Controls and mitigating actions	Net risk impact	Net risk likelihood	Net risk rating	Movement
Government intervention on climate change and environmental issues, e.g. packaging waste	Government intervention on climate change and environmental issues, e.g. the introduction of a Deposit Return Scheme in the UK or the introduction of a carbon tax, could have an adverse impact on consumer consumption patterns, sales and operating profits.	The increased pace of change and level of environmental campaigning in relation to climate change and areas such as packaging reported last year has continued during the year. We have clearly defined responsibility commitments with regard to waste, water, energy, sustainable sourcing and packaging. We continue to work constructively with the British Soft Drinks Association, the UK and Scottish governments, and other key stakeholders in relation to potential interventions, such as the introduction of a Deposit Return Scheme ('DRS') in Scotland and the rest of the UK. Various environmental sustainability related workstreams continue to be progressed through our '**No Time To Waste**' environmental sustainability programme – further details are set out below.	Moderate	High	High	–
Loss of product integrity	A loss of product integrity in the manufacturing supply chain could lead to a product withdrawal or recall.	Appropriate risk assessments are carried out on a regular basis and robust quality controls and processes are in place to maintain the high quality of our products. Product recall procedures are tested regularly.	Moderate	Low	Moderate	–
Environmental Social Governance ('ESG') risks	An inability to meet the Group's ESG commitments could impact revenue if consumers choose to purchase and consume alternative brands, Governments impose additional taxes or the associated reputational damage makes it difficult to recruit talent.	ESG risks are a principal risk for the Group due to the continuing focus from all stakeholders (including Governments, customers, consumers, competitors, employees and investors) on ESG matters, in particular environmental sustainability. Five environmental sustainability related workstreams continue to be progressed through our Group-wide 'No Time To Waste' ('NTTW') environmental sustainability programme: plastic and packaging, net-zero, sustainable sourcing, water and waste. The NTTW programme reports to the NTTW Steering Group, which is responsible for setting the Group's environmental strategy, for achieving the Group's environmental targets, and for monitoring and managing the associated risks. The NTTW Steering Group is overseen by the ESG Board Committee. Further detail is provided in the Responsibility Report on pages 20 to 43.	Moderate	Low	Moderate	–

Movement: – No change ^ Increased V Decreased N New

Risk	Impact	Controls and mitigating actions	Net risk impact	Net risk likelihood	Net risk rating	Movement
Changes in consumer preferences, perception or purchasing behaviour	Consumers may decide to purchase and consume alternative brands or spend less on soft drinks.	The Group offers a broad range of branded products across a range of flavours, subcategories and markets which offer choice to the end consumer. Changing consumer attitudes and behaviours are monitored on an ongoing basis and inform our brand plans and new product development. Through investment in innovation across the year we have adapted our portfolio to align with these changing consumer needs.	Moderate	Low	Moderate	–
Failure of critical IT systems or a breach of cyber security	A failure of critical IT systems could result in a loss of key systems, business interruption, lost sales or lost production. A cyber security breach could lead to operational disruption, financial loss and reputational damage.	IT assets within the Group are proactively managed and procedures exist that support effective and efficient recovery. Robust business continuity plans and contingency measures are in place and are regularly tested. Appropriate processes and controls related to IT systems resilience and recovery capability are in place. The risk of cyber attacks continues to increase on an ongoing basis, including the risk of a ransomware attack. In response to this we have taken further actions during the year to ensure that appropriate cyber risk monitoring controls are in place, to ensure the effective mitigation of these increased risks, and to facilitate business recovery in the event of an attack. During the year, a ransomware simulation training exercise took place to ensure the business is as prepared as possible in the event of an attack. Employee awareness campaigns and training continued during the year to increase employee cyber risk awareness. A Digital Governance Group is in place, overseen by the Risk Committee, the purpose of which is to manage the risks related to the Group's externally facing digital properties.	Moderate	Low	Moderate	–

Movement: – No change Λ Increased V Decreased N New

Risk	Impact	Controls and mitigating actions	Net risk impact	Net risk likelihood	Net risk rating	Movement
Failure of the Group's operational infrastructure	A catastrophic failure of the Group's major production or distribution facilities could lead to a sustained loss in capacity or capability.	Assets within the Group are proactively managed and maintained. Risk assessments are carried out on a regular basis and appropriate actions taken. Robust business continuity plans are in place and are regularly tested. The business continuity employee training programme continued during the year.	Moderate	Low	Moderate	–
Financial risks	The Group's activities expose it to a variety of financial risks which include market risk (including medium-term movements in exchange rates, interest rate risk and commodity price risk), credit risk and liquidity risk.	Financial risks are reviewed and managed by the Treasury and Commodity Committee, which seeks to minimise adverse effects on the Group's financial performance through hedging known currency exposures throughout the year. The Group's finance team reviews cash flow forecasts throughout the year, with headroom against banking covenants assessed regularly. The finance team uses external tools to assess credit limits offered to customers, manages trade receivable balances vigilantly and takes prompt action on overdue accounts. The Group's financial control environment is subject to review by both internal and external audit. Internal audit's focus is to work with and challenge management to ensure an appropriate control environment is maintained.	Moderate	Low	Moderate	–
Loss of continuity of supply of major raw materials	The loss of continuity of supply of raw material ingredients and/or packaging materials could impact our ability to manufacture, with an adverse impact on the Group's sales and operating profits.	There is a robust supplier selection process in place. Supplier performance is monitored on an ongoing basis and audits are undertaken for major suppliers. Dual sources of supply are sourced wherever possible. Commodity risks are managed by the procurement team and reviewed by the Treasury and Commodity Committee. Contingency measures are in place and are tested regularly.	Moderate	Low	Moderate	–
Inability to protect the Group's intellectual property rights	Failure to protect the Group's intellectual property rights could result in a loss of brand value.	The Group invests considerable effort in proactively protecting its intellectual property rights, for example through trademark and design registrations and vigorous legal enforcement as and when required.	Moderate	Low	Moderate	–

Movement: – No change ^ Increased V Decreased N New

Risk	Impact	Controls and mitigating actions	Net risk impact	Net risk likelihood	Net risk rating	Movement
Adverse publicity in relation to the soft drinks industry, the Group or its brands	Adverse publicity in relation to the soft drinks industry, the Group or its brands could have an adverse impact on the Group's reputation, consumer consumption patterns, sales and operating profits.	Our risk management process is designed to identify and monitor events that may impact the Group as a result of adverse publicity and to ensure that controls are in place to manage these risks. Processes are in place to ensure compliance with health and safety legislation and ethical working standards, and these are regularly reviewed by the Board and Executive Committee. Quality standards are well defined, implemented and monitored. Our environmental commitments are being progressed through our 'No Time To Waste' environmental sustainability programme – further details are set out above. The Group maintains and develops ISO 9001 and 14001 systems and AA rated BRC standards which are subject to annual external audits, with any non-conformances addressed in a timely manner. The Company also holds ISO 45001 certification. We are committed to providing clear calorie and nutritional information on our packs and/or our websites to help consumers choose products that are right for them. We are long-standing users of the UK Government's voluntary front of pack nutritional labelling scheme.	**Low**	**Moderate**	**Moderate**	–

Movement: – No change ^ Increased v Decreased N New

Risk	Impact	Controls and mitigating actions	Net risk impact	Net risk likelihood	Net risk rating	Movement
Failure to maintain customer relationships or take account of changing market dynamics	Failure to maintain appropriate customer relationships or a reduction in the customer base could have an adverse impact on the Group's sales and operating profits.	The Group offers a broad range of brands that it manufactures and distributes through a variety of trade channels and customers. Performance is monitored closely by the Board and Executive Committee by trade channel and customer as appropriate. This includes monitoring of metrics which review brand equity strength, financial and operational performance. The Group focuses on delivering high quality products and invests heavily in building brand equity. We work closely in partnership with our customers on an ongoing basis. Members of the senior management team meet with key customers throughout the year.	**Low**	**Moderate**	**Moderate**	–
Consumer rejection of enhanced sweeteners in reformulated products	Consumers may decide to purchase and consume alternative brands or spend less on soft drinks.	Our extensive innovation and reformulation programme was completed prior to the introduction of the Soft Drinks Industry Levy in April 2018. 97% of our current Barr Soft Drinks portfolio produced by volume contains less than 5g of total sugars per 100ml. 97% of our current Barr Soft Drinks portfolio is exempt from the regulations applicable to High Fat, Sugar and Salt ('HFSS') products. We recognise that the risk of consumer rejection of the enhanced sweeteners used in our reformulated products remains. We continue to closely monitor consumer acceptance levels and brand performance across our total portfolio and take appropriate mitigating actions.	**Low**	**Moderate**	**Moderate**	–

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code 2018, the directors have assessed the viability of the Company over a three year period to January 2027, taking account of the Group's current financial and market position, future prospects and the Group's principal risks, as detailed in the Strategic Report.

The directors have determined that a three year period is an appropriate time frame given the dynamic nature of the FMCG sector and given that this is in line with the Group's strategic planning period. The starting point for the viability assessment is the strategic and financial plan which makes assumptions relating to the economic climate, market growth, input cost inflation and growth from the Group's performance drivers. The prospects of the Group have been taken into account, including the size of the current market, the strength of the Group's brands and past production capacity investment. The model was then subject to a series of theoretical "stress test" scenarios based on the materialisation of principal risks, with input from the business functions.

The directors have considered the impact of a number of severe but plausible scenarios associated with the principal risks, including those set out in the table below.

The directors also measured the impact of a number of scenarios occurring together. Finally, a reverse "stress test" was performed allowing the Board to assess circumstances that would render its business model unviable.

As part of our Task Force on Climate-related Financial Disclosures ('TCFD') the Group has assessed potential financial impacts from climate change to the business. The financial plan for the Group includes the best estimate of the impacts of climate change on financial performance, including material cost inflation, an increase in climate-related regulatory costs, and a change to consumer behaviour. None of the physical and transition risks which are considered material to our business would present a risk to viability over the planning period. These risks are detailed on pages 35 to 36.

Credit facilities

The outputs of these scenario tests were reviewed against the Group's current and projected future net cash/debt and liquidity position. The Group closed the financial year with net cash at bank* of £53.6m. In addition the Group had £20m of unutilised committed debt facilities, consisting of one revolving credit facility with one bank. The revolving credit facility has two financial covenants, relating to interest cover and leverage, and a material adverse change clause. The term of the £20m facility runs to February 2026, which is within the three year viability timeframe. We plan to review our credit facility requirements beyond February 2026 later in 2024.

Result of stress tests

Under the most severe but plausible combined scenarios above, and with no cost mitigation, the Group's liquidity requirements would be satisfied within existing credit facilities. Should the financial loss be worse than this scenario assumes, sizable cost mitigation opportunities, such as a reduction in brand investment, a reduction in capital investment, a reduction in discretionary overhead spend, reduced dividend payments, and business reorganisation, would be available to the Group to further preserve viability.

The reverse stress test showed that a volume drop significantly beyond our severe but plausible scenarios, both in depth and duration, would be required in order to render the business model unviable. These circumstances are therefore considered implausible.

The results of these tests were reviewed taking into account the Group's current position, the Group's experience of managing adverse conditions in the past and mitigating actions available to the Group. Based on this assessment, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period to January 2027.

The Strategic Report set out on pages 1 to 55 of this annual report has been approved by the Board.

By order of the Board

Julie A. Barr
Group Legal and Risk Director
26 March 2024

Scenario	Estimated impact
Disruption as a result of cyber-attack, resulting in factories ceasing production.	No sales for two weeks following attack, followed by a gradual return to normalised levels from month three onwards. Significant incremental one off costs as a direct result.
Significant adverse damage to one of the Group's principal brands (e.g. IRN-BRU).	A sizeable reduction (in the region of 25%) in brand revenue, sustained over the duration of the viability period.
Significant changes in consumer preferences and governmental impact in relation to sugar, plastics and the introduction of a Deposit Return Scheme (DRS).	A reduction in volumes sold (<5%) over and above current estimates as a result of the DRS, from the proposed DRS implementation date until the end of the viability period.
The impact of a pandemic (e.g. Covid-19), associated restrictions, and a consequent channel shift and reduction in consumer demand.	A reduction in revenue (in the region of 10%) for one year, to the extent experienced during the Covid-19 pandemic.

* Items marked with an asterisk are non-GAAP measures. Definitions and reconciliations are provided in the Glossary on pages 180 to 184.

BOARD OF DIRECTORS

Mark Allen OBE
Non-Executive Chair

Term of Office

Mark was appointed as a Non-Executive Director in July 2021 and was appointed Chair in March 2022.

Skills, competence and experience:

Following his early career in the police force Mark completed a law degree and subsequently held a variety of corporate roles. He worked initially with Shell and latterly with Dairy Crest where he was CEO from 2007 to 2019.

Mark has held non-executive roles at Howdens, Dairy UK, Warburtons and Norcros plc, where he was Chair from July 2020 until April 2021.

Mark has a deep understanding of consumer goods as well as significant public company experience.

External Appointments

Committee Membership

Nomination Committee (Chair).

Roger A. White
Chief Executive

Term of Office

Roger has been Chief Executive since 2004 having joined A.G. Barr as Managing Director in 2002.

Skills, competence and experience:

Roger began his career with food group Rank Hovis McDougall where he held numerous senior positions.

A past President of the British Soft Drinks Association Roger currently sits on both the Board of Management and the Executive Council.

Roger holds an Honorary Doctorate from the University of Edinburgh and was Scottish plc Chief Executive of the year in 2010.

Roger has a wealth of consumer goods experience and proven corporate leadership skills.

External Appointments

Non-Executive Director of Troy Income & Growth Trust.

Non-Executive Director of William Jackson Food Group Limited.

Director of Elegantly Spirited Limited.

Committee Membership

Environmental, Social and Governance Committee.

Stuart Lorimer
Finance Director

Term of Office

Stuart joined A.G. Barr in January 2015 as Finance Director.

Skills, competence and experience:

Prior to joining A.G. Barr Stuart spent 22 years with Diageo in a range of roles and countries, most latterly as the Finance Director for Diageo's Global Supply Operation.

A qualified Chartered Accountant, Stuart has significant FMCG experience in both the alcoholic and soft drinks sectors as well as a strong background in governance and performance management.

External Appointments

Non-Executive Director of Carr's Group plc.

Jonathan D. Kemp
Commercial Director

Term of Office

Jonathan has been Commercial Director since 2003.

Skills, competence and experience:

Jonathan's early career was spent with Proctor and Gamble where he enjoyed a successful career in various commercial roles.

An economics graduate, Jonathan has specialist FMCG skills and experience in customer business development, consumer brand building and commercial proposition optimisation.

External Appointments

None.

David J. Ritchie
Non-Executive Director

Term of Office

David was appointed a Non-Executive Director in April 2015.

Skills, competence and experience:

David began his career with KPMG before joining Bovis Homes Group plc in 1998 where he became Chief Executive in 2008.

A qualified Chartered Accountant, David has significant operational experience, governance knowledge and strong financial oversight gained over 30 years as a financial professional and 15 years leading a listed FTSE250 company.

External Appointments

CEO of WElink Homes UK.

Chair of Aspire LPP Limited.

Committee Membership

Audit and Risk Committee.
Nomination Committee.
Remuneration Committee (Chair).

						
	Susan V. Barratt Senior Non-Executive Director	**Nicholas B. E. Wharton** Non-Executive Director	**Zoe Howorth** Non-Executive Director	**Julie A. Barr** Non-Executive Director	**Louise Smalley** Non-Executive Director	**Euan Sutherland** Chief Executive – from 1 May 2024
Term of Office	Susan was appointed a Non-Executive Director in January 2018 and became Senior Non-Executive Director in May 2020.	Nick was appointed Non-Executive Director in November 2018.	Zoe was appointed Non-Executive Director in July 2021.	Julie was appointed as a Non-Executive Director in May 2023 having joined A.G. Barr in 2004.	Louise was appointed Non-Executive Director in May 2023.	Euan assumes the role as the Group's Chief Executive with effect from 1 May 2024 after publication of this report.
Skills, competence and experience:	Susan spent the early part of her career in senior finance roles at Geest plc, Whitbread plc and Laurel Pub Company. Subsequently Susan was CEO at Eldridge Pope plc, Natures Way Foods Limited and the IGD and was also Non-Executive Chair of Higgidy Limited. Susan is a Chartered Accountant with considerable operational and commercial experience within the FMCG industry.	Nick has held a number of senior executive roles across retail and FMCG businesses during his career. He was formerly Chief Financial Officer of Pepco NV, Superdry plc and Halfords Group plc and was also Chief Executive Officer at Dunelm plc. A qualified Chartered Accountant with extensive finance and retail experience, both in the UK and internationally Nick also has substantial plc and governance knowledge gained from a variety of executive and non-executive roles.	Zoe has had a successful career spanning a range of roles at Procter and Gamble, United Biscuits and The Coca-Cola Company where she spent 16 years, culminating in her role as UK Marketing Director. Zoe has also held a number of non-executive director roles with private companies. An economics graduate, Zoe has extensive FMCG experience, specifically across the food and beverage sector, as well as consumer brand marketing capability and direct to consumer digital understanding.	Julie's early career was spent in corporate law. Heading up A.G. Barr's risk and legal teams, Julie sits on the Executive Committee and is a Trustee of the Company's pension scheme. A qualified lawyer with an international M.B.A., Julie has extensive legal, governance and business knowledge.	Louise was Group Human Resources Director of Whitbread plc for 14 years and was an Executive Director of Whitbread plc for 9 years during a period of significant growth for the Costa Coffee and Premier Inn businesses. She previously held HR roles at Pizza Hut, BP and Esso Petroleum. Louise has extensive experience of branded consumer propositions and a deep understanding of talent management and remuneration within large UK and international companies.	Euan was most recently Group CEO of Saga plc, having previously been CEO of Superdry plc, The Co-op Group and Group COO of Kingfisher plc. He has a background in global FMCG brands, including Mars and Coca-Cola, plus eight years on the board of Britvic plc as a non-executive director. A graduate of Aston Business School, Euan also holds an Honorary Doctorate in Business Management. Euan has a wealth of consumer goods experience, having led major consumer-facing businesses both in the UK and internationally.
External Appointments	Non-Executive Director of Edward Billington and Son Limited.	Non-Executive Director of Oriflame Investment Holding plc.	Non-Executive Director of Water Babies International. Non-Executive Director of International Schools Partnership Limited. Non-Executive Director Paragon Banking Group plc.	Non-Executive Director of Scottish Ballet. Non-Executive Director of Gabriel Precision Oncology Limited.	Non-Executive Director at DS Smith plc. Non-Executive Director of Informa plc.	
Committee Membership	Audit and Risk Committee. Nomination Committee. Remuneration Committee. Environmental, Social and Governance Committee.	**Audit and Risk Committee (Chair).** Nomination Committee.	Remuneration Committee. **Environmental, Social and Governance Committee (Chair).**	Environmental, Social and Governance Committee.	Audit and Risk Committee. Nomination Committee. Remuneration Committee.	

I am pleased to present our Corporate Governance Report for the year ended 28 January 2024

Mark Allen OBE
Chair

Dear Shareholder,
On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 28 January 2024.

This year's Corporate Governance Report describes our approach to governance and sets out how the principles of the 2018 UK Corporate Governance Code have been applied during the year. Information about the operation of the Board and its committees, our engagement with stakeholders, and an overview of the Company's system of internal controls are also included.

In May 2023, after 62 years with the business, Robin Barr stepped down from the Board. Robin served on the Board for 58 years and I would like once again to recognise the invaluable role he played during this period.

Following our Board succession planning process, in May 2023, Julie Barr joined the Board as a non-executive director. Julie has been with the Company for over 20 years and is an experienced corporate lawyer. She brings a wealth of experience gained during her time with the Company and is an invaluable addition to the Board.

In June 2023, Louise Smalley also joined the Board as a non-executive director. Louise has a strong track record in the consumer space and previously worked in a variety of HR positions, culminating in her role as Group HR Director and Executive Director at Whitbread PLC. As planned, having served nine years as a non-executive director, David Ritchie will resign as a non-executive director with effect from the conclusion of the Annual General Meeting scheduled to take place on 31 May 2024. I would like to express my appreciation for the support provided by David during his time on the Board. Louise Smalley will replace David Ritchie as Chair of the Remuneration Committee.

I am delighted that Louise and Julie have joined the Board. Their experience and skills both complement and further strengthen our Board capabilities. There were no other changes to the Board during the year.

On 1 August 2023, the Board announced that Chief Executive Roger White would, at a mutually agreed date in the following 12 months, step down as a director of the Company and retire from the Company. Roger has led the business for over 21 years and supported its transformation from a regional soft drinks business into a highly successful multi-beverage, branded company that has delivered significant value to shareholders, stakeholders and employees. Roger will step down from the Board on 30 April 2024 and I would like to thank him for his enormous contribution to the business over many years.

On 1 February 2024, the Board announced that Euan Sutherland would join the Board as Chief Executive with effect from 1 May 2024. Euan has a wealth of consumer goods experience, having led major consumer-facing businesses through periods of significant growth, both in the UK and internationally. He was most recently Group CEO of Saga plc, having previously been CEO of Superdry plc and The Co-operative Group and Group Chief Operating Officer at Kingfisher. He has a background in global fast-moving consumer goods brands and spent eight years on the board of Britvic plc as a non-executive director.

On 26 March 2024, the Board announced that Commercial Director Jonathan Kemp will step down and retire as a director of the Company on 31 May 2024. In order to facilitate a smooth handover, Jonathan will remain employed on a full time basis up to 30 September 2024, and remain available to the Company on a part time basis up to 30 September 2025 when he will leave the business. I would like to thank Jonathan for his significant contribution to the business for over 20 years.

Further details of the Board's composition are given on pages 56 to 57.

Mark Allen OBE
Chair
26 March 2024

The Board

The Company is led by a strong and experienced board of directors (the 'Board') which brings a depth and diversity of expertise to the leadership of the Company. The Board is committed to ensuring that it has an appropriate balance of skills, experience and knowledge of the Group to enable it to discharge its duties and responsibilities effectively. The Nomination Committee report set out below describes how the Board achieves that aim. The Board currently has ten members, comprising three executive directors, the non-executive Chair, five independent non-executive directors and one non-independent non-executive director (Julie Barr). Biographical details of the directors are set out on pages 56 to 57.

The roles of Chair and Chief Executive are separate and there is a clear division of responsibilities between those roles. The Chair leads the Board and ensures the effective engagement and contribution of all non-executive and executive directors. The Chair facilitates constructive Board relations and ensures that Board meetings are underpinned by a culture of openness and challenge, with sufficient time made available to debate issues arising. The Chair ensures that the Board receive accurate, timely and clear information. The annual Board performance evaluation referred to below evaluates the Chair's performance in these areas. The Chief Executive has responsibility for all Group businesses and acts in accordance with the authority delegated from the Board. The non-executive directors support the development of the Group's strategy and provide constructive challenge to the executive directors. Susan Barratt fulfilled the role of senior independent director during the year to 28 January 2024 and is available to shareholders if they have concerns which have not been resolved via the normal channels of Chair, Chief Executive, or the other executive directors, or where communication through such channels would be inappropriate.

The Board considers that Susan Barratt, Zoe Howorth, David Ritchie, Louise Smalley and Nick Wharton are independent for the purposes of provision 10 of the 2018 UK Corporate Governance Code, issued by the Financial Reporting Council in July 2018 (the 'Code'), and that the relationships and circumstances set out in that provision which may appear relevant to the determination of independence do not apply. The Board considers that Mark Allen was independent for the purposes of the Code prior to being appointed as Chair of the Board on 31 March 2022. The Board considers that, on appointment, the Chair was independent for the purposes of provision 9 of the Code. Mark Allen does not hold any significant appointments in addition to his role as Chair of the Company.

The Company's Articles of Association provide that the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board. The Articles of Association require directors to retire and submit themselves for election at the first annual general meeting following appointment and to retire no later than the third annual general meeting after the annual general meeting at which they were last elected or re-elected. However, in order to comply with the Code, all directors other than Roger White, Jonathan Kemp and David Ritchie will submit themselves for election or re-election at the AGM. Euan Sutherland will offer himself for election at the AGM. Biographical details of the Board and Euan Sutherland as a proposed director are set out on pages 56 to 57 of this report.

Details of directors' remuneration and interests in shares of the Company are given in the Directors' Remuneration Report on pages 74 to 105.

Role of the Board

The Board is responsible for the long-term success of the Group, determines the strategic direction of the Group and reviews operating, financial and risk performance. There is a formal schedule of matters reserved for the Board, which is subject to annual review and includes approval of the following:

- the Group's annual business plan;
- the Group's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds;
- the financial statements;
- the Group's tax strategy;
- material contracts in accordance with the Group's Statement of Delegated Authorities;
- the Group's diversity and inclusion policy for the Board and Executive Committee;
- the Company's dividend policy;
- transactions involving the issue or purchase of Company shares;
- borrowing powers;
- appointments to the Board;
- alterations to the Memorandum and Articles of Association;
- legal actions brought by or against the Group above certain thresholds; and
- the scope of delegations to Board committees, subsidiary boards and the Executive Committee.

The Board is also responsible for the Group's ESG strategy. Responsibility for the development of policy, strategy and operational management is delegated to the executive directors and an Executive Committee, which as at the date of this report includes the executive directors and six senior managers.

The Board's governance supports the delivery of its strategy to deliver long-term sustainable value through:

- Leadership: the Board is collectively responsible for the long-term sustainable success of the Company. The composition of the Board and an explanation of their skills, experience and contribution are set out on pages 56 to 57. Further information on the Board's leadership, its division of responsibilities and the role of the non-executive directors in providing constructive challenge and supporting the development of strategy is set out above. The Board approves the Group's strategy and annual budget, reviews subsequent progress and makes decisions related to matters reserved for the Board in order to support the delivery of its strategy.
- Effectiveness: the Board's governance framework ensures the effectiveness of the Board. Please see below for information on induction, training and development for directors and the Board performance evaluation.
- Accountability: the Audit and Risk Committee Report (pages 70 to 73) and the report on Risk Management (pages 48 to 55) describe how the Board ensures a fair, balanced and understandable assessment of the Company's performance and prospects and how it assesses its principal risks. The Audit and Risk Committee Report sets out how the Company maintains an appropriate relationship with its external auditor, consistent with the Code and statutory requirements.
- Remuneration: the Directors' Remuneration Policy (pages 93 to 105) and detailed Remuneration Report (pages 74 to 92) describe how the Remuneration Committee ensures that the executive directors' remuneration is designed to promote the long-term success of the Company.
- Shareholder relations and engagement: the section 172(1) statement set out below describes how the Company engages with shareholders.

Section 172(1) statement

Stakeholder engagement

Effective engagement with our key stakeholders is critical to the long-term success of the Company. Understanding the perspectives of our stakeholders and building good relationships enables their views to be taken into account in Board and Committee discussions and decision-making. The Board will continue to focus on enhancing its engagement with key stakeholders. Our key stakeholders that the Board considers to be relevant to the business model, strategy and Company success are set out in the table below, together with how we engaged with them during the year, and the impact of that engagement on the Company's strategy and the principal decisions taken during the year. Further information on how we engage with our key stakeholders is set out in the Strategic Report on pages 1 to 55 and in the Directors' Report on pages 106 to 111.

Key Stakeholder	Form of Engagement	How This Stakeholder Group Influenced Board/Committee Discussions and Decisions
Shareholders	We have regular discussions with, and briefings for, investors. The Company endeavours to ensure senior management is available to interact with existing and potential shareholders and analysts on as flexible a basis as possible. The Chief Executive and Finance Director offer meetings to institutional shareholders twice annually as a minimum in order to communicate business updates and to develop an understanding of their views on performance against strategy, Environmental, Social and Governance ('ESG') related matters, and other matters of interest. All directors have the opportunity to attend these meetings. Board committee chairs seek engagement with shareholders on significant matters related to their areas of responsibility.	The Chief Executive and Finance Director brief the Board on discussions with investors, institutional shareholders and analysts. Independent feedback following key meetings is coordinated and provided to the Board by the Company's brokers and financial PR agencies on a regular basis. Board members listen and respond to the views of investors and institutional shareholders and feedback to the business as necessary. We engaged with key shareholders during the year in relation to various ESG related matters. Feedback from our major shareholders and investor base on their key ESG challenges influenced the ongoing agenda and operation of the Board's ESG Committee and reaffirmed the Board's commitment to be net-zero across our own operations by 2035 and across our full supply chain by 2050, if not sooner. These decisions were taken by the Board with the aim of promoting the success of the Company for its shareholders in the long term. During the year, we engaged with key shareholders regarding the Company's capital allocation strategy. Feedback from these shareholders informed the Board's review of the Company's capital allocation strategy and capital expenditure strategy during the year. In line with this strategy, the Board took the key capital asset investment decision during the year to approve further phases of a multi-year asset replacement programme to replace PET and can line assets at the Cumbernauld factory and to make additional capital investment at the Milton Keynes factory. The projects will improve efficiency and deliver various ESG benefits. The projects were evaluated on a suite of financial metrics designed to drive shareholder return over the long term.

Key Stakeholder	Form of Engagement	How This Stakeholder Group Influenced Board/Committee Discussions and Decisions
Shareholders continued	The Chair ensures at each Board meeting that the Board as a whole has a clear understanding of the views of shareholders. An investor relations update is provided at each Board meeting. Shareholders were invited to attend the 2023 AGM in person. All shareholders, including private investors, had the opportunity to submit questions in advance of the AGM and to participate in questions and answers with the Board at the AGM on matters relating to the Company's operation and performance. The Board assesses the effectiveness of engagement with the investment community through measurement of the number of analysts following the Company and the number of meetings held with investors and analysts.	During the year, the Board took the key decision to approve the acquisition of the Rio tropical fruits drinks brand through the purchase of Rio Tropical Limited. This acquisition demonstrates the Company's commitment to its growth strategy, focused on developing its portfolio in high growth and functional categories for the long term benefit of shareholders. During the year, the Remuneration Committee considered further shareholder feedback received following engagement with major shareholders in December 2022 in relation to the Remuneration Committee's proposals for the new Directors' Remuneration Policy that was put to shareholders for approval at the AGM in May 2023. Feedback from these shareholders informed the final proposed Directors' Remuneration Policy. During the year, the Chair of the Remuneration Committee wrote to all major shareholders who had voted against the resolution to approve the Directors' Remuneration Policy put to shareholders at the 2023 AGM seeking feedback regarding why they were unable to support the resolution and to understand their views. The Remuneration Committee noted that there were no consistent themes for voting against the Directors' Remuneration Policy by the minority of shareholders who did so. Having reflected on the feedback received from shareholders and the support of the majority of shareholders, the Remuneration Committee is satisfied that it acted in the best interests of the Company and all of its stakeholders. The Company will continue to engage with its shareholders on executive directors' remuneration going forward.
Customers	We have regular engagement with our customers through virtual or face-to-face meetings, conferences and events. Regular reviews of joint business plans take place to ensure that we are aligned on our shared goals. During the year we engaged with customers in relation to key product launches. We also continued to engage with customers on their views and attitudes towards plastic packaging and the planned DRS in Scotland, which has now been postponed to October 2025 at the earliest, and the planned DRS in Ireland. During the year, we engaged with our customers in relation to a planned price increase, with the aim of mitigating the impact of significant inflationary cost pressures on the business. Members of the Board conducted a Scottish market tour. Together with members of the Commercial team, they visited a range of the Group's customers, including supermarkets, cash and carry stores and independent stores.	The Commercial Director provides a commercial update to every Board meeting. A formal review of customers and channels is presented to and discussed by the Board annually. Information on customer service levels, including performance against customer service level KPIs, is included in the Board papers for every meeting. We have worked hard during the year to maintain good customer service levels despite ongoing supply chain challenges. The Board also received updates regarding customers' data on their respective suppliers' performance, which indicated a good customer service performance from the Company compared to many other suppliers. Feedback from key customers regarding their ESG concerns and commitments influenced the Board's discussions during the year. For example, customer feedback in relation to plastic packaging and their desire to reduce the use of and increase the recyclability of plastics used in product packaging influenced the Board's key decision to support the move to increase the recycled PET content of our entire portfolio in plastic bottles to 30% rPET, with the exception of 500ml IRN-BRU and Rubicon 500ml plastic bottles, which will remain 100% rPET. Customer feedback also influenced the Board's key decision to continue to support the Group's environmental sustainability strategy, which is being delivered through the 'No Time To Waste' programme of activity, including the delivery of a number of initiatives under the plastics and packaging workstream. Customer feedback also influenced the Board's key decision to approve further phases of a multi-year asset replacement programme to replace PET and can line assets at the Cumbernauld factory, which will deliver ESG benefits. Engagement with key customers during the year influenced the Board's discussions and decisions regarding the annual budgeting and long-term strategic planning processes for the Group.

Key Stakeholder	Form of Engagement	How This Stakeholder Group Influenced Board/Committee Discussions and Decisions
Consumers	We are committed to engaging with our consumers through a variety of channels regarding any questions, concerns or feedback which they may have. Our consumer care team aims to respond efficiently and effectively to all matters raised by consumers, whether by email, telephone, social media or post. Consumer research is conducted prior to the launch of key products and in relation to key marketing campaigns, as appropriate. The Board gains insight into consumer needs, behaviours and motivations through regular detailed brand reviews at Board meetings throughout the year. The Board also reviews market and consumer insight data at every Board meeting. The Board receives presentations from senior members of management on consumer trends, brands and key marketing initiatives	The Commercial Director provides a marketing update to every Board meeting. A formal review of brands and innovation is presented to and discussed by the Board annually. A structured research programme of consumer usage and attitudes is carried out on a regular basis, which informs the Board's risk review process and its discussions regarding its appetite for risks and opportunities in this area. During the year, the Board received presentations on the performance of key brands, innovation and marketing campaigns, including in relation to the collection and reporting of consumer data. The Board discussed and were supportive of the brand and innovation strategy and key brand plans for the following year. Consideration of consumers' attitudes and behaviours towards environmental sustainability influenced the Board's key decision to approve further phases of a multi-year asset replacement programme to replace PET and can line assets at the Cumbernauld factory. Consumer feedback also influenced the Board's key decision to continue to support the Group's environmental sustainability strategy, which is being delivered through the 'No Time To Waste' programme of activity, including the delivery of a number of initiatives under the plastics and packaging workstream, as noted above.
Suppliers	We ensure that we source raw materials in a responsible manner and require our suppliers to commit to our Supplier Code of Conduct and to comply with the provisions of our Modern Slavery Statement and Anti-bribery and Corruption Policy. We seek to mitigate risks in relation to the continuity of supply of key raw materials and ingredients by developing strong commercial relationships with our key suppliers. We have regular engagement with our suppliers through virtual and face-to-face meetings, conferences and events. During the year we engaged with key suppliers on matters related to climate change, including innovation in sustainable packaging. The Company complies with the Prompt Payment Code guidelines, paying in excess of 90% of its supplier invoices on time. Monthly cross-functional supplier performance scoring is conducted; the results are shared with suppliers and discussed at review meetings. Regular review meetings are held with key suppliers to review various KPIs, including performance, risk management and ESG objectives. An annual cross-functional supplier review meeting is held which informs our sourcing strategy for the following year. Quarterly credit checks are carried out on suppliers to assess their financial health.	Updates on supply chain activities, including key suppliers, are provided to every Board meeting and are considered and discussed at the meeting. These include consideration of supply chain performance, stock availability and commodity purchasing. A review of supply chain strategy, including procurement, is presented to and discussed by the Board annually. The Board approves all key supplier contracts above certain thresholds in accordance with the Company's Statement of Delegated Authorities. During the year, we continued to work closely with our suppliers in relation to our commitment to become net-zero across our own operations by 2035 and across our full supply chain by 2050, if not sooner. During the year, the Board reviewed and approved the Group's Modern Slavery Statement, cognisant of the need to ensure that adequate processes are in place to prevent modern slavery in the Group's supply chain and to maintain its reputation for high standards of business conduct. Engagement with key suppliers during the year informed the Board's discussions and decisions regarding the annual budgeting and long-term strategic planning processes for the Group.

Key Stakeholder	Form of Engagement	How This Stakeholder Group Influenced Board/Committee Discussions and Decisions
Employees	The Group is committed to engaging employees at all levels regarding matters which affect them and the performance of the Group. This is achieved in a number of ways, including the use of regular briefing procedures, which twice yearly include a report on trading results. Regular communication meetings, including "town halls", are held to keep employees up to date with Group performance. Leadership team "hangouts" take place on a monthly basis to keep this group updated and to provide the opportunity for them to ask questions on business related matters. Consultation meetings also take place when the Company is making decisions that are likely to affect employees' interests, at which employee representatives' views are taken into account. The Group's intranet site provides up-to-date information regarding the Group's activities. In addition, an employee engagement survey "Everyone Barr None" is carried out on an annual basis, which seeks feedback from all employees on a range of areas; action plans are created in response to the results of each survey. Employees' opinions are also sought on various specific topics throughout the year by means of frequent pulse surveys. In addition to the Company's existing employee engagement mechanisms, and as required by the UK Corporate Governance Code, during the year the Nomination Committee reviewed and approved the Board's current mechanism for workforce engagement, being a designated non-executive director, as an appropriate mechanism for workforce engagement. Zoe Howorth was the designated workforce engagement director during the year.	The continued appointment of a designated non-executive director as a mechanism for workforce engagement strengthens the link between employees and the Board, helps to build an open and transparent culture and to ensure that all employees have a voice in the Company's future success. It also helps the Board to make better informed decisions based on the broad perspectives of the workforce. During the year, the Board evaluated the Company's approach to workforce engagement in light of industry best practice and agreed to continue with the current arrangements, which will be kept under review. Updates on progress regarding workforce engagement are provided at Board meetings throughout the year. It was reported that, overall, the good level of workforce engagement had continued during the year and feedback from the employee engagement sessions was generally positive, with a high level of employee engagement and commitment to the business. Discussion areas during these sessions included employees' health and safety and mental wellbeing, flexible and hybrid working arrangements, health and safety generally, employee communications, employee pay and benefits, industrial action involving a very small number of employees at the Cumbernauld site which was satisfactorily resolved, IT systems and data, how executive remuneration aligns with wider Company pay policy, Company purpose, career opportunities and leadership development. Members of the Board completed site tours during the year, including a tour of the Milton Keynes site and a visit to FUNKIN's offices in London. The Board regularly reviews various employee metrics throughout the year, including turnover and absenteeism data. The results of the "Everyone Barr None" employee engagement survey carried out during the year were presented to and discussed by the Board. The results of the survey were generally positive, with a high employee response rate and overall employee engagement score; the continued strong results in the area of health and safety and the improvement in the area of performance management year-on-year were particularly pleasing. The Board were supportive of local action planning activities which would take place in response to the results of the survey.

Key Stakeholder	Form of Engagement	How This Stakeholder Group Influenced Board/Committee Discussions and Decisions
Employees continued	A structured plan for workforce engagement is developed for each year. During the year, this included face-to-face engagement sessions held by Zoe Howorth, supported by the Chair and certain other non-executive directors, for employees of different roles and levels across different Company sites, the aim of which was to encourage participation across the workforce in order to understand their views on matters which affect them. The Company has a Speaking Up Policy in place, which complies with the 2018 UK Corporate Governance Code, together with associated procedures, including employee awareness and training, to ensure that employees are encouraged to raise any matters of concern in a timely manner. The Speaking Up Policy is communicated to all employees through a variety of channels. A designated email address is available to employees to enable them to raise any matters of concern. A communications campaign continued during the year to help raise employee awareness of the Speaking Up Policy and to encourage employees to come forward if they want to raise any matters of concern. The Board assesses the effectiveness of engagement with employees through a number of metrics, including the results of the "Everyone Barr None" employee engagement survey, pulse surveys, turnover and absenteeism data, exit interview data and employee 'speaking up' data.	During the year the Board received feedback from the workforce engagement director and from employees through the "Everyone Barr None" employee engagement survey regarding hybrid working arrangements for office workers and noted employees' desire for flexible working arrangements, and were supportive of the key decision to maintain the current arrangements. During the year, a revised People Strategy for Barr Soft Drinks "Being Your Best Barr None" was developed and shared with employees across the business. The focus areas of the strategy were developed following engagement with and input from employees across all areas of the Barr Soft Drinks business. The revised People Strategy for Barr Soft Drinks was presented to the Board; following discussion, the Board fully supported the revised strategy and related implementation plans. During the year, the Board reviewed and approved the Company's Workforce Engagement Terms of Reference. During the year, the Board reviewed employee 'speaking up' data and reviewed and approved the Company's Speaking Up Policy and associated procedures. The Nomination Committee, a sub-committee of the Board, held two sessions on people and succession planning during the year.
Government	We engage with governments and political bodies in an open and constructive manner on issues which affect our business, both directly and through relevant trade associations such as the British Soft Drinks Association ('BSDA'). During the year much of our government engagement continued to be related to the introduction of the now delayed DRS in Scotland and was carried out in conjunction with the BSDA. We took steps to communicate our position on key implementation matters to ensure our views were understood and where possible taken into account in decision-making.	Updates on engagement with UK and devolved governments and political bodies were provided to the Board by the Chief Executive throughout the year and influenced its discussions. This engagement also shaped internal activity in relation to these areas during the year. Our insights and understanding from engagement with UK and devolved governments and political bodies during the year informed the Board's discussions and decisions regarding the annual budgeting and long-term strategic planning processes for the Group. Reviews of the regulatory framework under which the Group operates are presented to the Board on a regular basis and inform the Board's discussions and decisions regarding capital expenditure and areas of business development. The Board discussed and supported our internal project planning for the introduction of a DRS in Scotland and progress against our net-zero plans – this work was informed by our engagement with the Scottish government during the year. On 7 June 2023, it was announced by the Scottish Government that the DRS in Scotland would be delayed until at least October 2025.

Corporate culture and reputation

The Board and the Executive Committee have a critical role in creating and embedding the right corporate culture for the business. The Board aims to maintain the Company's reputation for the highest standards of business conduct and to create a culture that is responsible, diverse and inclusive. The Company's workforce is critical to its future success. The Company's focus on employee engagement will continue in order to create a culture that enables and supports a highly motivated and diverse workforce, to ensure that its workforce do the right thing for its stakeholders and deliver long-term sustainable success for the business.

The Board regularly assesses and monitors the Company's culture and, where appropriate, seeks assurance from management that it has taken corrective action to ensure that policy, practices and behaviour throughout the business are aligned with the Company's purpose, values and strategy. The Board achieves this primarily through reviewing feedback from employees from the annual employee engagement survey "Everyone Barr None" and frequent pulse surveys, and ensuring that appropriate actions are taken to address the findings thereof. The results of the employee engagement survey undertaken during the year showed a high employee response rate and overall employee engagement score. The Board were supportive of the local action planning activities taking place in response to the results of the survey. The Board also receives regular updates on workforce engagement from the Board's designated non-executive director which helps it to assess and monitor the Company's culture. The Board regularly reviews certain health and safety KPIs, including the number of lost time accidents during the year and performance against the Group's lost time accident incident rate target. During the year, the Board reviewed the overall health and safety performance of the Group, which showed year-on-year improvements in health and safety performance across the business. The Board also noted the positive results from the employee engagement survey "Everyone Barr None" during the year in relation to the health and safety culture. The Board regularly reviews employee turnover and absence data, and are supportive of action plans in place to engage employees and reduce turnover. The Board also assesses and monitors the Company's culture through its annual review of the Group's Speaking Up policy, procedures and any concerns raised; during the year the Board were satisfied that the procedures in place were working effectively and reapproved the Company's Speaking Up policy. Further information on the Company's culture and workforce engagement is included in the table above and in the Directors' Report on pages 106 to 111 and in the Strategic Report on pages 1 to 55.

Community and environment

Information regarding the impact of the Company's operations on the community and the environment is included in the Responsibility Report on pages 20 to 43.

Acting fairly as between members of the Company

The Board recognises its legal and regulatory duties to act fairly as between members of the Company and has put appropriate structures and processes in place to ensure it complies with all relevant legal requirements, for example in relation to the disclosure of inside information to shareholders.

Conflicts of interest

The Articles of Association allow the Board to authorise potential conflicts of interest that may arise from time to time, subject to certain conditions. The Company has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were sought.

Professional advice

All directors have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters. The non-executive directors have access to senior management of the business.

Induction, training and development

On appointment to the Board, directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Group's businesses, the risks and strategic challenges the Group faces, and the economic, competitive, legal and regulatory environment in which the Group operates. The induction includes, amongst other activities, meetings with Board members, the Company Secretary, senior management and other employees, site visits, market visits and the provision of information relating to the Group, including briefings on key business activities. The Company Secretary and/or Group Legal and Risk Director provide information to new directors regarding Board policies and procedures, and corporate governance matters. A programme of strategic and other reviews, together with the other training provided during the year, ensures that directors continually update their skills, their knowledge and familiarity with the Group's businesses, and their awareness of sector, risk, regulatory, legal, financial and other developments to enable them to fulfil effectively their role on the Board and committees of the Board.

Board performance evaluation

Every year the performance and effectiveness of the Board, its committees and individual directors is evaluated. In line with the Code, this year the evaluation was internally facilitated, having last been externally facilitated during the year to January 2023. The evaluation was led by the Chair and conducted by the completion of detailed and comprehensive written survey questionnaires by all Board members and the Company Secretary. The questionnaires were agreed with the Company Secretary and the Chair of the Board. The Board questionnaire covered such themes as strategy, leadership and accountability, Board composition, diversity, culture and risk management, and how effectively Board members work together to achieve objectives, with similar coverage for each of the committees. A full, written report based on the responses to the survey was prepared and discussed with the Chair. The full report was shared with and discussed by the Board and each of the committees. Overall, the review found that the Board and its committees were functioning in an effective manner and performing satisfactorily, with no major issues identified. Actions will be taken to address certain areas arising from the evaluation, including an increased focus on strategic discussions in relation to the use of capital and more discussions in relation to Board succession and people related matters.

The non-executive directors, led by the senior independent director, carried out a performance evaluation of the Chair without the Chair present, taking into account the views of the executive directors. It was concluded that Mark Allen's performance continues to be strong and that he demonstrates effective leadership. The Chair is pleased to confirm that, following performance evaluation of the directors, all of the directors' performances continue to be effective and all of the directors continue to demonstrate commitment to the role of director, including commitment of time for Board meetings and committee meetings and any other relevant duties.

Meetings and attendance

Board meetings are scheduled to be held seven times each year. Between these meetings, as required, additional Board meetings (and/or Board committee meetings) may be held to progress the Company's business. A part of meetings is dedicated to the discussion of specific strategy matters.

In advance of all Board meetings the directors are supplied with detailed and comprehensive papers covering the Group's operating functions. Members of the management team attend and make presentations as appropriate at meetings of the Board. The Company Secretary is responsible to the Board for the timeliness and quality of information provided to it. The Chair holds meetings with the non-executive directors during the year without the executive directors being present.

The attendance of directors at Board and committee meetings in the year to 28 January 2024 is set out in the following table. During the year, in addition to the scheduled meetings, the Board also convened an additional Board meeting, three additional Remuneration Committee meetings and one additional Nomination Committee meeting in relation to various matters, including providing a financial performance update and the appointment of a new Chief Executive. All of the directors attended the additional Board meeting. All members of the Remuneration Committee attended its additional meetings other than the meeting on 24 October 2023 which was organised on short notice and Louise Smalley was unable to attend. All members of the Nomination Committee attended its additional meeting.

	Board Maximum 8	Audit & Risk Committee Maximum 4	Remuneration Committee Maximum 6	Nomination Committee Maximum 4	ESG Committee Maximum 2
Executive					
Roger White*	8	–	4	2	2
Stuart Lorimer**	8	4	–	–	–
Jonathan Kemp	8	–	–	–	–
Non-Executive					
Mark Allen***	8	–	3	4	–
Robin Barr****	2	–	–	1	–
Julie Barr†	6	3	5	3	2
Susan Barratt	8	4	6	4	2
Zoe Howorth††	8	–	6	4	2
David Ritchie	8	4	6	4	–
Louise Smalley†††	6	3	4	3	–
Nick Wharton††††	8	4	1	4	–

* Roger White attended Board committee meetings during the year by invitation.

** Stuart Lorimer attended Audit and Risk Committee meetings during the year by invitation.

*** Mark Allen attended Remuneration Committee meetings during the year by invitation.

**** Robin Barr resigned from the Board on 26 May 2023 and could have attended a maximum of two Board meetings and one Nomination Committee Meeting.

†* Julie Barr joined the Board on 26 May 2023 and attended Board committee meetings during the year by invitation. The attendance in the above table does not include where she attended meetings in her previous capacity as Company Secretary.

†† Zoe Howorth attended Nomination Committee meetings during the year by invitation.

††† Louise Smalley joined the Board on 1 June 2023 and could have attended a maximum of six Board meetings, three Audit and Risk Committee meetings, five Remuneration Committee meetings and three Nomination Committee meetings.

†††† Nick Wharton attended a Remuneration Committee meeting by invitation during the year.

Committees of the Board

The terms of reference of the principal committees of the Board – Audit and Risk, Remuneration, Nomination and ESG – have been approved by the Board and are available on the Company's website, www.agbarr.co.uk.

Those terms of reference have been reviewed in the current year and are reviewed at least annually. The work carried out by the Nomination Committee in discharging its responsibilities is summarised below. The work carried out by the Audit and Risk Committee is described within the Audit and Risk Committee's Report on pages 70 to 73. The work carried out by the Remuneration Committee is described within the Directors' Remuneration Report on pages 90 to 91. The work carried out by the ESG Committee is described within the Responsibility Report on page 34.

The Board has a Market Disclosure Committee which comprises Susan Barratt, Roger White, Stuart Lorimer and the Group Legal and Risk Director. The Market Disclosure Committee meets only when required and is responsible for overseeing the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation and the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules. Susan Barratt, Roger White, Stuart Lorimer and Julie Barr attended the one meeting of the Market Disclosure Committee held during the year.

The Board also has an Equity Investment Committee which comprises Mark Allen, Roger White, Stuart

Lorimer and the Company Secretary. The Equity Investment Committee meets only when required and is responsible for overseeing the Company's equity investments in investee companies. There were no meetings of the Equity Investment Committee held during the year.

Nomination Committee

The Nomination Committee comprises Mark Allen, Susan Barratt, David Ritchie, Louise Smalley and Nick Wharton. The Nomination Committee is chaired by Mark Allen. The Nomination Committee leads the process for making appointments to the Board and ensures that there is a formal, rigorous and transparent procedure for the appointment of new directors to the Board. The remit of the Nomination Committee also includes reviewing the composition of the Board through a full evaluation of the skills, knowledge and experience of directors and ensuring plans are in place for orderly succession for appointments to the Board. When identifying potential new directors for appointment to the Board, the Nomination Committee retains the services of an external search consultant. The Nomination Committee makes recommendations to the Board on its membership and the membership of its principal committees.

The Nomination Committee is required, in accordance with its terms of reference, to meet at least once per year. The Nomination Committee met four times during the year and, amongst other matters, considered the structure, size and composition of the Board and its committees, cognisant of the need to ensure that they have the right combination of skills, experience and knowledge, and bearing in mind the length of service of the Board as a whole and the need to regularly refresh its membership, the recruitment of a new non-executive director and the appointment of a new Chief Executive. The Nomination Committee considered a corporate succession plan for the Board and senior management, based on merit and objective criteria and cognisant of the need to build a diverse and inclusive culture. The Nomination Committee also approved the Board's current mechanism for workforce engagement and recommended the workforce engagement terms of reference to the Board for approval.

The Nomination Committee considered and recommended the appointment of Louise Smalley to the Board, the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee. The Nomination Committee also considered and recommended the appointment of Julie Barr to the Board and the ESG Committee. In identifying a potential new external non-executive director, the Nomination Committee retained the services of Sam Allen Associates, an external search consultant. Sam Allen Associates has no other connection with the Company other than the provision of these services.

The Board believes that building a diverse and inclusive culture is integral to the success of the Company. Diversity includes aspects such as diversity of skills, perspectives, industry experience, educational and professional background, gender, ethnicity and age. The Company's Board and Executive Committee Diversity Policy ('Diversity Policy') provides that these aspects will be considered in determining the optimum composition of the Board and Executive Committee, with the aim of achieving an appropriate balance. All appointments to the Board and Executive Committee are made on merit, against objective criteria, and with due regard for the benefits of diversity and inclusion.

The Company remains committed to the principle of diversity and aims to achieve at least 40% female representation on the Board and Executive Committee and at least one director from an ethnic minority background on the Board. The Nomination Committee is responsible for overseeing the implementation of the Diversity Policy. The Nomination Committee reviews the Diversity Policy at least annually to ensure its effectiveness, with any amendments recommended to the Board for approval. Prior to the resignation of Robin Barr and appointment of Julie Barr as a non-executive director on 26 May 2023, 22% of the Board were female. Following the resignation of Robin Barr and appointment of Julie Barr, 33% of the Board were female. Following the appointment of Louise Smalley as a non-executive director on 1 June 2023, 40% of the Board were female, including the Senior Independent Director, meeting the target in relation to female representation on the Board. All of the members of the Board are of White European ethnicity and the target of appointing at least one director from an ethnic minority background has not yet been met. As at the date of this report, 44% of the Executive Committee are female and 45% of the Executive Committee's direct reports are female. As at the date of this report, 100% of the Executive Committee self-disclose as being of White European ethnicity and 0% self-disclose as being of other ethnic backgrounds. The disclosure relating to gender and ethnic diversity within the Company is included in the Directors' Report on page 107.

Treasury and Commodity Committee

The Treasury and Commodity Committee consists of Roger White, Stuart Lorimer and senior members of the finance, legal and procurement departments. The Treasury and Commodity Committee's terms of reference are reviewed and approved annually by the Audit and Risk Committee. The Treasury and Commodity Committee reviews purchase requirements in foreign currencies and implements strategies, including the use of foreign exchange hedges, in order to reduce the risk of foreign exchange exposure and provide certainty over the value of non-domestic purchases in the short to medium term. The Treasury and Commodity Committee's remit includes the ability to utilise certain financial instruments in order to hedge the Group's exposure to interest rate fluctuations. The Treasury and Commodity Committee also monitors the Group's short and medium term funding requirements, provides oversight of hedge accounting and adherence to hedge accounting standards, monitors the ongoing requirements of the Company's various employee share schemes, monitors cash flow and any capital restructure programmes, oversees the Group's dividend policy and proposals for the payment of dividends and annually reviews the Group's Statement of Delegated Authorities.

Internal control

The Board has overall responsibility for the Group's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has reviewed the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls, in accordance with the Code for the period from 30 January 2023 to the date of approval of this annual report. No significant failings or weaknesses were identified from this review during the year. Had any failings or weaknesses been identified then the Board would have taken the action required to remedy them.

The Board confirms that there is an ongoing process, embedded in the Group's integrated internal control systems, allowing for the identification, evaluation and management of significant risks, as well as a reporting process to the Board. This risk management process has been in place throughout the year ended 28 January 2024 and up to the date of the approval of this annual report. The Board has carried out a robust, systematic assessment of the principal and emerging risks facing the Group during the period, including those which would threaten its business model, future performance, solvency or liquidity. Information on the Group's risk management framework, including the operation of the Group's Risk Committee, is set out in the Strategic Report on pages 48 to 55.

The three main elements of the Group's internal control system are as follows:

The Board

The Board has overall responsibility for the Group's internal control systems and exercises this through an organisational structure with clearly defined levels of responsibility and authority as well as appropriate reporting procedures.

The Board has a schedule of matters that are brought to it, or its duly authorised committees, for decision, aimed at maintaining effective control over strategic, financial, operational and compliance issues.

This structure includes the Audit and Risk Committee which, with the Finance Director, reviews the effectiveness of the internal financial and operating control environment.

Financial reporting

There is a comprehensive strategic planning, budgeting and forecasting system with an annual operating plan approved by the Board. Monthly financial information, including trading results, cash flow statement, statement of financial position and indebtedness, is reported.

The Board and the Executive Committee review the business and financial performance against the prior year and against annual plans approved by the Board.

Audits and reviews

The key internal risks identified in the Group are subject to regular audits or reviews by the internal auditors. This role is fulfilled by an external professional services firm which is independent from the Board and the Group.

The review of the internal auditor's work by the Audit and Risk Committee and monitoring procedures in place ensure that the findings of the audits are acted upon and subsequent reviews confirm compliance with any agreed action plans.

The Board confirms that there has been an independent internal audit function in place for the year.

Share capital structure

The share capital structure of the Company is set out in the Directors' Report.

UK Corporate Governance Code compliance

The Company is committed to the principles of corporate governance contained in the Code. A copy of the Code is available on the Financial Reporting Council's website, www.frc.org.uk.

Each of the provisions of the Code has been reviewed and, where necessary, steps have been taken to ensure that the Company is in compliance with all of those provisions as at the date of this report. The directors consider that the Company has complied throughout the year ended 28 January 2024 with the provisions of the Code, except as set out below.

Provision 38 of the Code states that pension contribution rates for executive directors, or payments in lieu, should be aligned to those available to the workforce. As disclosed in the Directors' Remuneration Report, Roger White, Stuart Lorimer and Jonathan Kemp receive a cash allowance equal to their contractual pension provision of 24% of salary. These provisions will continue to be honoured as contractual commitments made to these incumbent executive directors. As disclosed in the Directors' Remuneration Policy, the maximum company pension contribution for any new executive director appointments, including for Euan Sutherland, the new Chief Executive, who will join the business on 1 May 2024, will be aligned to that available to the wider workforce, which is currently 8% of salary.

Provision 39 of the Code states that executive directors' contracts should contain a maximum notice period of one year. As disclosed in the Directors' Remuneration Report, the service contracts with Roger White and Jonathan Kemp provide for a notice period of 12 months except during the six months following either a takeover of or by the Company or a Company reconstruction. Under these conditions and certain circumstances, the directors are entitled to a liquidated damages payment equal to the director's basic salary at termination plus the value of all contractual benefits for a two year period. Given the size of the Company and the sector dynamics at the time these directors were recruited, the Remuneration Committee considered this provision appropriate in order to attract and retain high calibre executive directors. As disclosed in the Directors' Remuneration Report, this provision will continue to be honoured as a contractual commitment made to these directors; however this provision was not included in Stuart Lorimer's service contract or in the service contract with Euan Sutherland, the new Chief Executive, and will not be included in service contracts with other new executive directors appointed in future, to ensure that future executive directors' service contracts comply with provision 39 of the Code.

A copy of the financial statements has been placed on the Company's website, www.agbarr.co.uk. The maintenance and integrity of this website is the responsibility of the directors. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Neil MacLennan
Company Secretary
26 March 2024

On behalf of the Audit and Risk Committee, I am pleased to present its report for the year ended 28 January 2024. The report describes the key activities undertaken by the Committee during the year and how it has discharged its role and responsibilities.

Nick Wharton
Chair of the Audit and Risk Committee

Composition

From 30 January 2023 until 31 May 2023, the Audit and Risk Committee (the 'ARC') comprised three non-executive directors: Nick Wharton, Susan Barratt and David Ritchie. On 1 June 2023, Louise Smalley joined the Board as a non-executive director and also became a member of the ARC. Following Louise Smalley's appointment, the ARC comprised four non-executive directors. David Ritchie will resign as a non-executive director with effect from the conclusion of the Annual General Meeting scheduled to take place on 31 May 2024 and will step down from the ARC with effect from that date. The ARC is chaired by Nick Wharton. The Board is satisfied that Nick Wharton has recent and relevant financial experience as required by provision 24 of the 2018 UK Corporate Governance Code. Biographical details of the Chair and other members of the ARC are shown on pages 56 to 57. The Board has determined that the current composition of the ARC as a whole has competence relevant to the sector in which the Company operates, to enable it to deal effectively with the matters it is required to address and to challenge management when necessary.

Meetings

The ARC met four times during the year. The meetings are attended by the ARC members and, by invitation, the Finance Director, the Group Financial Controller, the Group Legal and Risk Director, the Company Secretary and representatives from the external and internal auditors. The ARC meets regularly with the Finance Director and other members of management, as well as privately with the external and internal auditors.

Role and responsibilities

The primary role of the ARC is to assist the Board in fulfilling its oversight responsibilities. This includes:

- Financial reporting:
  - monitoring the integrity of the annual and interim financial statements and formal announcements relating to the Group's financial performance and reviewing any significant financial reporting judgements and disclosures which they contain;
  - if requested by the Board, providing advice on whether the Annual Report and Accounts are fair, balanced and understandable; and
  - reporting to the Board on the appropriateness of the Group's accounting policies and practices.
- Internal control and risk management:
  - reviewing and monitoring the effectiveness of the Group's internal control and risk management systems;
  - reviewing and monitoring the effectiveness of the internal audit function, which is resourced externally, and management's responsiveness to any findings and recommendations; and
  - reviewing the identification and mitigation of the Group's existing corporate risks and emerging risks.
- Policies and procedures:
  - reviewing and approving the terms of reference for the Company's Treasury and Commodity Committee;
  - reviewing the Group's delegated authority limits;
  - reviewing and monitoring the Group's Tax risk management policy;
  - reviewing and monitoring the Group's Anti-facilitation of tax evasion policy;
  - reviewing and monitoring the appropriateness of the Group's Anti-bribery policy and procedures;
  - approving the appointment and removal of the internal auditor;
  - making recommendations to the Board in relation to the appointment and removal of the external auditor and approving its remuneration and terms of engagement;
  - reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process;
  - reviewing the policy on the engagement of the external auditor to supply non-audit services; and
  - reporting to the Board on how it has discharged its responsibilities.

Activities of the Audit and Risk Committee

In respect of the year to 28 January 2024 ('period under review'), the ARC has:

- Financial reporting:
  - reviewed and discussed with the external auditor the key accounting considerations and judgements reflected in the Group's unaudited results for the six month period ended 30 July 2023;
  - reviewed and agreed the external auditor's audit strategy memorandum in advance of its audit for the year ended 28 January 2024;
  - discussed and agreed the nature and scope of the work to be performed by the external auditors;
  - received and reviewed reports from management regarding their approach to key accounting considerations and judgements in the half year and full year financial statements;
  - reviewed the half year and full year financial statements;
  - discussed the report received from the external auditor regarding its audit in respect of the year ended 28 January 2024, which included comments on its findings on internal control and key audit risks and a statement on its independence and objectivity; and
  - reviewed the results of this audit work and the response of management to matters raised.

- Internal control and risk management:
  - received reports from internal audit covering various aspects of the Group's operations, controls and processes;
  - received reports on the operation of the Group's Risk Committee;
  - reviewed the Group's risk register and the Group's principal risks in light of the Board's risk appetite for key risk areas, together with the systems and processes for mitigating those risks;
  - received reports from management on the actions taken by the business to mitigate cyber risks, including the risk of a ransomware attack;
  - following up on internal control related actions;
  - received reports from management in relation to the identification and management of emerging risks for the Group and reviewed the Group's emerging risks related to technology. The ARC was satisfied that the enhanced processes introduced during the year to manage these risks were operating effectively;
  - reviewed and recommended the Group's enterprise risk management framework, including the Group's risk appetite statement, to the Board;
  - discussed and agreed the nature and scope of the work to be performed by the internal auditor;
  - reviewed the results of this audit work and the response of management to matters raised;
  - reviewed the effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and risk management controls); and
  - reviewed and approved the Company's viability and going concern statements.

Consideration of the effectiveness of the Group's risk management and internal control systems is set out in the Corporate Governance Report on pages 68 to 69.

- Policies and procedures:
  - reviewed and approved the Treasury policy, Commodities management policy and the terms of reference for the Group's Treasury and Commodity Committee;
  - reviewed and recommended the Group's Tax risk management policy to the Board;
  - reviewed and approved the Group's Anti-facilitation of tax evasion policy;
  - reviewed the effectiveness of the Group's Anti-bribery systems and controls and reviewed and approved the Group's Anti-bribery and Corruption policy;
  - reviewed the Group's delegated authority limits;
  - approved the reappointment of the internal auditor;
  - made recommendations to the Board on the appointment and remuneration of the external auditor and monitored the performance of the auditor;
  - monitored and reviewed the performance of the incumbent internal auditor and the effectiveness of the Group's internal audit activities;
  - reviewed its policies on the supply of non-audit services by the external auditor and on the employment of former employees of the Group's external auditor;
  - reviewed the non-audit services provided to the Group by the external auditor and monitored and assessed the independence of both the external and internal auditors; and
  - reviewed the performance and effectiveness of the ARC and its terms of reference.

At the request of the Board, the ARC also considered whether the Annual Report and Accounts for the year ended 28 January 2024, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Following review of management's processes in this regard and consideration of the draft Annual Report and Accounts, the ARC recommended to the Board that it could make the required disclosure as set out in the Directors' Responsibilities Statement on page 112.

Significant areas

The significant matters and key accounting judgements independently assessed and considered by the ARC in respect of the period under review were:

- Revenue recognition – brand support accruals: judgement is required by management when determining the level of brand support accruals at the year end. During the year, the ARC received and considered reports from management on the improvements made to the internal processes and controls in place with regard to brand support accruals, and the level of accruals at the half year and at the year end. It also received and considered reports from the external auditor following their review of net revenue and brand support accruals during the period. The ARC considered these reports and was satisfied that the estimates and judgements made by management are appropriate.
- Management override of controls: there is a risk of fraud associated with the potential override of internal controls by management. During the year, the ARC assessed this risk, and received and considered a report from the external auditor which stated that its procedures, which included the use of data analytics, did not identify any errors or significant deficiencies in internal controls. The ARC was content that there were no issues arising.

Other areas

Other matters independently assessed and considered by the ARC in respect of the period under review were:

- Impairment of intangible assets: the ARC identified and reviewed the valuation of intangible assets and considered whether any intangible assets should be impaired. The ARC considered a report from management and the external auditors in relation to their impairment reviews of the intangible asset base and was satisfied with management's conclusion that, following impairment assessments carried out as part of the interim and full year reporting processes, no impairment was required other than the impairment of the investment in Elegantly Spirited Limited related to the Strykk brand. The ARC concluded that, save in respect of this impairment, the carrying values of intangible assets on the balance sheet remained supportable. The external auditor concurred with management's assessment.

- Assumptions used in the Company's defined benefit pension scheme: the Company operates the A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme, which includes a defined benefit section. The Company engages a third party, Hymans Robertson, to assist in the IAS 19 valuation of the defined benefit pension scheme liability. There is a risk related to judgements made by management in valuing the defined benefit pension scheme liability, including the appropriateness of the discount rate and inflation rate assumptions. These variables can have a material impact in calculating the quantum of the defined benefit liability. During the year the ARC were satisfied that management had considered and were comfortable with the assumptions used by Hymans Robertson (the 'Assumptions'), and received and considered a report from the external auditor which stated that it had carried out a review and benchmarking exercise of the Assumptions and concluded that they were within an acceptable range. After discussion and challenge the ARC was satisfied that the Assumptions proposed were reasonable and these were approved.
- Going concern: the ARC considered and challenged reports from management regarding the going concern assumption and the key environmental and trading sensitivities applied, and was satisfied that this assumption was appropriate. The external auditor supported the ARC's conclusion.
- Viability: the ARC considered and challenged reports from management regarding the viability statement, including information on the Group's financing facilities, and approved the viability statement. The external auditor supported the ARC's conclusion.
- The presentation and explanation of the use of alternative performance measures ('APMs'): the ARC considered a report from the external auditor on management's presentation of APMs in the Annual Report and Accounts for the year ended 28 January 2024, including a report on whether the use of APMs and statutory figures was generally well balanced and APMs were appropriately labelled and defined, and was satisfied that APMs were appropriately presented.
- Adjusting item: the ARC considered and challenged a report from management in relation to the classification and presentation of a certain item as an adjusting item, and was satisfied with the treatment and presentation of this item which arose during the period under review as adjusting. The external auditor concurred with the ARC's assessment.
- Valuation of inventory: inventory was an area of focus due to the price volatility related to raw materials. The ARC received a report from management confirming that the annual average actual cost per case would be used as the method of calculation for the purposes of valuing inventory at the year end; this was supported by the external auditor and the ARC. The ARC also received and considered a report from the external auditor following their review of management's controls and processes in relation to the valuation of inventory, and their assessment of the risk identified. The ARC was satisfied that the estimates and judgements made by management were appropriate.
- Rio acquisition: the Group acquired the Rio brand through the acquisition of 100% of the share capital of Rio Tropical Limited in October 2023. Management concluded, in accordance with IFRS 10, that the Group obtained control over Rio Tropical Limited and would therefore fully consolidate as at 28 January 2024. The identification and valuation of intangibles as well as the valuation of other assets acquired and related assumptions were a key area of focus. The external auditor performed various procedures, challenged management in relation to certain relevant assumptions, forecasts and assessments, and assessed the adequacy of the disclosures made in the financial statements. The ARC considered the reports from the external auditor and management in relation to this work and was satisfied that the disclosures made in the financial statements were adequate.

The ARC receives regular presentations from members of the senior management team. During the year, the ARC considered presentations from representatives of the management team on pensions, the Group's tax strategy and tax risk management policy, and the Group's commodity procurement framework.

External audit

The Group's external auditor is Deloitte LLP ('Deloitte'). The current audit partner is David Mitchell. The ARC reviews the external auditor's performance, independence and objectivity annually. The ARC ensures that procedures are in place to safeguard the external auditor's independence and objectivity. The external auditor reports regularly to the ARC on the actions that it has taken to comply with professional and regulatory requirements and current best practice in order to maintain its independence and objectivity.

The Group has a policy in place which ensures that the provision of non-audit services by the external auditor does not impair the auditor's independence or objectivity. This policy reflects the Financial Reporting Council's Ethical Standard 2019, such that the external auditor may only provide non-audit services which are closely linked to the audit itself or are required by law or regulation. The policy was complied with during the year.

Details of the amounts paid to the external auditor during the year for audit and non-audit services are set out in Note 3 to the financial statements. The ratio of fees for non-audit services to those for audit services for the year was 10%, within the 70% cap in the Financial Reporting Council's guidance. The ARC considered the nature and level of non-audit services provided and was satisfied that the objectivity and independence of the external auditor were not affected by the non-audit work undertaken. The non-audit fees during the year related to the performance of the half year review. The nature of and level of fees for the non-audit services provided were considered by Deloitte who concluded that they did not present a threat to Deloitte's independence.

Deloitte was appointed as the Group's external auditor in May 2017 following a competitive tender process. There are no contractual obligations which restrict the ARC's choice of external auditor. The senior statutory auditor rotates every five years to ensure independence. The ARC acknowledges the requirement to tender the external audit contract at least every ten years. The Company confirms that it has complied with the provisions of the Competition and Markets Authority's Statutory Audit Services Order in respect of the financial year. In line with regulation, during the year ending January 2027, the ARC intends to initiate a tender of the external audit contract beginning with the 2027/28 financial year.

During the year, the ARC reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the external audit process. The ARC reviewed and approved the external auditor's plan for undertaking the half year review and the year end audit, including the scope of their work and their proposed approach to the key risk areas identified. After discussion and challenge the ARC approved this plan. The ARC reviewed the detailed reports prepared by the external auditor setting out their findings from the half year review and the year end audit, with a particular focus on the areas of audit risk identified. The ARC also received comprehensive papers from management in relation to the half year review and the year end audit. The ARC held meetings with the external auditor in the absence of management to discuss the interim review and the year end audit findings and processes. The ARC was satisfied with the internal processes run by management and their response to challenge by the external auditor.

The ARC carried out a review of the effectiveness of the external auditor and the external audit process during the year, led by the Chair of the ARC. This review included an internally facilitated detailed and comprehensive evaluation of the Group's external auditor and the external audit process using written survey questionnaires, which were completed by the executive directors and relevant members of senior management. Members of the ARC carried out an internally facilitated review of the Group's external auditor and the external audit process during the year using written survey questionnaires. The results of the evaluation were shared with the ARC and the external auditor. Overall, the evaluation was extremely positive, with a small number of improvement opportunities identified and discussed with the external auditor.

The ARC also considered a report from the Financial Reporting Council (FRC) on their review of Deloitte's audit of the Company for the year ended 29 January 2023. The FRC concluded that only limited improvements were required to the audit, all of which the external auditor has addressed in the audit for the year ended 28 January 2024.

Following these reviews and meetings, and after debate and discussion, the ARC was satisfied with Deloitte's performance during the year, that it was objective and independent, and that the external audit process remains effective, with no major issues identified. The ARC has recommended to the Board that a resolution proposing the appointment of Deloitte be put to shareholders at the 2024 AGM.

Internal audit

At the beginning of each year, an internal audit plan is developed by the internal auditor following meetings with directors and senior managers within the business and with reference to the significant risks contained within the Group's risk register and identified controls. The ARC approves the internal audit plan for the first half of the year at the beginning of the year and the plan for the second half of the year at the June ARC meeting. The ARC receives updates on progress against the plan and the recommendations arising from the internal audits throughout the year, together with updates on management's progress against outstanding actions. The ARC held meetings with the internal auditor in the absence of management to discuss the internal audit findings and processes.

The ARC carried out a review of the effectiveness of the internal audit function and the Company's risk management and internal control systems during the year, led by the Chair of the ARC. This review included an internally facilitated detailed and comprehensive evaluation of these matters using written survey questionnaires, which were completed by the executive directors and relevant members of senior management. Members of the ARC carried out an internally facilitated review of the Group's internal audit function and the Company's risk management and internal control systems during the year using written survey questionnaires. The results of the evaluation were shared with the ARC and the internal auditor and were very positive with a small number of improvement opportunities identified.

Following these reviews and meetings, the ARC was satisfied that the internal audit function was performing in an effective manner and that the Company's risk management and internal control systems were effective, with no major issues identified.

Audit and Risk Committee evaluation

The ARC carried out a review of the performance and effectiveness of the ARC during the year, led by the Chair of the ARC. In line with the 2018 UK Corporate Governance Code, this year the evaluation was internally facilitated, having last been externally facilitated during the year to January 2023. This review included a detailed and comprehensive evaluation of the performance and effectiveness of the ARC using written survey questionnaires, which were completed by members of the ARC, the Finance Director, the Group Legal and Risk Director and the Company Secretary. The results of the evaluation were shared with the ARC. Overall, the review found that the ARC was functioning in an effective manner and performing satisfactorily, with no major issues identified.

Nick Wharton
Chair of the Audit and Risk Committee
26 March 2024

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 28 January 2024, which sets out the Directors' Remuneration Policy ('Policy') and the Annual Report on Remuneration.

David J. Ritchie
Chair of the Remuneration Committee

The current Policy was approved by a binding vote at the 2023 AGM and became effective for three years from the close of that meeting. For ease of reference, we are including the Policy in this year's Directors' Remuneration Report on pages 93 to 105. The Annual Report on Remuneration on pages 77 to 92 provides details of the amounts earned by the directors in respect of the year ended 28 January 2024 and how the Policy will operate for the year commencing 29 January 2024. The Annual Report on Remuneration will be subject to an advisory vote at the 2024 AGM.

Whilst the Board were pleased with the majority support received for the Policy at the 2023 AGM, it was mindful that a minority of shareholders were unable to support the resolution. On behalf of the Board, the Remuneration Committee ('Committee') subsequently consulted with a group of shareholders in order to understand their views. The Committee is cognisant that the Policy continues to permit the provision of pensions for existing executive directors at levels above those of the wider workforce. Whilst this relates to honouring contractual obligations to incumbent executive directors, the Policy application for new executive directors aligns their pension levels to that of the wider workforce. This is evidenced by the package for the new Chief Executive which aligns his pension with the wider workforce. Having reflected on the feedback received from shareholders and the support of the majority of shareholders, the Committee is satisfied that it acted in the best interests of the Company and all of its stakeholders. The Committee is committed to maintaining an open and constructive dialogue with the Company's shareholders on executive directors' remuneration.

During the last year, Louise Smalley has joined the Committee. It is intended that Louise will take on the role of Chair of the Committee when I retire from the Board at the 2024 AGM after nine years as Chair of the Committee.

The Committee carried out an internally facilitated review of its performance and effectiveness during the year. This review employed written survey questionnaires, which were completed by members of the Committee and the Company Secretary. The results of the evaluation were shared with the Committee. Overall, the review found that the Committee was functioning in an effective manner and performing satisfactorily, with no major issues identified.

Remuneration in context

Having successfully navigated through the global supply chain issues associated with the Covid-19 pandemic followed by the UK cost of living crisis with high levels of cost inflation, the last year has remained a period of volatility with significant uncertainty and external risks faced by UK companies. In this context, the Committee has considered the experiences of key stakeholders over the year, as well as overall Group performance, when making executive remuneration decisions in respect of 2023/24 and the forthcoming financial year. Below is a summary of the key drivers of our decisions:

Group performance

- Revenue increased by 25.9% to £400.0m.
- Adjusted profit before tax of £50.5m, an increase of 16.1% on the prior year.
- Strong cash management ensured that the Group exited the financial year with net cash at bank* of £53.6m.

Shareholder experience

- An interim dividend of 2.65p per share paid in October 2023 and a proposed final dividend for the 2023/24 financial year of 12.40p.
- The share price at the end of the financial year of £5.51 was c.5% higher than at the start of the year.

Employee experience

- The Group paid bonuses for the 2022/23 financial year to employees based on strong individual performance.
- The Group increased salaries for the workforce in April 2023 by an average of 5%.
- Flexible working arrangements continued in 2023/24 to support employees, with a particular focus on mental wellbeing.

Customer experience

- Strong support provided to the Group's customers notwithstanding the volatile market backdrop.

Pay for performance in 2023/24

The Committee remains committed to a responsible approach to executive pay and believes that variable pay should only be earned for achievement against stretching targets.

Achievement against annual bonus targets – maximum payout in respect of PBT for strong performance

The executive directors were set a stretching target for profit before tax ('PBT'), which accounts for 80% of bonus opportunity for each executive director. The PBT target range of £45m to £50m reflected the ambitions for growth of the business set against challenging external conditions. By meeting and overcoming these external challenges, the executive directors delivered strong growth in revenue and achieved adjusted PBT* of £50.5m. As a result, the Committee decided to award a full bonus for the PBT portion of the bonus.

Each of the executive directors was also set stretching individual strategic objectives tailored to their role and responsibilities, which account for 20% of bonus opportunity for each director. The Committee reviewed each of the directors' strategic objectives in turn, to fully understand the extent to which each strategic objective had been achieved. The Committee was satisfied that strong progress had been achieved by each of the executive directors towards their strategic objectives and agreed to award the individual directors between 75% and 80% of the maximum of 20% available for this part of the bonus, reflective of individual performance.

As a result, the bonuses awarded to individual directors ranged from 119% to 120% of the maximum bonus available of 125% of salary. Further details of bonus awards can be found on pages 79 to 80.

Achievement against LTIP targets – 2021 LTIP awards vest in full

The 2021 LTIP awards were granted to the directors in April 2021 as the UK was emerging from the Covid-19 pandemic with significant associated economic uncertainty. As reported at the time of these awards, the Committee decided that it would be appropriate to make a one-off change to the performance measures attached to LTIP awards in 2021 to base the awards solely on the revenue recovery strategy agreed with the executive team. The logic for this was based on future growth in revenue being vital to the long term fortunes of the business and its stakeholders, delivering strong operating cash flows and allowing the business to continue to invest in future growth. The Committee viewed the incentivisation of strong revenue growth as key to delivering improving earnings for shareholders in the long term. The Committee considered that annual targets were more relevant given the level of medium term uncertainty and set stretching revenue targets relative to internal forecasts at that time. The revenue performance of the Group during the three years ended 28 January 2024 has been very strong, with a cumulative increase of 76% over the three years.

The revenue targets set at the time of the awards established maximum targets for each of the financial years 2021/22, 2022/23 and 2023/24 of £230m, £235m and £250m respectively, with each year being used to assess one third of the LTIP award. The revenue achieved for each of the financial years 2021/22, 2022/23 and 2023/24 was £268.6m, £317.6m and £400.0m respectively. The Committee considered the revenue contribution made from the acquisition of Boost Drinks in late 2022 and confirmed that the revenue achieved in each year exceeded the maximum target when the Boost Drinks' revenue was excluded from the totals. Therefore, the Committee concluded that for each financial year, the maximum target was exceeded and the associated one-third share of the LTIP award will vest in full, leading to full vesting of the overall 2021 LTIP awards in April 2024. Further details can be found on pages 80 to 81.

The Committee has reviewed the outcomes arising from the application of the Policy during the year and considers these outcomes to be fair and appropriate. The performance of the Group has been strong with robust leadership from the executive team and this is reflected in the Committee's decisions in respect of variable pay for the year. The Committee is confident that the Policy has operated as intended during the year.

Other pay decisions in respect of 2023/24

Set out below are the other decisions made during the year in respect of remuneration.

Base salary increases – set below the average increase in the wider workforce

The Committee reviewed executive director salaries during the year and awarded increases of 4.35%, which was below the average increase awarded to the wider workforce (5%) and below prevailing inflation.

LTIP awards – awards granted using three performance metrics of EPS, TSR and ESG

The Committee concluded that it was appropriate to grant LTIP awards in April 2023 at a value equal to 150% of base salary, consistent with the normal maximum opportunity under the Policy. These LTIP awards will be assessed over the three year vesting period using the performance metrics of EPS, TSR and ESG with relative proportions of 60%, 30% and 10%.

Employee engagement

The Committee recognises the importance of culture and effective employee engagement in the creation of a good workplace. We review workforce remuneration and related policies and the alignment of incentives and rewards with culture, and take these into account when determining the policy for executive director remuneration. The Board's role is to ensure that effective processes and procedures are in place for gathering workforce views and engaging in meaningful dialogue with employees. The Board receives regular updates on workforce engagement throughout the year; the topic regarding how executive directors' remuneration aligns with wider Company pay policy is included as a specific discussion item at workforce engagement sessions at least once per annum. Further information on employee engagement is included in the Corporate Governance Report on pages 64 to 65.

Stepping down of Chief Executive

On behalf of the Board, the Committee considered the decision by Roger White to step down and retire from his position as Chief Executive of the Company and leave the Board as at 30 April 2024. After over 20 years of contribution in his role, the Committee agreed, in line with the Policy, to treat Roger as a good leaver. As a result, existing LTIP awards held by Roger will be assessed for vesting at the three year anniversary of their award date in the normal manner but any vesting of an LTIP award will be pro-rated to take account of his period of employment during the vesting period. The Policy will continue to apply to any vesting awards including the malus and clawback arrangements and any relevant holding periods. The Committee confirmed that Roger will receive his existing salary and benefits up to the date of leaving, including the opportunity to participate in the annual bonus pro rated for service, and he will not receive any compensation for loss of office. Further details can be found on page 84.

Appointment of new Chief Executive

On behalf of the Board, the Committee considered the appropriate remuneration package to be provided to the incoming new Chief Executive, Euan Sutherland. The Committee agreed a base salary of £650,000 in order to secure the recruitment of the new Chief Executive alongside market typical benefits including a pension provision at 8% of base salary in line with the wider workforce. Whilst the salary is above that of the current Chief Executive, it is materially lower than the salary received by the incoming Chief Executive in their most recent appointment at Saga plc and reflects the significant experience of the individual as a PLC Director. The Committee has agreed that, on joining, he will receive £130,000 in total for the purposes of relocation costs. The Policy will be applied to him in a manner consistent to his fellow executive directors, including bonus and LTIP arrangements. Given the new Chief Executive's arrival in the early part of the financial year, in keeping with typical practice in the Group for senior executives, and to ensure immediate alignment with the performance aims of the Group, he will be included in the 2024/25 bonus scheme for the full year. The Committee has not approved any buyout arrangements for the new Chief Executive in respect to his previous employment. Further details can be found on page 84 to 85.

Other Board changes

On behalf of the Board, the Committee considered the decision by Jonathan Kemp to step down and retire as an executive director of the Company on 31 May 2024. To facilitate a smooth handover the Committee has agreed that Jonathan will continue to work on a full time basis until 30 September 2024, and will remain available to the Company as required for a further twelve month period following which he will leave the business. During his 6 month notice period Jonathan will continue to receive his existing base salary and benefits in line with his contract and the Policy. Jonathan will remain eligible to be considered for a bonus under the Policy for the 2024/25 financial year pro rated for the period up to 31 May 2024 to reflect his period of service as an executive director. Jonathan will not participate in the bonus for the 2025/26 financial year and will not be eligible for any new LTIP awards. Given Jonathan's long service, the Committee agreed, in line with the Policy, to treat him as a good leaver. As a result, existing LTIP awards held by Jonathan will be assessed for vesting at the three year anniversary of their award date in the normal manner but any vesting of an LTIP award will be pro-rated to take account of his period of employment during the vesting period. The Policy will continue to apply to any vesting awards including the malus and clawback arrangements and any relevant holding periods. Jonathan will not receive any compensation for loss of office. Further details can be found on page 85.

Looking forward – implementation of Policy for 2024/25

Set out below are the decisions anticipated to be made during 2024/25 in implementing the Policy.

Base salary – increase set lower than the average for the wider workforce

Set at a level lower than the average of salary increases across the wider workforce (4.2%), and to reflect their commitment and effort in their roles, Stuart Lorimer and Jonathan Kemp will receive a salary increase of 4.0% with effect from 1 April 2024. An increase of 4.0% will be made to the Chair's fee and the other non-executive directors' base fee with effect from 1 April 2024. No salary increase will be awarded to Roger White.

Annual bonus – to be operated in line with Policy

The Committee intends to operate the bonus scheme for the year ending 25 January 2025 in line with the Policy, with maximum awards at 125% and continuing to be subject to a combination of PBT and individual strategic objectives.

Details of bonus and performance measure weightings are provided on page 80. Performance targets for these bonus awards will be disclosed in the Annual Report on Remuneration for the year ending 25 January 2025.

LTIP – awards at normal level of opportunity with targets based on cumulative EPS, TSR and ESG measures

In line with the Policy, the Committee intends to grant LTIP awards at the normal maximum opportunity of 150% of base salary in May this year. These LTIP awards will be assessed cumulatively over the following three years based on stretching targets set across three performance measures: EPS, TSR and ESG.

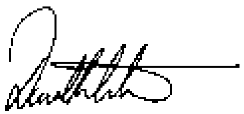
EPS is a key performance indicator for the Company and shareholders, and remains a highly credible measure of long term performance. However, the overall impact of any future Deposit Return Scheme ('DRS') is very challenging to assess with acceptable accuracy at this early stage. As such, the EPS targets have been set specifically not taking into account the future impact of the introduction of any DRS. The Committee has resolved to monitor the impact of any DRS post its implementation with the expectation that the EPS targets set in 2024 will be adjusted during the vesting period to enable any DRS impact to be included in the targets prior to the vesting date. Taking this into account, the Committee is confident that the target range selected is appropriately stretching and will help the Group drive growth in shareholder earnings.

TSR is a relative performance measure which creates strong alignment between the executive directors and shareholders. As for the LTIP awards granted in 2023, the TSR performance of the Company will be compared over the three years to the TSR of the FTSE 250 index (excluding investment trusts and financial services companies).

The Committee believes that environmental sustainability is important to the long term success of the business and the executive directors' remuneration should be related to their performance in this area. Consistent with the LTIP awards granted in 2023, the ESG performance of the Company will feature as a performance metric for the 2024 LTIPs based on environmental sustainability targets.

Details of the 2024 LTIP awards are provided on page 82 to 83. Details of the performance targets set for the 2024 LTIP awards will be disclosed in the Annual Report on Remuneration for the year ending 25 January 2025.

I look forward to your support at the upcoming AGM.



David J. Ritchie
Chair of the Remuneration Committee
26 March 2024

* Items marked with an asterisk are non-GAAP measures. Definitions and relevant reconciliations are provided in the Glossary on pages 180 to 184.

Annual report on remuneration

The following parts of the Remuneration Report are subject to audit, other than the elements explaining the application of the Remuneration Policy ('Policy') for 2024/25.

Single figure table – audited information

The aggregate remuneration provided to directors who have served as directors in the year ended 28 January 2024 is set out below, along with the aggregate remuneration provided to such directors for the year ended 29 January 2023.

Director	**Jan 24 Salary/ fees £000**	Jan 23 Salary/ fees £000	**Jan 24 Benefits £000**	Jan 23 Benefits £000	**Jan 24 Bonus^ £000**	Jan 23 Bonus^ £000	**Jan 24 Long term incentives £000**	Jan 23 Long term incentives £000	**Jan 24 Pension £000**	Jan 23 Pension £000	**Jan 24 Total fixed remuneration £000**	Jan 23 Total fixed remuneration £000	**Jan 24 Total variable remuneration £000**	Jan 23 Total variable remuneration £000	**Jan 24 Total remuneration £000**	Jan 23 Total remuneration £000
Executive																
Roger White	**515**	503	**40**	41	**610**	462	**784**	506	**108**	269	**663**	813	**1,394**	968	**2,057**	1,781
Stuart Lorimer	**353**	340	**17**	18	**420**	318	**539**	348	**74**	77	**444**	435	**959**	666	**1,403**	1,101
Jonathan Kemp	**268**	254	**18**	19	**323**	242	**411**	265	**57**	57	**343**	330	**734**	507	**1,077**	837
Non-executive																
John Nicolson*	**–**	25	**–**	–	**–**	–	**–**	–	**–**	–	**–**	25	**–**	–	**–**	25
Mark Allen**	**165**	142	**–**	–	**–**	–	**–**	–	**–**	–	**165**	142	**–**	–	**165**	142
Robin Barr***	**17**	51	**–**	–	**–**	–	**–**	–	**–**	–	**17**	51	**–**	–	**17**	51
Julie Barr****	**41**	–	**–**	–	**–**	–	**–**	–	**–**	–	**41**	–	**–**	–	**41**	–
Susan Barratt	**55**	53	**–**	–	**–**	–	**–**	–	**–**	–	**55**	53	**–**	–	**55**	53
Zoe Howorth	**53**	48	**–**	–	**–**	–	**–**	–	**–**	–	**53**	48	**–**	–	**53**	48
David Ritchie	**61**	59	**–**	–	**–**	–	**–**	–	**–**	–	**61**	59	**–**	–	**61**	59
Louise Smalley*****	**36**	–	**–**	–	**–**	–	**–**	–	**–**	–	**36**	–	**–**	–	**36**	–
Nick Wharton	**61**	59	**–**	–	**–**	–	**–**	–	**–**	–	**61**	59	**–**	–	**61**	59
Total	**1,625**	1,534	**75**	78	**1,353**	1,022	**1,734**	1,119	**239**	403	**1,939**	2,015	**3,087**	2,141	**5,026**	4,156

* John Nicolson resigned from the Board on 31 March 2022. The remuneration above was paid in respect of his services until that date.

** Mark Allen was appointed to the Board on 1 July 2021 and became Chair on 31 March 2022. The remuneration above was paid in respect of his services on the Board from 31 January 2022 to 31 March 2022, and as Chair from 31 March 2022.

*** Robin Barr resigned from the Board on 26 May 2023. The remuneration above was paid in respect of his services until that date.

**** Julie Barr was appointed to the Board on 26 May 2023. The remuneration above was paid in respect of her services from that date.

*****Louise Smalley was appointed to the Board on 1 June 2023. The remuneration above was paid in respect of her services from that date.

^ The bonus figures include the deferred portion of bonus in shares being 25% of bonus earned for year to 28 January 2024 and 20% of bonus earned for the year ended 29 January 2023.

The figures in the single figure table on the previous page are derived from the following:

(a) Salary and fees	The amount of salary/fees received in the year. A salary sacrifice arrangement is operated by the Company. Employees who join this arrangement no longer pay contributions to the pension scheme but receive a lower taxable salary. Directors' salaries are shown gross of any salary sacrifice pension contributions.
(b) Benefits	The value of benefits received in the year. These include car allowance, fuel benefit, private medical insurance, healthcare cash plan, flex-cash, the value of SAYE options vesting in the year, and AESOP free and matching shares awarded in the year. SAYE: option shares are valued at the market price of the option shares at the date of vesting less the option exercise price. AESOP: free and matching shares are valued at market value at the date of award. Details of the executive directors' interests in the SAYE are set out on page 92.
(c) Bonus	A description of the annual bonus in respect of the year and Group and personal performance against which the bonus pay-out was determined is provided on pages 79 to 80.
(d) Long term incentives	The value of LTIP awards that vest in respect of the year. Details of the executive directors' interests in the LTIP are set out on page 92.
(e) Pension	The pension figure includes: • pension cash alternatives equal to the executive directors' contractual pension provision; and • for individuals in the 2008 Scheme's defined benefit section, the additional value accrued in the year calculated using the HMRC method (using a multiplier of 20). Further details of pension benefits are set out on pages 83 to 84.

Individual elements of remuneration

Base salary and fees

Base salaries for individual executive directors for the year ended 28 January 2024 and for the following year are set out in the table below:

Executive director	Base salary for year ended 28 January 2024 £000	Base salary for year ending 25 January 2025 £000	Increase %
Roger White	513	517	–%
Stuart Lorimer	353	367	4.00%
Jonathan Kemp	269	280	4.00%

Details of non-executive directors' fees for the year ended 28 January 2024 and for the following year are set out in the table below:

Non-executive director fee	Year ended 28 January 2024 £000	Year ending 25 January 2025 £000	Increase %
Chair of the Company	165	172	4.00%
Base fee	53	55	4.00%
Additional fee for chairing Audit and Risk Committee	8	8	–%
Additional fee for chairing Remuneration Committee	8	8	–%
Additional fee for chairing ESG committee	2	2	–%
Additional fee for Senior Independent Director	2	2	–%

Benefits – audited information

The benefits figure for each of the executive directors is detailed as follows:

Year ended 28 January 2024

Executive director	Car and fuel benefit £000	Other* £000	AESOP awards £000	Total £000
Roger White	38	1	1	40
Stuart Lorimer	15	1	1	17
Jonathan Kemp	16	1	1	18
Total	**69**	**3**	**3**	**75**

* Other costs included private medical insurance, healthcare cash plan and flex-cash as they are below £1,000 separately

The value of the AESOP awards is the sum of the AESOP free and matching shares awarded to the directors in the year.

Annual bonus

The maximum annual bonus award opportunity for each executive director in respect of the year ended 28 January 2024 was 125% of salary, with 80% of the bonus assessed against the achievement of adjusted Group profit before tax, compared against a set of profit targets and 20% based on strategic objectives. The executive directors earned a total of £1.35m as annual bonus for the year, representing 119% of Roger White's salary, 119% of Stuart Lorimer's salary and 120% of Jonathan Kemp's salary. 25% of the bonus will be deferred into shares for two years and subject to malus and clawback provisions, as set out in the current Policy.

The target for the annual bonus based on profit before tax and performance against that target is set out in the table below. 50% of this element of the bonus could be earned for on-target performance with zero paid for threshold performance and a broadly linear scale through to full payment of this element of the bonus for performance at or above the maximum target.

	Threshold target	On target	Maximum target	Actual performance	Weighting as percentage of total bonus opportunity	Actual outcome as percentage of total bonus opportunity
Adjusted profit before tax*	£45.0m	£47.0m	£50.0m	£50.5m	80%	80%

Strategic objectives for the year ended 28 January 2024 account for 20% of the bonus and targets were set around the Company's key areas of strategic focus at the start of the financial year. Details of the strategic objectives for the year ended 28 January 2024 and the Committee's determination of performance against them is set out in the table on the following page.

The Remuneration Committee debated each of the directors' strategic objectives in turn, having an in-depth discussion on an objective by objective basis to fully understand the extent to which each strategic objective had been achieved and which elements of any objectives remained outstanding. The Remuneration Committee then attributed an individual score to each objective. Given the commercial sensitivity surrounding the objectives these individual scores have not been disclosed. The cumulative totals are set out below with a summary of the objectives set.

Measure	Weighting	Pay-out
Roger White	20%	15%
Deliver an objective related to managing volatility in financial performance due to DRS, inflation and supply resilience		
Deliver an objective related to the development of the organisation to support future growth		
Deliver an objective related to driving the value creation agenda		
Deliver an objective related to leading the Group strategy		
Stuart Lorimer	20%	15%
Deliver an objective related to the development of Group financial reporting and controls processes		
Deliver an objective related to the Barr Soft Drinks supply chain performance improvement programme		
Deliver an objective related to integrated business planning		
Deliver a personal development objective		
Jonathan Kemp	20%	16%
Deliver a plan related to Barr Soft Drinks margin recovery		
Deliver an objective related to digital strategy		
Deliver an objective related to a brand refresh		
Deliver a personal development objective		

Annual bonus for 2024/25

For the 2024/25 financial year 80% of bonus potential will be assessed against growth in adjusted Group profit before tax, which is an important indicator of the success of the Company's strategy. Performance targets will be set at challenging levels, with 50% of this element of the annual bonus being earned for on-target performance. The remainder of the annual bonus (20% of bonus potential) will be assessed against individual strategic objectives to align the reward structure with key strategic priorities and to encourage behaviours which facilitate profitable growth and the future development of the business. The actual performance targets are not disclosed as they are considered to be commercially sensitive at this time and should therefore remain confidential to the Company. The Remuneration Committee will continue to disclose how the bonus earned relates to performance against the targets on a retrospective basis meaning this information will be disclosed in the Annual Report on Remuneration for the year ending 25 January 2025.

Long term incentives – audited information

Awards vesting in respect of the financial period

LTIP awards granted in April 2021 were subject to the following net revenue performance targets:

	% of maximum opportunity	Threshold vesting at 20% of the maximum award	Maximum vesting at 100% of the maximum award	Actual net revenue for period
Net revenue (£m) for the period ended 2021/22	33%	220	230	268.6
Net revenue (£m) for the period ended 2022/23	33%	225	235	317.6
Net revenue (£m) for the period ended 2023/24	33%	230	250	400.0

There is straight-line vesting between these points and no reward below threshold net revenue performance. The targets operated discretely and were assessed for each of the three years, such that a proportion of the one third award allocated was earned or not for each year.

The salary used in the calculation of the award is the individual director's salary at 1 April 2021.

Details of LTIP awards vesting in respect of the financial period are set out below:

Year ended 28 January 2024

Executive director	Total shares Number	Vesting (% of maximum opportunity) %	Shares awarded* Number	Share price** £	LTIP value £000
Roger White	143,337	100.0%	153,967	5.09	784
Stuart Lorimer	98,663	100.0%	105,980	5.09	539
Jonathan Kemp	75,161	100.0%	80,735	5.09	411
Total	**317,161**		**340,682**		**1,734**

* Shares vesting under the LTIP for the year ended 28 January 2024 include dividend equivalents from the award date for each director.

** The long term incentives figure for the year ended 28 January 2024 has been valued using the average closing share price for the three months ended 28 January 2024 as an estimate of the value of the incentive, as the actual value of the award will not be finalised until the closing share price is known when the incentive vests in April 2024.

An estimate of the amount of LTIP awarded in April 2021 attributable to share price appreciation is set out below:

Executive director	Share price appreciation £000
Roger White	9
Stuart Lorimer	6
Jonathan Kemp	5
Total	**20**

Year ended 29 January 2023

Executive director	Total shares Number	Vesting (% of maximum opportunity) %	Shares awarded Number	Share price*£	LTIP value £000
Roger White	133,899	71.10%	102,751	5.03	517
Stuart Lorimer	92,174	71.10%	70,732	5.03	356
Jonathan Kemp	70,219	71.10%	53,884	5.03	271
Total	**296,292**		**227,367**		**1,144**

* The long term incentives figure for the year ended 29 January 2023 has been restated to reflect the market value of the shares that vested on 2 November 2023 as at that date. The long term incentives figure for the year ended 29 January 2023 set out in the Annual Report 2022/23 used the average closing share price for the three months ended 29 January 2023 as an estimate of the market value of those shares.

Awards granted during the financial period

During the year ended 28 January 2024 the following LTIP awards were granted equating to 150% of salary:

Executive director	Type of award	Number of shares	Share price at grant	Market value at grant £000	% of award vesting at threshold %	Performance period Years (ends 24 January 2026)
Roger White	LTIP award – nil cost option	154,362	502p	775	20.0	3
Stuart Lorimer	LTIP award – nil cost option	106,251	502p	533	20.0	3
Jonathan Kemp	LTIP award – nil cost option	80,943	502p	406	20.0	3

The share price at grant is £5.02 which is the five day average of the middle-market closing share prices preceding 11 April 2023 rounded down.

The salary used in the calculation of the award is the individual director's salary at 1 April 2023.

Vesting of the LTIP awards granted in the year ended 28 January 2024 will be based 60% on a cumulative EPS performance measure, 30% on a relative Total Shareholder Return ('TSR') performance measure and 10% on an Environmental Sustainability performance measure, as set out below:

(i) EPS performance measure (60% of LTIP award):

	% linked to award	Threshold vesting at 20% of the maximum award	Maximum vesting at 100% of the maximum award
Cumulative EPS for the period including 2023/24, 2024/25 and 2025/26	60%	97.7p	107.88p

There is straight-line vesting between these points and no reward below threshold EPS performance.

(ii) Ranked TSR performance measured against the constituents of the FTSE 250 index (excluding investment trusts and financial services companies) (30% of LTIP award):

	% linked to award	Threshold vesting at 20% of the maximum award	Maximum vesting at 100% of the maximum award
TSR for the period including 2023/24, 2024/25 and 2025/26	30%	Median	Upper quartile

There is straight-line vesting between these points and no reward below threshold TSR performance.

(iii) Environmental Sustainability performance measure (10% of LTIP award):

	% linked to award	Threshold vesting at 20% of the maximum award	Maximum vesting at 100% of the maximum award
Science Based Target (carbon tonnes) for the period including 2023/24, 2024/25 and 2025/26*	10%	4,793	4,337

* Targets are an average across the three years. A market based approach has been utilised in the calculations. Carbon dioxide loss and use as a processing aid has not been included. Boost and Rio in-sourced production volumes have been reflected.

There is straight-line vesting between these points and no reward if the threshold Science Based Target is not met.

Long term incentives for 2024/25

LTIP awards granted in 2024 will be granted with a maximum opportunity of 150% of base salary for the executive directors. These LTIP awards will be based 60% on a cumulative EPS performance measure, 30% on a relative TSR performance measure and 10% on an Environmental Sustainability performance measure for 2024/25, 2025/26 and 2026/27.

EPS is a key performance indicator for the Company and shareholders, and remains a highly credible measure of long term performance.

TSR is a relative performance measure which creates strong alignment between the executive directors and shareholders. The TSR performance of the Company will be compared over the three years to the TSR of the FTSE 250 index (excluding investment trusts and financial services companies). 20% of the maximum award will vest for achieving threshold performance and 100% of the maximum award will vest for achieving maximum performance. There will be straight-line vesting between the points and no vesting below threshold performance.

The Environmental Sustainability performance measure for the LTIP awards granted in 2024 will be based around the Group's No Time To Waste environmental sustainability programme.

The EPS targets are considered commercially sensitive at this time on the basis that they give competitors insight into the Company's longer term forecasts which the Board considers confidential. The EPS targets will be disclosed in next year's Annual Report on Remuneration.

Total pension entitlements – audited information

Executive directors are all members of the A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme (the "2008 Scheme") or the A.G. Barr Retirement Plan. The 2008 Scheme has a defined benefit section and a defined contribution section. The defined benefit section was closed to new entrants from 14 August 2003 and to future accrual from 1 May 2016. All assets held in the defined contribution section of the 2008 Scheme were transferred to the A.G. Barr Retirement Plan in September 2021. Roger White is a deferred member of the defined benefit section of the 2008 Scheme and ceased his accrual on 5 April 2011.

The movement in value of executive director pensions (which exclude any pension contributions made in respect of an individual under the Company's salary sacrifice arrangement) are detailed in the following table. This movement is made up of Company pension contributions, changes in the value of defined benefit pension scheme accrual and pension cash equivalents:

Year ended 28 January 2024

Executive director	Defined benefit accrual £000	Pension cash equivalent £000	Total £000
Roger White	–	108	108
Stuart Lorimer	–	74	74
Jonathan Kemp	–	57	57
Total	**–**	**239**	**239**

Details of the entitlement accruing to the director who is a deferred member of the defined benefit section are detailed in the table below:

	Accrued pension at 28 January 2024 £000	Normal retirement age
Roger White	88	63*

* The normal retirement age specified in the 2008 Scheme rules for Roger White is age 63, however he is also entitled under the 2008 Scheme rules to retire at age 60 without an actuarial reduction to his pension benefits and without any consent required.

Early retirement can be taken at age 55 subject to Trustee consent. The accrued pension would be reduced relative to age 60 to take account of its early payment.

In addition, Roger White will continue to be entitled to receive life assurance benefits as if he were in pensionable service under the 2008 Scheme until his normal retirement date notwithstanding the termination of his employment with the Company, but only in circumstances where he is a "good leaver".

Dependants of the executive directors are eligible for dependants' pensions and the payment of a lump sum in the event of death in service. Where the 2008 Scheme provides a pension on a defined benefit basis, final pensionable salary is used to determine the director's pension entitlement. Where benefits are provided on a defined contribution basis, the benefits depend on the director's accumulated fund. Lump sum life assurance cover is provided at five or eight times pensionable salary dependent upon the date of joining the 2008 Scheme.

No contributions were paid to the defined contribution section of the 2008 Scheme or the A.G. Barr Retirement Plan during the years ended 28 January 2024 or 29 January 2023.

All directors have elected to receive Company pension contributions in the form of a cash allowance. Roger White, Stuart Lorimer and Jonathan Kemp receive a cash allowance equal to their contractual pension provision of 24% of salary.

All new executive directors, including the incoming Chief Executive will receive pensions contributions aligned to that available to the wider workforce.

Payments to past directors – audited information
There were no payments made to past directors during the year in respect of services provided to the Company as a director.

Payments for loss of office – audited information
No payments for loss of office were made during the year.

Executive director changes
As announced on 1 February 2024, Roger White will step down as a director of the Company at the end of April 2024. The following arrangements will apply in respect of his remuneration:

- Roger White will receive his existing salary and benefits up until 31 July 2024 when his employment will terminate. He will not receive any payment in lieu of notice.
- Roger White will remain eligible for an annual bonus for the financial year ending 25 January 2025. Any bonus awarded will be pro-rated based on service over the performance period and will be subject to deferral, malus and clawback in accordance with the Policy.
- Roger White will retain the deferred shares awarded to him in respect of his bonuses for the financial years ended January 2023 and January 2024. These will be released at the end of the relevant two year deferral periods and remain subject to malus and clawback.
- The Remuneration Committee has determined that Roger will be treated as a good leaver under the Company's LTIP. He will therefore retain his awards over shares made to him in April 2022 and April 2023. These awards will vest at their normal vesting dates subject to achievement of the relevant performance conditions and to pro-rating based on the proportion of the relevant performance periods for which he was employed. The awards will remain subject to malus and clawback. No further awards will be made to him under the LTIP. Further details of the actual vesting following the end of the relevant performance periods will be disclosed in future Directors' Remuneration Reports.
- In accordance with the terms of his service agreement, Roger White will continue to be entitled to receive life assurance benefits as if he were in pensionable service under the A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme until his normal retirement date at age 63.
- Roger White will not receive any payments for loss of office.

It was also announced on 1 February 2024 that Euan Sutherland will be appointed as the Group's Chief Executive Officer with effect from 1 May 2024. The key elements of his remuneration package that will apply from that date are in accordance with the Policy and are as follows:

- Base salary of £650,000 per annum – the Remuneration Committee is cognisant that this base salary is higher than Roger White's base salary as the incumbent CEO, but agreed that a salary at this level was appropriate in order to successfully recruit Euan Sutherland, given his experience as a PLC director and the level of his most recent salary as CEO of Saga plc. The base salary will be subject to annual review by the Remuneration Committee.
- Annual bonus of a maximum 125% of salary per annum. Given Euan Sutherland will join the Company three months into the financial year for the year ending 25 January 2025 and consistent with typical practice for senior executives of the Group, he will be able to participate in the full year bonus scheme for the financial year to ensure immediate alignment with business performance. Any bonus payments made will be subject to the provisions of the Policy.
- LTIP awards of a maximum 150% of salary, granted annually with a three year vesting period and subject to the LTIP rules. The Remuneration Committee will grant a LTIP award to Euan Sutherland in respect of the three financial years commencing 29 January 2024. Any LTIP awards will be made subject to the provisions of the Policy.
- In-position and post-employment shareholding requirements will be in accordance with the Policy.
- Pension: Company contribution of 8% of base salary per annum, which is aligned with the wider workforce.
- Life assurance cover of five times base salary.
- Benefits in line with market practice.
- Eligible to participate in the Company's all-employee share schemes.

- Relocation support of an up front gross lump sum of £130,000 to support Euan Sutherland's relocation to Scotland. The Company will also meet the cost of Euan Sutherland's travel expenses from his home location in Scotland to the south of England for a maximum period of two years. Any sums paid to support relocation will be subject to clawback provisions in the event that Euan Sutherland is a bad leaver in the first three years. No further relocation support will be provided beyond the support outlined in this paragraph.

No buy-out awards will be made to Euan Sutherland.

As announced on 26 March 2024, Jonathan Kemp will step down and retire as a director of the Company on 31 May 2024. In order to facilitate a smooth handover, Jonathan Kemp will remain employed on a full time basis up to 30 September 2024, and remain available to the Company on a part time basis as required for a further twelve month period following which his employment will terminate. The following arrangements will apply in respect of his remuneration:

- Jonathan Kemp will receive his existing salary and benefits during his six month notice period in line with his contractual terms and the Policy. He will not receive any payment in lieu of notice.
- Jonathan Kemp will remain eligible for an annual bonus under the Policy for the 2024/25 financial year, pro rated for the period up to 31 May 2024 to reflect his period of service as an executive director. Any bonus will be paid at the normal time and will be subject to deferral, malus and clawback in accordance with the Policy. Jonathan Kemp will not be eligible to be considered for an annual bonus for the 2025/26 financial year.
- Jonathan Kemp will retain the deferred shares awarded to him in respect of his bonuses for the financial years ended January 2023 and January 2024. These will be released at the end of the relevant two year deferral periods and remain subject to malus and clawback.
- Jonathan Kemp will not receive an LTIP award in 2024 or 2025.
- The Remuneration Committee has determined that Jonathan will be treated as a good leaver under the Company's LTIP. He will therefore retain his awards over shares made to him in April 2022 and April 2023. These awards will vest at their normal vesting dates subject to achievement of the relevant performance conditions and to pro-rating based on the proportion of the relevant performance periods for which he was employed. The awards will remain subject to malus and clawback. Further details of the actual vesting following the end of the relevant performance periods will be disclosed in future Directors' Remuneration Reports.
- Jonathan Kemp will not receive any payments for loss of office.

Statement of directors' shareholding and share interests – audited information

The Policy approved by shareholders at the 2023 AGM included updated share ownership guidelines, whereby all new executive directors are required to build and hold a shareholding equal to 200% of base salary. Incumbent executive directors (other than the CEO) are required to build and hold a shareholding equal to 150% of base salary. The CEO is required to build and hold a shareholding equal to 200% of base salary. Until these guidelines are met, executive directors are required to retain all vested shares from the LTIP and half of any bonus pay-out after tax to purchase shares in the Company. The full policy is disclosed in the Policy approved by shareholders at the 2023 AGM.

For the purposes of assessing the extent to which the share ownership guidelines have been met by the executive directors, the following shares are included: wholly owned shares (including those owned by a director's spouse), LTIP shares that are in the holding period, and unvested deferred bonus shares provided there are no further performance conditions. At the year end, Roger White met the 200% base salary requirement applicable for the year ended 28 January 2024, with a shareholding equal to 425% of base salary as at 28 January 2024. Stuart Lorimer and Jonathan Kemp both met the 150% base salary requirement applicable for the year ended 28 January 2024, with shareholdings equal to 194% and 342% of base salary as at 28 January 2024 respectively.

The interests of each executive director of the Company as at 28 January 2024 (including those held by their connected persons) were as set out below. There were no changes to these interests between 28 January 2024 and 25 March 2024 with the exception of the following changes: an increase in Roger White's holding of 88 shares, an increase in Stuart Lorimer's holding of 86 shares and an increase in Jonathan Kemp's holding of 88 shares.

Director	Type	Owned outright	Exercised during the year	Lapsed during the year	Unvested: Subject to performance conditions	Unvested: Not subject to performance conditions	Total as at 28 January 2024
Executive							
Roger White	Shares	377,045	–	–	–	–	377,045
	LTIP share options	–	(95,202)	(38,697)	435,986	–	435,986
	SAYE options	–	–	–	–	3,925	3,925
	Deferred bonus held in shares	–	–	–	21,219	–	21,219
	AESOP matching shares	–	(121)	–	–	842	842
Stuart Lorimer	Shares	110,830	–	–	–	–	110,830
	LTIP share options	–	(65,535)	(26,639)	300,101	–	300,101
	SAYE options	–	–	–	–	3,925	3,925
	Deferred bonus held in shares	–	–	–	14,585	–	14,585
	AESOP matching shares	–	(120)	–	–	842	842
	Shares – connected persons' holding*	–	–	–	–	–	902,840
Jonathan Kemp	Shares	157,054	–	–	–	–	157,054
	LTIP share options	–	(49,925)	(20,294)	228,617	–	228,617
	SAYE options	–	–	–	–	3,925	3,925
	Deferred bonus held in shares	–	–	–	11,110	–	11,110
	AESOP matching shares	–	(121)	–	–	842	842
Non-executive							
Julie Barr	Shares	1,667,876	–	–	–	–	1,667,876
David Ritchie	Shares	1,000	–	–	–	–	1,000
Nick Wharton	Shares	1,597	–	–	–	–	1,597
Zoe Howorth	Shares	5,631	–	–	–	–	5,631
Mark Allen	Shares	10,000	–	–	–	–	10,000

* Stuart Lorimer's connected persons' shareholding includes shares related to his position as director of Robert Barr Ltd, the trustee of various employee benefit trusts.

The 'Owned outright' shares set out in the table above are the shares owned outright by the directors. These include any AESOP free shares awarded during the year and any shares retained during the year following the exercise of LTIP awards and SAYE options.

The number of AESOP free shares awarded and share options exercised under the LTIP and SAYE in the year are included in the 'Exercised during the year' column.

The table below shows the directors' total shareholdings split between those with and without performance conditions. The non-executive directors' shareholdings above are all shares with no performance conditions.

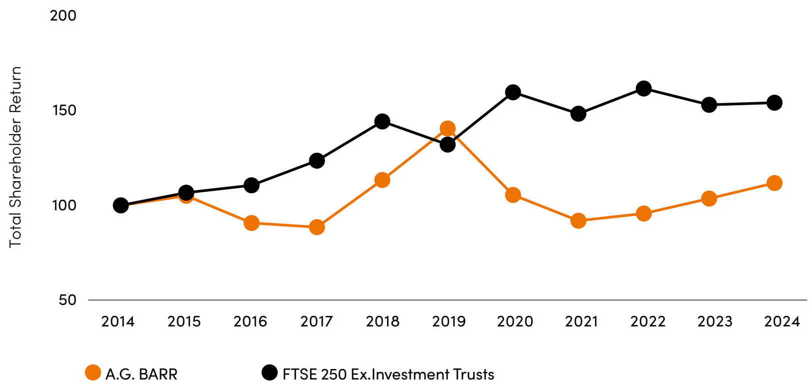
Executive director	Shares – no performance conditions	Deferred bonus shares – no performance conditions	Share options – performance conditions	Share options – no performance conditions	Total shares/ share options
Roger White	377,887	21,219	435,986	3,925	839,017
Stuart Lorimer	111,672	14,585	300,101	3,925	430,283
Jonathan Kemp	157,896	11,110	228,617	3,925	401,548

There were no shares vested and unexercised as at 28 January 2024.

The following sections of the Remuneration Report are not subject to audit.

Performance graph and table

The graph below shows the Company's Total Shareholder Return ('TSR') performance against the FTSE 250 excluding investment trusts over the past ten years. In the opinion of the Board, the FTSE 250 excluding investment trusts is the most appropriate index against which the TSR of the Company should be measured because it represents a broad equity market index of which the Company is a constituent member and reflects the Company's scale and complexity of operations.



CEO remuneration for previous ten years

The table below shows details of the total remuneration, annual bonus and LTIP paid out for Roger White over the last ten financial years:

	Total remuneration £000	Annual bonus as a % of maximum opportunity	LTIP as a % of maximum opportunity
Year ended 28 January 2024	2,057	95.2%	100.0%
Year ended 29 January 2023	1,781	75.0%	71.1%
Year ended 30 January 2022	1,389*	100.0%	0.0%
Year ended 24 January 2021	710	0.0%	0.0%
Year ended 25 January 2020	739	0.0%	0.0%
Year ended 26 January 2019	1,434	91.0%	39.9%
Year ended 27 January 2018	1,279	78.0%	22.8%
Year ended 28 January 2017	915	23.0%	40.0%
Year ended 30 January 2016	839	0.0%	37.9%
Year ended 25 January 2015	1,075	75.5%	31.9%

* This figure has been adjusted to reflect the buy-out in 2021 of Roger White's contractual entitlement in respect of a shortfall in his deferred pension revaluation as a consequence of Fixed Protection 2012.

Percentage change in director remuneration

The table below sets out, in relation to salary, taxable benefits (car allowance, fuel benefit) and annual bonus, the increase between the pay for the years ended 24 January 2021 through to the pay for the year ended 28 January 2024 for the executive and non-executive directors compared to the wider workforce. For these purposes, the wider workforce includes all Group employees who were continuously employed by the Group during the four years ended 28 January 2024 but excludes executive and non-executive directors.

Year ended 28 January 2024

	Salary Jan 24*	Benefits Jan 24	Annual bonus Jan 24	Salary Jan 23	Benefits Jan 23	Annual bonus Jan 23	Salary Jan 22	Benefits Jan 22	Annual bonus Jan 22	Salary Jan 21	Benefits Jan 21	Annual bonus Jan 21
Roger White	2.4%	(2.4%)	32.0%	3.3%	5.1%	(22.9%)	8.0%	21.2%	100.0%	(4.3%)	(8.5%)	-%
Stuart Lorimer	3.8%	(5.6%)	32.1%	1.5%	-%	(22.8%)	19.5%	(30.8%)	100.0%	0.8%	4.4%	-%
Jonathan Kemp	5.5%	(5.3%)	33.5%	1.2%	(17.4%)	(22.9%)	6.5%	(4.2%)	100.0%	(4.4%)	-%	-%
Mark Allen	16.2%	-%	-%	389.7%	-%	-%	100.0%	-%	-%	-%	-%	-%
Robin Barr	(66.7%)	-%	-%	2.0%	-%	-%	6.8%	-%	-%	(5.0%)	-%	-%
Julie Barr	100.0%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Susan Barratt	3.8%	-%	-%	1.9%	-%	-%	7.4%	-%	-%	(1.7%)	-%	-%
Zoe Howorth	10.4%	-%	-%	65.5%	-%	-%	100.0%	-%	-%	-%	-%	-%
David Ritchie	3.4%	-%	-%	1.7%	-%	-%	6.6%	-%	-%	(5.0%)	-%	-%
Louse Smalley	100.0%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Nick Wharton	3.4%	-%	-%	1.7%	-%	-%	10.4%	-%	-%	6.7%	-%	-%
Wider workforce**	5.0%	-%	40.3%	3.0%	-%	(32.8%)	1.8%	-%	199.0%	-%	-%	100.0%

* The annual percentage change in salary is calculated by reference to actual salary paid for the financial year ended 28 January 2024 compared to financial year ended 29 January 2023.

** Wider workforce salary changes are based on average % increase across the year. Bonuses are based on movement in annual bonuses accrued.

CEO Pay Ratio

The table below sets out the ratio of the A.G. BARR p.l.c. CEO single total figure of remuneration for 2023/24 (as detailed on page 77) as a ratio of the equivalent single figure for the lower quartile, median and upper quartile UK employee (calculated on a full-time equivalent basis).

Total pay ratio	Method	25th Percentile	Median Percentile	75th Percentile
Year ended 28 January 2024	B	62:1	50:1	35:1
Year ended 29 January 2023	B	56:1	45:1	32:1
Year ended 30 January 2022	B	42:1	34:1	23:1
Year ended 24 January 2021	B	25:1	21:1	16:1

The remuneration figures for the employee at each quartile were determined with reference to the period from 1 February 2023 to 31 January 2024.

Option B was used to calculate these figures. The Committee believes that this approach provides a fair representation of the CEO to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational constraints. Under this option, the latest available gender pay gap data (i.e. from April 2023) was used to identify the best equivalent for three Group UK employees whose hourly rates of pay are at the 25th, 50th and 75th percentiles for the Group. A full time equivalent total pay and benefits figure for the 2023/24 financial year was then calculated for each of those employees. The pay ratios outline above were then calculated as the ratio of the CEO's single figure to the total pay and benefits of each of these employees.

Each employee's total pay and benefits were calculated on a full time and full year equivalent basis using the single figure methodology. No adjustments were made to the total pay and benefits figures with the exception of the annual bonus, which was calculated using 2022/23 financial year bonuses (which were paid in the year ended 28 January 2024) where the 2023/24 financial year data was not available at the last practical date before finalisation of this report.

The regulations require the total pay and benefits and the salary component of total pay and benefits to be set out as follows:

	Base salary	Total pay and benefits
CEO remuneration	£515,000	£2,057,000
25th percentile employee	£25,031	£33,352
Median percentile employee	£37,904	£41,426
75th percentile employee	£52,393	£58,033

The Committee considers that the median CEO pay ratio is consistent with the relative roles and responsibilities of the CEO and the identified employee. A.G. BARR p.l.c. is committed to offering its employees a competitive remuneration package. Base salaries for employees, including our executive directors, are determined with reference to a range of factors including market practice, experience and performance in role. Due to the nature of his role, the CEO remuneration package has higher weighting on performance related pay (including the annual bonus and LTIP) compared to the majority of the workforce. This means the pay ratios are likely to fluctuate depending on the outcomes of incentive plans in each year.

The Committee also recognises that, due to the nature of the company's business and the flexibility permitted with the regulations for identifying and calculating the total pay and benefits for employees, the ratios reported above may not be comparable to those reported by other companies.

Relative importance of spend on pay

The following table sets out the percentage change in dividends and the overall expenditure on pay (as a whole across the organisation).

Percentage change	Year ended 29 January 2023 £000	Year ended 28 January 2024 £000	% change
Dividends	13,922	14,729	5.8%
Overall expenditure on pay	50,200	63,200	25.9%

The Remuneration Committee

The following directors were members of the Remuneration Committee during the year: David Ritchie (Chair), Susan Barratt, Zoe Howorth and Louise Smalley (appointed 1 June 2023).

Mark Allen, in his role as Chair, is invited to attend the Remuneration Committee meetings on some occasions and to provide guidance on behalf of the Board as required. During the year, the Remuneration Committee received advice from Roger White (CEO) in respect of the remuneration of the other executive directors, who was not in attendance when his own remuneration was being discussed. The Remuneration Committee received assistance from Neil MacLennan (Company Secretary), who acts as secretary to the Remuneration Committee, and from other members of management, who may attend meetings by invitation, except when matters relating to their own remuneration are being discussed.

The Remuneration Committee meets at least twice a year and is responsible for determining, within agreed terms of reference, all aspects of the remuneration of the executive directors, the Executive Committee and such other members of senior management as it is designated to consider. The Remuneration Committee reviews the remuneration trends, pay levels and employment conditions across the Group. The Remuneration Committee is also responsible for determining the remuneration of the Chair of the Company.

The Remuneration Committee recognises the importance of culture and effective employee engagement in the creation of a good workplace. Workforce engagement sessions are held during the year, led by the Board's designated workforce engagement director. The topic regarding how executive directors' remuneration aligns with wider Company pay policy – in terms of governance, structure and quantum – is included as a specific discussion item at workforce engagement sessions at least once per annum. The Board receives regular updates on workforce engagement throughout the year. Further information on employee engagement is included in the Corporate Governance Report on pages 64 to 65.

The Remuneration Committee carried out an internally facilitated review of its performance and effectiveness during the year. This review included a detailed and comprehensive evaluation of the performance and effectiveness of the Remuneration Committee using written survey questionnaires, which were completed by members of the Remuneration Committee and the Company Secretary. The results of the evaluation were shared with the Remuneration Committee. Overall, the review found that the Remuneration Committee was functioning in an effective manner and performing satisfactorily, with no major issues identified.

Key activities in the year

The Remuneration Committee met six times during the financial year. Key activities are shown below:

- Continued to implement the Policy which was approved at the 2023 AGM;
- Considered feedback received from major shareholders following consultation in relation to the proposed changes to the Policy;
- Consulted and engaged with relevant shareholders who were unable to support the resolution to approve the Policy put to shareholders at the 2023 AGM to understand their views;
- Reviewed remuneration trends, pay levels and employment conditions across the Company;
- Reviewed and set annual salaries for the executive directors, divisional directors and Executive Committee consistent with the wider workforce;
- Set targets for the annual bonus for the executive directors, divisional directors and the Executive Committee;
- Reviewed and approved the grant of LTIP awards to the executive directors, divisional directors and the Executive Committee;
- Set targets for the LTIP for the executive directors, divisional directors and the Executive Committee;
- Considered performance measures for the LTIP awards to be granted in the following year;
- Reviewed and set annual fees for the Chair of the Company;
- Reviewed achievement against targets set and determined the appropriate level of pay-out for the annual bonus for the executive directors, divisional directors and the Executive Committee in the context of wider business performance;
- Reviewed achievement against targets set and determined the appropriate level of pay-out for the LTIP for the executive directors and a divisional director in the context of wider business performance;
- Received status updates on in-flight LTIP awards;
- Reviewed and recommended the Directors' Remuneration Report for the year ended 29 January 2023 to the Board for approval;
- Reviewed the executive directors' shareholdings against shareholding guidelines;
- Reviewed and approved the remuneration arrangements that would apply in respect of Roger White's retirement from the Board of the Company on 30 April 2024;
- Reviewed and approved the remuneration arrangements that would apply in respect of Euan Sutherland's appointment as CEO of the Company with effect from 1 May 2024;

- Reviewed market and corporate governance updates to ensure the Remuneration Committee remained up to date on the continuously evolving governance landscape and best practice;
- Reviewed the Remuneration Committee's terms of reference; and
- Review the Remuneration Committee's performance and effectiveness during the year.

The terms of reference of the Remuneration Committee are available on the Company's website, **www.agbarr.co.uk**.

External adviser

During the year, the Remuneration Committee was assisted in its work by the following external consultants:

Adviser	Details of appointment	Services provided by the Adviser	Fees paid by the Company for advice to the Remuneration Committee and basis of charge	Other services provided to the Company in the year ended 28 January 2024
PricewaterhouseCoopers LLP ('PwC')	Appointed by the Remuneration Committee in January 2022 following a competitive tender process.	Assistance with the preparation of the Directors' Remuneration Report. Attendance at Remuneration Committee meetings. Advice on market practice developments in executive pay.	£59,500 Charged on a retainer and time/cost basis.	Consulting services to management

The Remuneration Committee is satisfied that all advice received was objective and independent. PwC is a member of the Remuneration Consultants Group and, as such, voluntarily operate under the Code of Conduct in relation to executive remuneration consulting in the UK.

Statement of voting at last AGM

The following table sets out actual voting in respect of the resolutions to approve the 2022/23 Annual Report on Remuneration and the Remuneration Policy at the Company's AGM on 26 May 2023 ('2023 AGM'):

Resolution	Votes for	% of vote	Votes against	% of vote	Votes withheld
Approve Annual Report on Remuneration	65,121,178	82.60%	13,714,719	17.40%	34,464
Approve Remuneration Policy	52,168,970	66.47%	26,321,892	33.53%	379,499

As noted above, at the 2023 AGM the resolution to approve the Directors' Remuneration Policy was passed with 66.47% votes in favour. As stated in the announcement published on the date of the 2023 AGM, the Remuneration Committee on behalf of the Board subsequently consulted and engaged with a group of shareholders who were unable to support the resolution to understand their views. An update statement was published on 17 November 2023, which noted that there were no consistent themes for voting against the Policy by the minority of shareholders who did so. The Board is grateful to those shareholders who took part in the engagement process and values the feedback provided. The Committee will continue to engage with shareholders on executive directors' remuneration going forward. This statement is provided in accordance with Provision 4 of the Code. Additional context is set out in the Chair's statement.

Additional information

Executive directors' interests in the LTIP

The individual interests of the executive directors under the LTIP are as follows:

LTIP director	Date of award	At 29 January 2023 Number	Awarded Number	Vested Number	Lapsed Number	At 28 January 2024 Number	Exercisable from
Roger White	02 November 2020	133,899	–	(95,202)	(38,697)	–	02 November 2023
	12 April 2021	143,337	–	–	–	143,337	12 April 2024
	11 April 2022	138,287	–	–	–	138,287	11 April 2025
	11 April 2023	–	154,362	–	–	154,362	11 April 2026
Stuart Lorimer	02 November 2020	92,174	–	(65,535)	(26,639)	–	02 November 2023
	12 April 2021	98,663	–	–	–	98,663	12 April 2024
	11 April 2022	95,187	–	–	–	95,187	11 April 2025
	11 April 2023	–	106,251	–	–	106,251	11 April 2026
Jonathan Kemp	02 November 2020	70,219	–	(49,925)	(20,294)	–	02 November 2023
	12 April 2021	75,161	–	–	–	75,161	12 April 2024
	11 April 2022	72,513	–	–	–	72,513	11 April 2025
	11 April 2023	–	80,943	–	–	80,943	11 April 2026

Executive directors' interests in the SAYE

The individual interests of the executive directors under the SAYE scheme are as follows:

SAYE director	At 29 January 2023 Number	Granted Number	Exercised Number	Lapsed Number	At 28 January 2024 Number	Option price Pence	Exercisable from
Roger White	3,925	–	–	–	3,925	469	01 July 2024
Stuart Lorimer	3,925	–	–	–	3,925	469	01 July 2024
Jonathan Kemp	3,925	–	–	–	3,925	469	01 July 2024

Approval

This report was approved by the Board and signed on its behalf by

David J. Ritchie
Chair of the Remuneration Committee
26 March 2024

Directors' Remuneration Policy

This part of the report sets out the Company's Directors' Remuneration Policy (the 'Policy') which was approved by shareholders at the 2023 AGM and became effective for three years from the close of that meeting. The Policy for the executive directors has been determined by the Remuneration Committee. The Policy is due to be reviewed by shareholders at the 2026 AGM.

Executive directors

The table below describes each of the elements of the remuneration package for the executive directors:

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary	Core element of fixed remuneration, reflecting the size and scope of the role. Purpose is to recruit and retain directors of the calibre required for the Company.	Usually reviewed annually. Salary levels are determined by the Remuneration Committee taking into account a range of factors including: • role, experience and individual performance; • pay for other employees in the Group; • prevailing market conditions; and • external benchmarks for similar roles at comparable companies.	Although there is no overall maximum, salary increases are normally reviewed in the context of the salary increases across the wider Group. The Remuneration Committee may award salary increases above this level to take account of individual circumstances such as: • increase in scope and responsibility; • increase to reflect the executive director's development and performance in the role; or • alignment to market level.	Not applicable.
Benefits	Ensures the overall package is competitive. Purpose is to recruit and retain directors of the calibre required for the Company.	Executive directors receive benefits in line with market practice, which may include, for example, a car allowance or provision of a company car, a biennial health check, private medical insurance, life assurance and the ability to "buy" or "sell" holidays under the Company's flexible benefits plan. Other benefits may be provided based on individual circumstances. These may include, for example, relocation and travel allowances.	Whilst the Remuneration Committee has not set an absolute maximum on the levels of benefits executive directors receive, the value of the benefit is at a level which the Remuneration Committee considers appropriate against the market and provides a sufficient level of benefit based on individual circumstances.	Not applicable.
Annual bonus	Rewards performance against annual targets which support the strategic direction of the Group.	Awards based on performance against key financial and/or strategic targets and/or the delivery of personal objectives. Pay-out levels are determined by the Remuneration Committee after the year end based on performance against those targets. The Remuneration Committee has discretion to amend the bonus pay-out if, in its judgement, any formulaic output does not produce a fair result for either the executive director or the Company, taking into account overall business performance.	Maximum bonus opportunity is 125% of base salary.	Targets are set annually reflecting the Company's strategy and aligned with key financial, strategic and/or individual objectives. Targets, whilst stretching, do not encourage inappropriate business risks to be taken.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual bonus continued		25% of any bonus earned will be deferred into shares for two years. At any time before the deferred bonus shares are released, the Remuneration Committee has the right to cancel the award if it has not been exercised, or require repayment of some or all of the award in the following circumstances: • discovery of a material misstatement; • error, or inaccurate or misleading information; • action or conduct of a participant which amounts to fraud or gross misconduct; • regulatory censure or reputational damage; • material failure of risk management; and • corporate failure. For up to two years following the determination of a bonus pay-out, the Remuneration Committee has the right to recover some or all of the bonus pay-out in the circumstances set out above. The Remuneration Committee may make a dividend equivalent payment ('Dividend Equivalents') to reflect dividends that would have been paid over the period from grant to vesting on shares that vest. This payment may be in the form of additional shares or a cash payment equal to the value of those additional shares.		At least 80% of the bonus is assessed against key financial performance metrics of the business and the balance may be based on non-financial strategic measures and/or individual performance. **Financial metrics** There is no minimum payment at threshold performance, up to 50% of the maximum potential for this element of the bonus will be paid out for on-target performance and all of the maximum potential will be paid out for maximum performance. **Non-financial or individual metrics** Payment of the non-financial or individual metrics will apply on a scale between 0% and 100% based on the Remuneration Committee's assessment of the extent to which a non-financial or individual performance metric has been met.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Long Term Incentive Plan ('LTIP')	Incentivises executive directors over the longer term and aligns their interests with those of shareholders.	Under the LTIP, awards of conditional shares or nil cost share options may be made with vesting dependent on the achievement of performance conditions set by the Remuneration Committee, normally over a three year performance period. Awards granted over shares may be settled in cash at the election of the Remuneration Committee. As described on page 104, awards may also vest in "good leaver" circumstances or on the death of a participant or on a change of control. All awards made under the LTIP will be subject to a two year post-vesting holding period. For up to two years following the vesting date of an award, the Remuneration Committee has the right to cancel the award if it has not been exercised, or require repayment of some or all of the award, in the following circumstances: • discovery of a material misstatement; • error, or inaccurate or misleading information; • action or conduct of a participant which amounts to fraud or gross misconduct; • regulatory censure or reputational damage; • material failure of risk management; and • corporate failure. The Remuneration Committee has the right to reduce or cancel unvested awards and/or delay their vesting in the circumstances set out above. The Remuneration Committee has discretion to amend the level of LTIP vesting if, in its judgement, any formulaic output does not produce a fair result for either the executive director or the Company, taking into account overall business performance. The Remuneration Committee may make a dividend equivalent payment ('Dividend Equivalents') to reflect dividends that would have been paid over the period from grant to vesting on shares that vest. This payment may be in the form of additional shares or a cash payment equal to the value of those additional shares.	The normal maximum award is 150% of annual base salary in respect of a financial year. Under the LTIP rules the overall maximum opportunity that may be granted in respect of a financial year will be 200% of annual base salary. The normal maximum award limit will only be exceeded in exceptional circumstances such as the recruitment or retention of a senior employee.	The vesting of awards is subject to the satisfaction of performance targets set by the Remuneration Committee. The performance measures are reviewed regularly to ensure they remain relevant but will be based on key financial and/or strategic and/or total shareholder return related measures. The relevant metrics and the respective weightings may vary each year based upon Company strategic priorities. Performance measures and weightings will be set out in the Annual Report on Remuneration for the relevant financial year, typically including a split of key financial and/or strategic and/or total shareholder return related measures. For achievement of threshold performance 20% of the maximum opportunity will vest. There will usually be straight line vesting between threshold and maximum performance.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
All employee share schemes	To encourage all employees to make a long-term investment in the Company's shares in a tax efficient way.	Executive directors are eligible to participate in a HMRC tax-advantaged All-Employee Savings Related Share Option Scheme ('SAYE') under which they make monthly savings over a period of three or five years linked to the grant of an option over the Company's shares with an option price which can be at a discount to the market value of shares on grant. Executive directors are also eligible to participate in a HMRC tax-advantaged All-Employee Share Ownership Plan ('AESOP'). The executive directors may participate in all sections of the AESOP, being the partnership and matching shares section, the free share section and the dividend share section.	Participation limits are those set by the UK tax authorities from time to time.	Not applicable.
Retirement benefits	Purpose is to recruit and retain directors of the calibre required for the Company. Provides market competitive post-employment benefits (or cash allowance equivalent).	Executive directors are eligible to participate in the A.G. Barr Retirement Plan. There is also a closed A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme (the 'Scheme'), which comprises a defined contribution section and a defined benefit section. The defined benefit section was closed to new entrants from 14 August 2003 and to future accrual from 1 May 2016. The defined contribution section was closed to new entrants and new contributions from 30 June 2021 and all assets held in the defined contribution section were transferred to the A.G. Barr Retirement Plan in September 2021. Details of the entitlement accruing to the executive director who is a deferred member of the defined benefit section are set out in the table on page 83. The contributions paid to the A.G. Barr Retirement Plan in respect of the executive directors are disclosed on page 83. Executive directors may elect to take a cash allowance instead of contributions into a pension plan.	For newly appointed executive directors joining after 1 January 2023, pension contribution levels will be aligned to the level available to the wider workforce (currently 8% of salary). Incumbent executive directors will receive their current pension contribution of 24% of salary. The Remuneration Committee has discretion to vary the delivery mechanism for retirement benefits, however the exercise of this discretion will not exceed the relevant limits above for the provision of executive directors' retirement benefits. Incumbent executive director Roger White ceased his accrual under the defined benefit section on 5 April 2011. For Roger White, the Company's maximum contribution is 24% of salary plus any contractual entitlement in respect of a shortfall in his deferred pension revaluation as a consequence of Fixed Protection 2012.	Not applicable.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Retirement benefits continued			The Company has closed the defined benefit section of the Scheme to new members and future accrual. The only executive director who is a deferred member will continue to receive benefits in accordance with the terms of the Scheme, subject to separately agreed contractual arrangements, including the arrangement summarised below: Roger White will continue to be entitled to receive life assurance benefits as if he were in pensionable service under the Scheme until his normal retirement date notwithstanding the termination of his employment with the Company, but only in circumstances where he is a "good leaver", as set out in his service contract. The maximum Company contribution under the A.G. Barr Retirement Plan in respect of the remaining executive directors is 24% of salary. All executive directors have now elected to receive Company pension contributions in the form of a cash allowance.	
Shareholding guidelines	Purpose is to further align the executive directors' long term interests with those of shareholders.	**During employment** The CEO and new executive directors must retain all shares acquired under LTIP awards and deferred bonus shares and retain half of any bonus pay-out after tax (net of the relevant deferred bonus shares) to purchase shares in the Company until the value of their shareholding is equal to 200% of gross basic salary. Incumbent executive directors (other than the CEO) must retain all shares acquired under LTIP awards and deferred bonus shares and retain half of any bonus pay-out after tax (net of the relevant deferred bonus shares) to purchase shares in the Company until the value of their shareholding is equal to 150% of gross basic salary.	Not applicable.	Not applicable.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Shareholding guidelines continued		Until the relevant shareholding is acquired, the executive director may not, without Remuneration Committee approval, sell shares other than to finance any tax liabilities arising from the vesting or release of awards. **Post-employment** Newly appointed executive directors must retain for two years post-employment any shareholding arising from shares awarded/vesting from both the deferred bonus and LTIP, up to the above shareholding guidelines. Incumbent executive directors must retain for one year post-employment any shareholding arising from shares awarded/vesting from both the deferred bonus and LTIP after 26 January 2020, up to the above shareholding guidelines.		

Chair and non-executive directors

The table below sets out an overview of the remuneration of non-executive directors:

Purpose and link to strategy	Approach of the Company
Fees are the sole element of remuneration provided to non-executive directors in relation to the fulfilment of this role. Fees are set at a level that reflects market conditions and is sufficient to attract individuals with appropriate knowledge and expertise.	Fees are normally reviewed annually. The remuneration of the Chair is determined by the Remuneration Committee. Fees are set at a level which reflects the skill, knowledge and experience of the individual, whilst taking into account appropriate market positioning. The Board is responsible for setting the fees of the other non-executive directors. Fees may include a basic fee and additional fees for further responsibilities (for example, chairing of Board committees and senior independent directorship). Fees are set taking into account several factors, including the size and complexity of the business, appropriate market data and the expected time commitment and contribution for the role. Non-executive directors, in their capacity as non-executive, do not participate in any of the Company's share schemes or bonus schemes nor do they receive any pension contributions. Non-executive directors may be eligible to receive benefits such as the use of secretarial support, travel costs (including any tax incurred on these costs) or other benefits that may be appropriate. Actual fee levels are disclosed in the Directors' Annual Remuneration report for the relevant financial year. Where an employee (other than an executive director) of the Company sits on the Board in an individual capacity, the fee they receive as a director shall be governed by this Remuneration Policy for non-executive director fees, but the Remuneration Policy does not apply to the pay and benefits they receive as a result of their employment.

Remuneration principles

The Remuneration Committees approach to executive director Policy and practices is aligned to the Company's strategic objectives, shareholders' interests and the factors set out in Provision 40 of the 2018 UK Corporate Governance Code (the 'Code'), with the aim of supporting the Company's strategy and promoting the long term sustainable success of the business.

The table below describes how the Remuneration Committee has addressed each of the factors set out in Provision 40 of the Code.

Factor	How this has been addressed
Clarity and simplicity	The reward framework aims to embed transparency and simplicity in the Policy and remuneration practices. The Remuneration Committee consults with major shareholders in advance of key proposed changes to executive remuneration, for example when reviewing the Policy ahead of the 2023 AGM. Feedback from internal stakeholders and comments from the proxy voting agencies were also sought. The Remuneration Committee also engaged with independent external advisers to minimise the risk of any conflicts of interest. The Remuneration Committee strived to create a refreshed Policy which is clear and simple, aligned to Company culture, values and strategy and demonstrates strong corporate governance. It wants participants to be able to understand the Policy and have a clear line of sight between their decisions and behaviours and the effect that these decisions will have on the variable reward outcomes. Equally, it wants to ensure that reward for executive directors is straightforward for both shareholders and the wider workforce to understand. The Company engages directly with the wider workforce on their remuneration through a variety of methods, including workforce engagement sessions, regular briefing sessions and the annual employee engagement survey.
Risk	The Remuneration Committee aims to ensure that there is an appropriate balance between risk and reward. The remuneration framework includes various features designed to mitigate reputational, behavioural and other risks, including: • The Policy encourages directors to continue to take a long-term view when making decisions by increasing the level of share deferral for the annual bonus and applying a default holding period for vesting LTIP awards, increasing the shareholding guideline for new executive directors, and extending the post-employment shareholding requirement for new executive directors to ensure that their interests continue to be aligned to shareholders after they have left the business for longer. • The Policy contains extended malus and clawback provisions which the Remuneration Committee can use in certain prescribed circumstances to recover amounts paid to directors or to cancel any unreleased share awards. • The Remuneration Committee has broad discretion to override the formulaic outcomes of the variable rewards to ensure that payments to directors reflect the Company's performance in the round.
Predictability	The Policy sets out the potential award levels and vesting outcomes applicable to the annual bonus and long term incentive arrangements. Incentive awards are capped as a percentage of salary, which reduces the risk of any unanticipated pay outcomes. As set out above, the Remuneration Committee may apply malus, clawback and reasonableness discretion where appropriate.
Proportionality	The Policy was benchmarked against market practice by independent external advisers. Performance conditions for the annual bonus and long-term incentive arrangements require a threshold level of performance to be achieved before any pay-out is made. These performance conditions are set with the aim of ensuring that there is a clear link between individual awards and the delivery of the Company's long-term strategy and success of the business.
Alignment to culture	The Remuneration Committee is satisfied that the Company's incentive schemes are fit for purpose and continue to be aligned with Company strategy, through choosing performance metrics which reflect the Company's most important KPIs and are aligned with Company purpose, culture and values.

Explanation of performance metrics chosen and the target setting process
Performance measures are selected that are aligned to the Company's strategy. Stretching performance targets are set each year for the annual bonus and LTIP awards. When setting these performance targets, the Remuneration Committee will take into account a number of different reference points, which may include the Company's business plans and strategy and the market environment. Full payment or vesting will only occur for what the Remuneration Committee considers to be stretching performance. Additionally, the Remuneration Committee has discretion to change formulaic outcomes to ensure that payments made through variable incentive plans are proportionate to the Company's overall performance.

The annual bonus performance targets have been selected to provide an appropriate balance between incentivising directors to meet financial targets for the year and achieving strategic and/or personal objectives. The Remuneration Committee also aims to make sure that targets are set in line with the Company's risk appetite so as to ensure that executive directors are not incentivised to take inappropriate risks.

The LTIP performance targets reflect the Company's strategic objectives and therefore the financial and strategic decisions which ultimately determine the success of the Company. The LTIP performance measures may be based on key financial and/or strategic and/or total shareholder return related measures. LTIP performance will normally be based on Earnings Per Share, which is a key measure of the Company's profitability, relative Total Shareholder Return to further strengthen the link between the interests of the executive directors and the shareholders and a performance measure aligned with Environmental Sustainability.

The Remuneration Committee retains the ability to adjust or set different performance measures if events occur (such as a change in strategy, a material acquisition and/or a divestment of a Group business or a change in prevailing market conditions) which cause the Remuneration Committee to determine that the alternative measures are more suitable either for a defined period or for the foreseeable future so that they achieve their original purpose.

Awards and options may be adjusted in the event of a variation of share capital in accordance with the Scheme rules.

Policy for the remuneration of employees generally
Remuneration arrangements are determined throughout the Group based on the same principle that reward should be achieved for delivery of the business strategy and should be sufficient to attract and retain high calibre talent.

All employees are eligible to receive base salary, retirement benefits and other benefits based on role, seniority and location. The majority of employees are currently eligible to receive awards under an annual bonus plan, with only the most senior employees currently eligible to participate in the LTIP as set out below.

The annual bonus arrangements for the senior management team are similar to those for the executive directors in that targets are set annually dependent on financial and/or non-financial performance metrics. The key principles of the remuneration philosophy are applied consistently across the Group below this level, taking account of the seniority of employees.

Approach to recruitment remuneration
The Policy aims to facilitate the appointment of individuals of sufficient calibre to lead the business and execute the strategy effectively for the benefit of shareholders. When appointing a new director, the Remuneration Committee seeks to ensure that arrangements are in the best interests of the Company and in line with market practice.

When agreeing the level of remuneration appropriate for the individual, the Remuneration Committee will take into consideration a number of relevant factors, which may include the calibre of the individual, the candidate's existing remuneration package, and the specific circumstances of the individual including the jurisdiction from which the candidate was recruited.

The Remuneration Committee will typically seek to align the remuneration package, including salary, benefits and pension, with the Policy (as set out in the Policy table). The maximum level of variable remuneration which may be granted (excluding buy-out awards referred to below) is 325% of salary (in line with this Policy). Subject to this overall maximum variable remuneration, incentive awards will only be granted above the normal maximum annual award opportunities where the Remuneration Committee considers there to be a commercial rationale, which may include but is not limited to circumstances where an executive director is recruited at a time in the year when it would be inappropriate to provide a bonus and/or LTIP award for that year as there would not be sufficient time to assess performance. The quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis. The Remuneration Committee will ensure that any such awards are linked to the achievement of appropriate and challenging performance targets and will be forfeited if performance or continued employment conditions are not achieved. The Remuneration Committee may also alter the performance measures, performance period and vesting period of the bonus and/or LTIP award, if the Remuneration Committee determines that the circumstances of the recruitment merit such alteration. The rationale would be clearly explained in the Directors' Remuneration Report following grant. The individual will move over time onto a remuneration package that is consistent with the normal maximum annual bonus and LTIP award opportunities set out in the Policy table.

The Remuneration Committee retains discretion to include other remuneration components or awards which are outside the specific terms of the Policy (but subject to the limit on variable remuneration) to facilitate the hiring of candidates of an appropriate calibre, where the Remuneration Committee believes there is a need to do so in the best interests of the Company. The Remuneration Committee would ensure that awards within the 325% of salary variable remuneration limit are linked to the achievement of appropriate and challenging performance measures. The Remuneration Committee will not use this discretion to make a non-performance related incentive payment (for example a "golden hello").

In some circumstances, the Remuneration Committee may make payments or awards to recognise or "buy-out" remuneration arrangements forfeited on leaving a previous employer. The Remuneration Committee will normally aim to do so broadly on a like-for-like basis, taking into account a number of relevant factors regarding the forfeited arrangements, which may include the form of award, any performance conditions attached to the awards and the time at which they would have vested. These payments or awards are excluded from the maximum level of variable remuneration referred to above, however the Remuneration Committee's intention is that the value awarded would be no higher than the expected value of the forfeited arrangements. Where considered appropriate, such payments or awards will be liable to "malus" and/or "clawback" on early departure.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share plans. If necessary, and subject to the limits referred to above, recruitment awards may be granted outside of these plans as currently permitted under the Listing Rules which allow for the grant of awards to facilitate, in exceptional circumstances, the recruitment of an executive director.

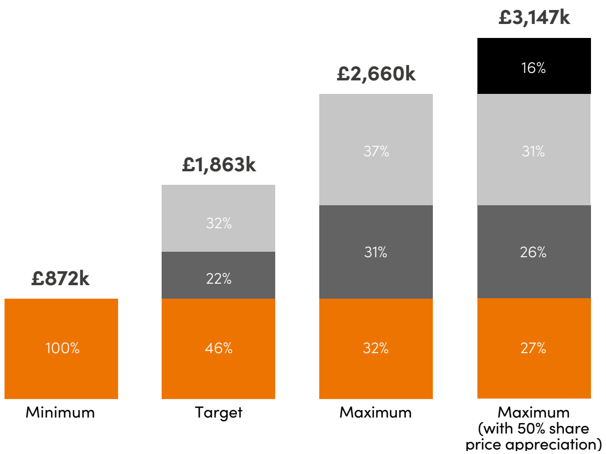
Where a position is fulfilled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue according to the original terms.

Where necessary, the Company will pay appropriate relocation, travel and subsistence costs. The Remuneration Committee will seek to ensure that no more is paid than is necessary.

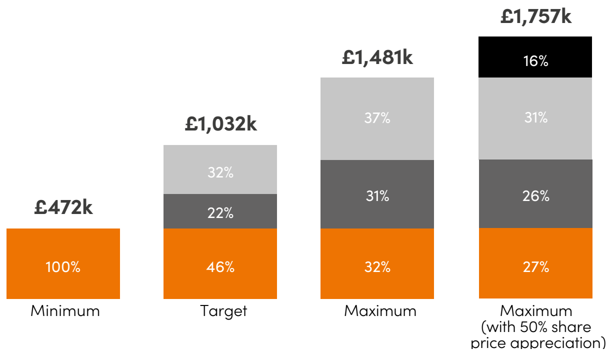
Fees payable to a newly appointed Chair or non-executive director will be in line with the fee policy in place at the time of appointment.

Illustrations of application of Remuneration Policy
The charts below set out an illustration of the Policy for 2024/25 in line with the Policy above and include base salary, pension, benefits and incentives. The charts provide an illustration of the proportion of total remuneration made up of each component of the Policy and the value of each component.

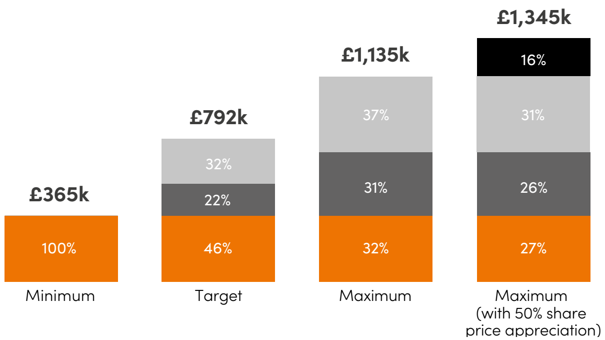
Euan Sutherland – total remuneration

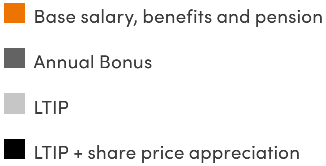


Stuart Lorimer – total remuneration



Jonathan Kemp – total remuneration





Four scenarios have been illustrated for each executive director:

	Fixed pay	Annual Bonus	LTIP
Minimum performance	Fixed elements of remuneration – base salary, benefits and pension only. Base salary is the forward looking salary (i.e. the salary effective from 1 April 2024) and the value for benefits has been calculated as per the single figure table on page 77 (i.e. the benefits for the year ended 28 January 2024).	No bonus.	No LTIP vesting.
Performance in line with expectations		50% of maximum awarded for achieving target performance (i.e. 62.5% of salary).	60% of maximum award vesting for target performance (i.e. 90% of salary).
Maximum performance		100% of maximum awarded for achieving maximum performance (i.e. 125% of salary).	100% of maximum award vesting for maximum performance (i.e. 150% of salary).
Maximum performance plus 50% growth in share price			100% of maximum award vesting for maximum performance plus 50% growth in share price (i.e. 225% of salary).

LTIP awards are included in the scenarios above at face value with no share price movement included (except in the “maximum plus 50%” scenario).

Service contracts

Executive directors’ contracts are on a rolling basis and may be terminated on 12 months’ notice by the Company or on 6 months’ notice by the executive director. Service contracts for new executive directors will generally be limited to 12 months’ notice by the Company.

In line with the Policy approved at the 2014 AGM, service contracts entered into prior to this date provide for a notice period of 12 months except during the six months following either a takeover of or by the Company or a Company reconstruction. Under these conditions and certain circumstances the executive directors are entitled to a liquidated damages payment equal to the executive director’s basic salary at termination plus the value of all contractual benefits for a two year period. In the event this liquidated damages payment is triggered, the executive director will also be deemed to be a “good leaver” for the purposes of the Company’s share schemes. Given the size of the Company and the sector dynamics at the time the directors were recruited, the Remuneration Committee considered this provision appropriate in order to attract and retain high calibre executive directors. The Remuneration Committee is cognisant of the fact that these provisions do not reflect best practice. It has therefore previously considered the alternatives available to exit these contractual arrangements, including contractual buy-out. However, the Remuneration Committee concluded that it was not feasible to place a value on these rights, in order to remove them from the contracts, which would be acceptable to both parties. It therefore determined that the most appropriate approach would be to maintain the legacy provisions, however for all future appointments after the approval of the 2014 Policy these provisions have not and will not apply. Euan Sutherland’s and Stuart Lorimer’s service contracts do not therefore include the legacy provisions.

Non-executive directors are appointed for an initial period of three years, subject to annual re-election by shareholders in accordance with the Code. Their appointments are terminable by either the Company or the directors themselves upon three months’ notice without compensation.

Payments for loss of office

The principles on which the determination of payments for loss of office will be approached are set out below:

	Policy
Payment in lieu of notice	Payments to executive directors upon termination of their service contracts will be equal to 12 months' base salary or the highest annual salary earned by the executive during the preceding three years, whichever is higher (plus benefits in kind and pension contributions at the discretion of the Remuneration Committee).
Annual Bonus	This will be at the discretion of the Remuneration Committee on an individual basis and the decision as to whether or not to award a bonus in full or in part will be dependent upon a number of factors, including the circumstances of the individual's departure and their contribution to the business during the bonus period in question. Any bonus amounts paid will typically be pro-rated for time in service to termination and will, subject to performance, be paid at the usual time.
Deferred portion of Annual Bonus	Deferred bonus share awards will normally vest in full at the end of the original deferral period.
LTIP	The extent to which any award under the LTIP will vest would be determined based on the leaver provisions contained within the LTIP rules. The Remuneration Committee shall determine when awards vest in accordance with those provisions. Awards will normally lapse if the participant leaves employment before vesting. However, awards may vest in "good leaver" circumstances, including death, disability, ill-health, injury, sale of the participant's employer, or any other reason determined by the Remuneration Committee. Any "good leaver" awards will vest at the date of cessation of employment unless the Remuneration Committee decides they should vest at the normal vesting date. In either case, the extent to which an award vests will be determined by the Remuneration Committee taking into account the extent to which the performance conditions have been satisfied and, unless the Remuneration Committee determines otherwise, the proportion of the performance period that has elapsed to the date of cessation of employment. The Remuneration Committee may vest the award on any other basis if it believes there are exceptional circumstances which warrant that. Options are exercisable for six months (12 months in the event of death) from leaving employment or six months (12 months in the event of death) from the normal vesting date as appropriate.
Change of control	Deferred bonus share awards and awards under the LTIP will generally vest early on a takeover, merger or other corporate reorganisation. The Remuneration Committee will determine the level of vesting taking account of performance conditions and, unless the Remuneration Committee determines otherwise, pro-rating for time, where applicable. Alternatively, participants may be allowed or required to exchange their awards for awards over shares in the acquiring company. Awards under all-employee share schemes will be expected to vest on a change of control and those which have to meet specific requirements to benefit from.
Mitigation	The executive directors' service contracts do not provide for any reduction in payments for mitigation or for early payment.
Other payments	Payments may be made under the Company's all-employee share plans which are governed by HMRC tax-advantaged plan rules and which cover certain leaver provisions. There is no discretionary treatment of leavers under these plans. In appropriate circumstances, payments may also be made in respect of accrued holiday, outplacement and legal fees.

Where a buy-out award is made under the Listing Rules then the leaver provisions would be determined at the time of the award.

The Remuneration Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a director's office or employment. In doing so, the Remuneration Committee will recognise and balance the interests of shareholders and the departing executive director, as well as the interests of the remaining directors.

Where the Remuneration Committee retains discretion it will be used to provide flexibility in certain situations, taking into account the particular circumstances of the director's departure and performance.

Statement of consideration of employment conditions elsewhere in the Company

The Remuneration Committee generally considers pay and employment conditions elsewhere in the Company when considering the executive directors' remuneration. When considering base salary increases, the Remuneration Committee reviews overall levels of base pay increases offered to other employees. Employees are not actively consulted on directors' remuneration. The Company has regular contact with union bodies on matters of pay and remuneration for employees covered by collective bargaining or consultation arrangements.

Existing contractual arrangements

The Remuneration Committee retains discretion to make any remuneration payments and payments for loss of office outside the Policy in this report:

- where the terms of the payment were agreed before the Policy came into effect;
- where the terms of the payment were agreed at a time when the relevant individual was not a director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration of the individual becoming a director of the Company; or
- to satisfy contractual commitments under legacy remuneration arrangements.

For these purposes, the term "payments" includes the satisfaction of awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

The Remuneration Committee may make minor changes to this Policy which do not have a material advantage to directors, to aid in its operation or implementation, taking into account the interests of shareholders but without the need to seek shareholder approval.

Statement of consideration of shareholder views

During the year, the Remuneration Committee engaged with shareholders, receiving feedback on the proposed minor changes to the Remuneration Policy. The Committee also consulted and engaged with the Company's largest shareholders who were unable to support the resolution to approve the Remuneration Policy at the 2023 AGM, to understand their views. The Committee is committed to an ongoing dialogue with shareholders and welcomes feedback on executive and non-executive directors' remuneration.

Payments in relation to existing remuneration arrangements

The Remuneration Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Remuneration Policy set out above where the terms of the payment were agreed:

i. before the date of the 2014 AGM (the date the Company's first shareholder-approved Remuneration Policy came into effect);
ii. after the date of the 2014 AGM and before the Remuneration Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Remuneration Policy in force at the time they were agreed; or
iii. at a time when the relevant individual was not a director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a director of the Company.

For these purposes "payments" includes the Remuneration Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

DIRECTORS' REPORT

The directors present their report and the audited consolidated financial statements of the Group for the 52 weeks (2023: 52 weeks) ended 28 January 2024.

Strategic Report

The Companies Act 2006 requires the directors to present a review of the business during the year to 28 January 2024 and of the position of the Group at the end of the financial year, together with a description of the principal risks and uncertainties faced. The Strategic Report can be found on pages 1 to 55 and is incorporated by reference into this Directors' Report.

Corporate Governance Statement

The Disclosure Guidance and Transparency Rules require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the corporate governance statement can be found in the Corporate Governance Report on pages 58 to 69 and is incorporated by reference into this Directors' Report.

Results and dividends

The Group's profit after tax for the financial year ended 28 January 2024 attributable to equity shareholders amounted to £38.5m (2023: £33.9m).

An interim dividend for the current year of 2.65p (2023: 2.50p) per ordinary share was paid on 27 October 2023. In line with its progressive dividend policy, the Board has proposed a final dividend of 12.40p (2023 final dividend: 10.60p) per ordinary share, which will be paid on 7 June 2024 if approved at the Company's annual general meeting on 31 May 2024 ('AGM'). The directors have taken advantage of the exemption available under s408 of the Companies Act 2006 and have not presented an income statement for the Company. The Company's profit for the year was £35.3m (2023: £45.0m).

Directors

The following were directors of the Company during the financial year ended 28 January 2024 and to the date of this report:

- Mark Allen OBE
- Roger White
- Stuart Lorimer
- Jonathan Kemp
- Julie Barr (appointed 26 May 2023)
- Robin Barr (resigned 26 May 2023)
- Susan Barratt
- Zoe Howorth
- David Ritchie
- Louise Smalley (appointed 1 June 2023)
- Nick Wharton

Subject to the Company's Articles of Association (the 'Articles') and any relevant legislation, the directors may exercise all of the powers of the Company and may delegate their power and discretion to committees. The powers of the directors to issue or repurchase ordinary shares are set by resolution at a general meeting of shareholders.

The Company's Articles provide that the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board. Roger White will retire from the Board on 30 April 2024. Jonathan Kemp will retire from the Board with effect from conclusion of the AGM. David Ritchie will also retire from the Board with effect from conclusion of the AGM, having served nine years as a non-executive director. Euan Sutherland will be appointed as a director on 1 May 2024 and will offer himself for election at the AGM. The Articles also give the directors power to appoint and remove directors. Under the terms of reference of the Nomination Committee, any appointment must be recommended by the Nomination Committee for approval by the Board. The Articles require directors to retire and submit themselves for election at the first Annual General Meeting following appointment and to retire no later than the third Annual General Meeting after the Annual General Meeting at which they were last elected or re-elected. However, in order to comply with the UK Corporate Governance Code, all directors other than Roger White, Jonathan Kemp, David Ritchie, Louise Smalley and Euan Sutherland will submit themselves for re-election at the AGM. Euan Sutherland will become a director on 1 May 2024 and will retire and offer himself for election at the AGM. Louise Smalley will retire and offer herself for election at the AGM. Biographical details of the Board are set out on pages 56 to 57 of this report.

Data on the diversity of the Board and the Executive Management as required by Listing Rule 9.8.6R(10) as at 28 January 2024 is set out below. Data is collected by self-disclosure directly from the individuals concerned.

Gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	% of Executive Management
Men	6	60%	3	5	56%
Women	4	40%	1	4	44%
Not specified/preferred not to say	–	–	–	–	–

Ethnic background

	Number of Board members	Percentage of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	% of Executive Management
White British or other White (including minority-white groups)	10	100%	4	9	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

The Company recognises the importance of Board diversity and at all levels within the Group. The Company is committed to increasing diversity across the business and has put in place a number of activities to support the development and promotion of talented individuals, regardless of factors such as gender, age, ethnicity, disability, sexuality and religious belief. More information about progress against our goals can be found in the section headed 'Diversity and inclusion' on page 26 of the Strategic Report. As at 28 January 2024, the gender-related diversity targets set in the Listing Rules for the Board are met, with 40% of members being women and one of the senior Board positions being held by a woman. The target that at least one individual on the Board is from a minority ethnic background has not been met. When appointments to the Board are under consideration, candidates from a diversity of backgrounds are considered with a view to meeting this target in the future. Appointments to the Board are made following a formal, rigorous and transparent process, facilitated by the Nomination Committee with the aid of external search consultancy firms.

Directors' interests

Information regarding the directors' interests in ordinary shares of the Company is provided in the Directors' Remuneration Report on page 86. No director has any other interest in any shares or loan stock of any Group company.

Other than service contracts, no director had a material interest in any contract to which any Group company was a party during the year.

There have been the following changes notified in the directors' shareholdings between 28 January 2024 and 25 March 2024: an increase in Roger White's holding of 88 shares, an increase in Stuart Lorimer's holding of 86 shares and an increase in Jonathan Kemp's holding of 88 shares.

Directors' indemnity provisions

As at the date of this report, indemnities are in force between the Company and each of its directors under which the Company has agreed to indemnify each director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out their role as a director of the Company. The directors are also indemnified against the costs of defending any criminal or civil proceedings or any claim in relation to the Company or brought by a regulator as they are incurred, provided that where the defence is unsuccessful the director must repay those defence costs to the Company. The Company's total liability under each indemnity is limited to £5.0m for each event giving rise to a claim under that indemnity. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006. In addition, the Company maintained a Directors' and Officers' liability insurance policy throughout the financial year and has renewed that policy.

As at the date of this report, indemnities are in force between the Company and each of the directors of the corporate trustee of the A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme under which the Company has agreed to indemnify each director, to the extent permitted by law, in respect of certain liabilities incurred in connection with the corporate trustee's activities as a trustee of such scheme.

Research and development

The Group undertakes research and development activities in order to develop its range of new and existing products. Expenditure during the year on research and development amounted to £1.5m (2023: £1.4m).

Political donations and political expenditure

No Group company made any political donations or incurred any political expenditure in the year (2023: £nil).

Post balance sheet events

Relevant post balance sheet events requiring disclosure are included in Note 32 to the accounts.

Employee engagement

Information on employee engagement is included in the Corporate Governance Report on pages 64 to 65 and the Strategic Report on page 24.

All qualifying employees are entitled to join the Savings Related Share Option Scheme ('SAYE') and the All-Employee Share Ownership Plan ('AESOP'). Details of these share schemes are provided below.

AESOP

The AESOP is HMRC approved and the executive directors participate in both sections of the scheme, which is open to all qualifying employees.

The partnership share element provides that for every two shares a participant purchases in the Company, up to a current maximum contribution of £150 per month, the Company will purchase one matching share. The matching shares purchased are held in trust in the name of the individual.

There are various rules as to the period of time that the shares must be held in trust but after five years the shares can be released tax free to the participant.

The free share element allows participants to receive shares to the value of a common percentage of their earnings, related to the performance of the Group. The maximum value of any annual award is currently £3,600 and the shares awarded are held in trust for five years. Under the terms of the AESOP rules, any award of free shares to employees is made by the Trustee of the AESOP subject to the Company's consent.

Under the terms of this scheme, unless they are a "good leaver" the matching shares will be forfeited if the participant leaves the employment of the Company within three years of the award. All partnership, matching and free shares must be removed from the trust if employment with the Company ceases.

SAYE

The SAYE is HMRC approved and is available to all qualifying employees, including executive directors. It is based on a three year savings contract which provides the participant with an option to purchase shares after three years at a discounted price fixed at the time the contract is taken out, or earlier as provided by the scheme rules. No performance conditions require to be met by any participant in order to exercise their option under the SAYE.

Employment of disabled persons

The Company strives to build an inclusive and diverse culture where all employees have the opportunity to succeed. Applications for employment by disabled persons are always fully and fairly considered. In the event of employees becoming disabled every effort is made to ensure that their employment will continue. The Company is committed to the fair treatment of people with disabilities regarding recruitment, training, promotion and career development.

Stakeholder engagement – section 172(1) statement

A statement on how the Company has engaged with key stakeholders, including employees, and the impact of that engagement on the Company's strategy and the principal decisions taken during the year is set out in the Corporate Governance Report on pages 61 to 65. This statement also summarises how the directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken during the year. This statement is incorporated by reference into this Directors' Report.

Substantial shareholdings

As at 28 January 2024, the Company had been notified under Rule 5 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules of the following interests in the Company's ordinary share capital:

	Number of shares	% of voting rights	Type of holding
Lindsell Train Limited (discretionary clients)	12,287,893	10.97	Indirect
Sanford DeLand Asset Management	5,200,000	4.64	Direct

As at 25 March 2024, the Company had been notified under Rule 5 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules of the following interest in the Company's ordinary share capital:

	Number of shares	% of voting rights	Type of holding
Lindsell Train Limited (discretionary clients)	11,193,393	9.99	Indirect

Otherwise, the position remains the same as at 25 March 2024 as it did at 28 January 2024.

Share capital

As at 28 January 2024 the Company's issued share capital comprised a single class of ordinary shares of 4 1/6 pence each. All of the Company's issued ordinary shares are fully paid up and rank equally in all respects. The rights attaching to the shares are set out in the Articles. Note 28 to the financial statements contains details of the ordinary share capital.

On a show of hands at a general meeting of the Company every holder of ordinary shares present in person or by proxy and entitled to vote shall have one vote and, on a poll, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The Notice of AGM gives full details of deadlines for exercising voting rights in relation to the resolutions to be considered at the AGM. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the AGM and published on the Company's website after the meeting. Subject to the relevant statutory provisions and the Articles, shareholders are entitled to a dividend where declared and paid out of profits available for such purposes.

There are no restrictions on the transfer of ordinary shares in the Company other than:

- those which may from time to time be applicable under existing laws and regulations (for example, insider trading laws); and
- pursuant to the Company's Share Dealing Codes and applicable regulations, whereby directors and certain employees of the Company require approval to deal in the Company's ordinary shares and are prohibited from dealing during closed periods.

At 28 January 2024 the Company had authority, pursuant to the shareholders' resolution of 26 May 2023, to purchase up to 10% of its issued ordinary share capital. This authority will expire at the conclusion of the 2024 AGM. It is proposed that this authority be renewed at the 2024 AGM, as detailed in the Notice of AGM.

At 28 January 2024 Robert Barr Limited, as trustee of the Savings Related Benefit Trust and the All-Employee Share Ownership Plan Trust (the 'RBL Trustee'), held 0.82% of the issued share capital of the Company in trust for the benefit of the executive directors and employees of the Group. As at 28 January 2024, Equiniti Share Plan Trustees Limited (the 'AESOP Trustee') held 0.67% of the issued share capital of the Company in trust for participants in the AESOP.

A dividend waiver is in place in respect of the RBL Trustee's holdings under the Savings Related Benefit Trust. A dividend waiver is in place in respect of shares held by the AESOP Trustee and the RBL Trustee under the AESOP which have not been appropriated to participants.

The voting rights in relation to the RBL Trustee's shareholdings are exercised by the RBL Trustee, who may vote or abstain from voting the shares as it sees fit in respect of shares which are unvested or have not been appropriated to employees.

Under the rules of the AESOP, eligible employees are entitled to acquire shares in the Company. Details of the AESOP are set out above. AESOP shares which have been appropriated to participants are held in trust for those participants by the AESOP Trustee. Voting rights in respect of shares which have been appropriated to participants are exercised by the AESOP Trustee on receipt of participants' instructions. If a participant does not submit an instruction to the AESOP Trustee, no vote is registered in respect of those shares. In addition, the AESOP Trustee does not vote any unappropriated shares held under the AESOP as surplus assets.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or on voting rights.

Change of control

As disclosed in the Directors' Remuneration Report, under certain conditions the notice period for Roger White and Jonathan Kemp may increase from one year to two years in the event of a takeover of or by the Company or a Company reconstruction. Roger White will cease to be a director of the Company on 30 April 2024 and Jonathan Kemp will cease to be a director of the Company on 31 May 2024.

All of the Company's share incentive plans contain provisions relating to a change of control of the Company. The Company's banking facilities may, at the discretion of the lender, be repayable upon a change of control.

Articles of association

The Company's Articles may only be amended by a special resolution at a general meeting of shareholders. No amendments are proposed to be made to the existing Articles at the 2024 AGM.

Greenhouse gas emissions

Disclosures regarding greenhouse gas emissions required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 are included in the Strategic Report on pages 29 and 39 to 41. This information is incorporated by reference into this Directors' Report.

Task Force on Climate-Related Financial Disclosures ('TCFD')

Disclosures consistent with the TCFD's recommendations are included in the Strategic Report on pages 33 to 40.

Financial risk management

Information on the exposure of the Group to certain financial risks and on the Group's objectives and policies for managing each of the Group's main financial risk areas is detailed in the financial risk management disclosure in Note 26.

Contracts of significance

There were no contracts of significance as defined by Listing Rule 9.8 in existence during the financial year.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 55. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 44 to 47.

After making the appropriate enquiries, the directors have concluded that the Group will be able to meet its financial obligations for the foreseeable future and therefore have a reasonable expectation that the Company and the Group overall have adequate resources to continue in operational existence for the foreseeable future (being at least one year following the date of approval of this annual report) and, accordingly, consider it appropriate to adopt the going concern basis in preparing the financial statements.

The Company's viability statement is set out on page 55 of the Strategic Report.

Directors' statement as to disclosure of information to auditor

So far as each director is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditor is unaware. Each director has taken all steps that ought to be taken by a director to make themselves aware of and to establish that the auditor is aware of any relevant audit information.

Auditor

The Audit and Risk Committee has responsibility delegated from the Board for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor.

The auditor, Deloitte LLP, has indicated its willingness to continue in office and a resolution to appoint Deloitte LLP as auditor of the Company and its subsidiaries, and to authorise the Audit and Risk Committee to fix their remuneration, will be proposed at the 2024 AGM.

Cautionary statement

This report is addressed to the shareholders of A.G. BARR p.l.c. and has been provided solely to provide information to them.

This report is intended to inform the shareholders of the Group's performance during the year ended 28 January 2024. This report contains forward-looking statements based on knowledge and information available to the directors as at the date the report was prepared. These statements should be treated with caution due to the inherent uncertainties underlying any forward-looking information and any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

Annual General Meeting

The Company's AGM will be held at 12.00 p.m. on 31 May 2024 at the offices of Ernst & Young LLP, G1 Building, 5 George Square, Glasgow, G2 1DY. The Notice of the AGM is set out on pages 185 to 195 of this report. A description and explanation of the resolutions to be considered at the 2024 AGM is set out on 187 to 189 of this report.

Recommendation to shareholders

The Board considers that all the resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of them.

By order of the Board

Neil Mark

Neil MacLennan
Company Secretary
26 March 2024

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 Group and parent Company 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 are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The directors have also chosen to prepare the parent company financial statements under United Kingdom adopted international accounting standards.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the consolidated profit or loss for that period. In preparing each of the Group and parent Company financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and parent Company's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its 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.

A copy of the Group and parent Company financial statements has been placed on the Company's website, www.agbarr.co.uk. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement pursuant to the disclosure and transparency rules

Each of the directors, whose names and functions are set out on pages 56 to 57 of this report, confirm that, to the best of their knowledge:

- The financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position of the Group and parent Company and of the consolidated profit;
- The Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties faced by the Group; and
- They consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Roger White
Chief Executive
26 March 2024

Stuart Lorimer
Finance Director
26 March 2024

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

In our opinion:

- the financial statements of A.G. BARR p.l.c. (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 28 January 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statements; and
- the related notes 1 to 32.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 3 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • completeness and valuation of brand support discounts and cost accruals.
Materiality	The materiality that we used for the group financial statements was £2,510,000 (2023: £2,175,000) which was determined on the basis of 5% (2023: 5%) of adjusted profit before tax.
Scoping	Our full scope audit procedures covered 97% of the Group's revenue, 100% of the Group's net assets, and 99% of the Group's profit before tax.
Significant changes in our approach	Our audit approach is consistent with the prior year with the exception of Boost Drinks Limited, a component which was acquired in the prior year, which has increased in scope to full scope in light of its overall contribution to the group.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- challenging underlying data and considering the impact of economic uncertainty on the assumptions, with reference to historical performance and other external data;
- assessing the integrity of the model used to prepare the forecasts, testing the clerical accuracy of those forecasts, and considering the historical accuracy of the forecasts prepared by management;
- assessing the headroom in the forecasts (liquidity and covenants) by evaluating the financing facilities that are in place during the forecast period including the repayment terms and covenants, and assessing whether these have been appropriately reflected in the model;
- assessing the reasonableness of the downside scenarios and sensitivities performed by management; and
- assessing the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Completeness and valuation of brand support discounts and cost accruals

Key audit matter description	Brand support discounts and cost accruals within trade and other payables of £11.1m (2023: £12.3m). The Group incurs significant costs in agreeing sales discounts to support and develop its brands, with commercial teams agreeing joint business plans with customers. Estimation is required in determining the level of variable consideration recognised as there is sometimes a delay in receiving information on volume sold, and the accrual for such sales discounts and costs where promotions and brand support campaigns span the year-end and where settlement has not been fully agreed at year-end, or where prior year claims arise, as the year-end accrual can depend on information not yet made available by the customer. Total amounts earned by the customer are deducted from revenue. Further details are included within "Key Sources of Estimation Uncertainty" as disclosed in the accounting policies within note 1 to the financial statements. Due to the high level of estimation involved, we have determined there is a potential for fraud through possible manipulation of this balance. Brand support discounts and cost accruals are included within note 22 to the financial statements. The Audit and Risk Committee's consideration in respect of the risk is included on page 72.
How the scope of our audit responded to the key audit matter	The audit procedures we performed in respect of this matter included: • obtaining an understanding of and testing the relevant controls over the brand support discounts and cost accruals process; • meeting with the commercial teams to understand and challenge the brand support discounts in place, by assessing the movements in the brand support accrual; • testing a sample of customers with characteristics of audit interest, such as customer receiving material brand support investment, customers with material open promotions at year end, and flagship UK customers, assessing the accuracy of current year accruals; • performing a stand back assessment on judgements made in the previous year, including examining a sample of accrual releases and assessing the additional variable consideration recognised; • examining a sample of key commercial contracts and joint business plans to assess whether the composition of the accrual is in line with the underlying commercial agreement; • obtaining confirmations directly from customers for a sample of open accruals. In cases where no confirmation reply is received, we performed alternative procedures involving understanding the basis for the accrual and recalculating the expected accrual based on related sales information; • selecting a sample of settlements and releases made after the year-end to determine the accuracy of the accrual; • understand the ageing of the accrual and selecting a sample of aged balances; and • assessing the appropriateness of the IAS 1 sensitivity disclosures made in the financial statements.
Key observations	We concluded that completeness and valuation of brand support discounts and cost accruals were appropriate.

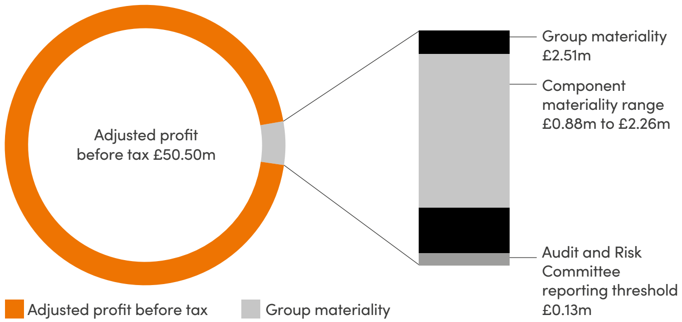
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£2.51m (2023: £2.18m)	£2.26m (2023: £1.96m)
Basis for determining materiality	5% (2023: 5%) of adjusted profit before tax	Parent company materiality equates to 0.8% (2023: 0.6%) of revenue, capped at 90% (2023: 90%) of Group materiality.
Rationale for the benchmark applied	We have used adjusted profit before tax as the benchmark for our determination of materiality as we consider this to be the critical performance measure for the Group on the basis that it is a key metric to analysts and investors and has equal prominence in the Annual Report. The adjusted items in the year are summarised on page 181.	We have used revenue as the benchmark for our determination of materiality as we consider this to be the key driver of the business. As statutory materiality would be higher than component materiality, we have capped materiality to be 90% of group materiality being £2.26m (2023: £1.96m). 90% is deemed to be appropriate based on the company only contribution to the Group.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2023: 70%) of group materiality	70% (2023: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • our risk assessment, including our assessment of the group's overall control environment and whether we were able to rely on controls over a number of business processes; and • our past experience of the audit, and our consideration of the number of corrected and uncorrected misstatements identified in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £125,000 (2023: £111,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

There are no significant changes in our approach in the current year with the exception of our approach to Boost Drinks Limited, a component acquired in the prior year which has increased in scope to full scope in light of its overall contribution to the group. Our group audit was scoped by obtaining an understanding of the group and its environment through discussions with finance, IT, commercial and supply teams and performing walkthroughs of processes across these areas, including group wide controls, and assessing the risks of material misstatements at a group level.

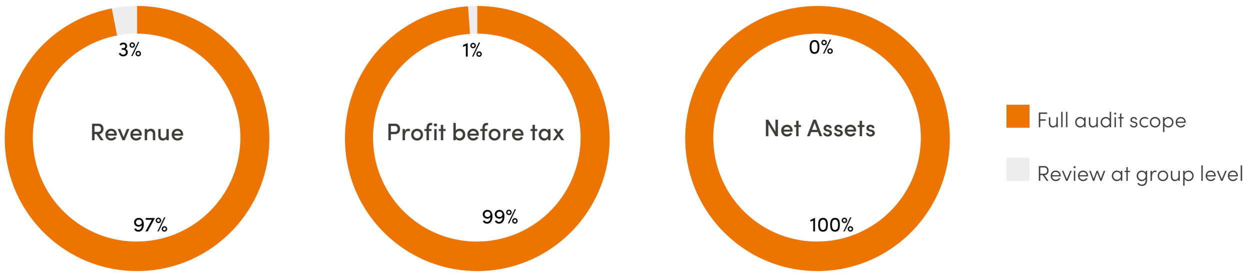
For components deemed significant to the group, full scope audit procedures were performed to materiality levels applicable to each component, which was lower than the group materiality level and ranged from £0.88m to £2.26m (2023: £0.76m to £1.96m). Components deemed significant are as follows:

- A.G. BARR p.l.c.
- FUNKIN Limited
- Boost Drinks Limited

A.G. BARR p.l.c. is also the entity in which the trading transactions relating to the brand owned by Rubicon Drinks Limited are recorded.

At a group level we also tested the consolidation process and carried out analytical reviews of the remaining non-significant components. The other components to the group are as follows:

- FUNKIN USA Limited
- A.G. Barr General Partner Limited
- A.G. Barr Capital Partner Limited
- A.G. Barr (Ireland) Limited
- MOMA Foods Limited
- Rio Tropical Limited



7.2. Our consideration of the control environment

With the involvement of our IT specialist we obtained an understanding of the relevant IT environment and tested relevant general IT controls, we planned to rely on the effectiveness of controls for certain components within the revenue and brand support accrual business process cycles. As such we obtained an understanding and tested these controls. However, we identified deficiencies in the relevant IT environment and therefore modified our audit approach so that we did not place any reliance on the IT controls in the above business procedures. After performing additional procedures, we were able to rely on the manual controls within the revenue and brand support accrual business process cycles.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the group's business and its financial statements.

The group has assessed the risk and opportunities relevant to climate change and has included this risk as a principal risk across the group. The risk has also been considered and embedded into the businesses as explained in the Strategic report on pages 48 to 54.

As part of our audit, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and to evaluate the impact on the group's financial statements. While management has acknowledged that the transition and physical risks posed by climate change have the potential to impact the medium to long term success of the business, they have assessed that there is no material impact arising from climate change on the judgments and estimates made in the financial statements as at 28 January 2024 as explained in note 1 on page 138.

We performed our own qualitative risk assessment of the potential impact of climate change on the group's financial statements. Our procedures include evaluating the appropriateness of disclosures, in conjunction with our internal ESG specialists, included in note 1 to the financial statements and reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the completeness and valuation of brand support discounts and cost accruals. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's operating licence and environmental regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified completeness and valuation of brand support discounts and cost accruals as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 110;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 55;
- the directors' statement on fair, balanced and understandable set out on page 112;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 50 to 54;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 68 to 69; and
- the section describing the work of the audit committee set out on pages 70 to 72.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed on 31 May 2017 to audit the financial statements for the year ending 27 January 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is seven years, covering the years ending 27 January 2018 to 28 January 2024.

15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

David Mitchell CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
26 March 2024

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 28 JANUARY 2024

	Note	2024 £m	2023 £m
Revenue	2	**400.0**	317.6
Cost of sales		**(245.8)**	(189.5)
Gross profit	2	**154.2**	128.1
Other income	5	**–**	1.3
Operating expenses	6	**(104.1)**	(84.1)
Operating profit		**50.1**	45.3
Finance income	7	**1.4**	0.5
Finance costs	7	**(0.2)**	(1.4)
Profit before tax		**51.3**	44.4
Tax on profit	8	**(12.8)**	(10.5)
Profit attributable to equity holders		**38.5**	33.9

Earnings per share (pence)

	Note	2024	2023
Basic earnings per share	9	**34.59**	30.47
Diluted earnings per share	9	**34.24**	30.22

STATEMENTS OF FINANCIAL POSITION
AS AT 28 JANUARY 2024

		Group		Company	
	Note	2024 £m	2023 £m	2024 £m	2023 £m
Non-current assets					
Intangible assets	11	**130.4**	116.2	**1.6**	2.7
Property, plant and equipment	12	**109.0**	102.5	**90.1**	83.3
Right-of-use assets	13	**5.2**	5.4	**22.4**	23.0
Loans and receivables	14	**–**	1.5	**2.6**	1.5
Investment in subsidiary undertakings	15	**–**	–	**125.9**	113.6
Investment in associates	16	**–**	0.7	**–**	0.7
Retirement benefit surplus	27	**3.2**	2.4	**17.6**	17.7
		247.8	228.7	**260.2**	242.5
Current assets					
Inventories	19	**36.5**	34.7	**28.1**	22.7
Trade and other receivables	20	**63.8**	60.4	**49.2**	44.7
Derivative financial instruments	14	**–**	0.1	**–**	0.1
Current tax asset		**–**	–	**2.1**	1.6
Short-term investments	17	**20.0**	40.0	**20.0**	40.0
Cash and cash equivalents	18	**33.6**	13.6	**22.4**	11.5
		153.9	148.8	**121.8**	120.6
Total assets		**401.7**	377.5	**382.0**	363.1
Current liabilities					
Loans and other borrowings	21	**–**	0.7	**–**	–
Trade and other payables	22	**70.3**	72.3	**59.6**	60.5
Derivative financial instruments	14	**0.3**	0.1	**0.3**	0.1
Lease liabilities	13, 21	**1.8**	1.5	**3.1**	2.9
Provisions	23	**0.5**	0.8	**0.3**	0.6
Current tax liabilities		**0.7**	0.7	**–**	–
		73.6	76.1	**63.3**	64.1
Non-current liabilities					
Deferred tax liabilities	25	**32.3**	28.2	**12.9**	11.8
Lease liabilities	13, 21	**3.1**	3.6	**17.0**	18.4
Contingent consideration	24	**–**	0.8	**–**	0.8
		35.4	32.6	**29.9**	31.0
Capital and reserves					
Share capital	28	**4.7**	4.7	**4.7**	4.7
Share premium account	28	**0.9**	0.9	**0.9**	0.9
Share options reserve	28	**4.0**	3.4	**4.0**	3.3
Other reserves	28	**(0.1)**	0.1	**(0.1)**	0.1
Retained earnings	28	**283.2**	259.7	**279.3**	259.0
		292.7	268.8	**288.8**	268.0
Total equity and liabilities		**401.7**	377.5	**382.0**	363.1

The Company reported a profit for the financial year ended 28 January 2024 of £35.3m (29 January 2023: £45.0m).
Company Number: SC005653

The financial statements on pages 123 to 179 were approved by the Board of directors and authorised for issue on 26 March 2024 and were signed on its behalf by:

Roger White
Chief Executive

Stuart Lorimer
Finance Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 JANUARY 2024

		Group		Company	
	Note	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Profit for the year		**38.5**	33.9	**35.3**	45.0
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit pension plans	27	**0.7**	(1.5)	**0.7**	(1.5)
Deferred tax movements on items above	25	**(0.2)**	0.6	**(0.2)**	0.6
Items that will be or have been reclassified to profit or loss					
(Loss)/gains arising on cash flow hedges during the period	14	**(0.3)**	0.2	**(0.3)**	0.2
Deferred tax movements on items above	25	**0.1**	–	**0.1**	–
Other comprehensive income/(expense) for the year, net of tax		**0.3**	(0.7)	**0.3**	(0.7)
Total comprehensive income attributable to equity holders of the parent		**38.8**	33.2	**35.6**	44.3

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 JANUARY 2024

Group	Note	Share capital £m	Share premium account £m	Share options reserve £m	Other reserves £m	Retained earnings £m	Total £m
At 29 January 2023		**4.7**	**0.9**	**3.4**	**0.1**	**259.7**	**268.8**
Profit for the year		–	–	–	–	38.5	38.5
Other comprehensive (expense)/income		–	–	–	(0.2)	0.5	0.3
Total comprehensive (expense)/income for the year		–	–	–	(0.2)	39.0	38.8
Company shares purchased for use by employee benefit trusts	28	–	–	–	–	(3.6)	(3.6)
Proceeds on disposal of shares by employee benefit trusts		–	–	–	–	1.3	1.3
Recognition of share-based payment costs	29	–	–	2.1	–	–	2.1
Transfer of reserve on share award		–	–	(1.6)	–	1.5	(0.1)
Deferred tax on items taken direct to reserves	25	–	–	0.1	–	–	0.1
Dividends paid	10	–	–	–	–	(14.7)	(14.7)
At 28 January 2024		**4.7**	**0.9**	**4.0**	**(0.1)**	**283.2**	**292.7**

Group	Note	Share capital £m	Share premium account £m	Share options reserve £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total £m
At 30 January 2022		4.7	0.9	1.6	(5.1)	242.4	244.5	3.7	248.2
Profit for the year		–	–	–	–	33.9	33.9	–	33.9
Other comprehensive income/(expense)		–	–	–	0.2	(0.9)	(0.7)	–	(0.7)
Total comprehensive income for the year		–	–	–	0.2	33.0	33.2	–	33.2
Company shares purchased for use by employee benefit trusts	28	–	–	–	–	(0.7)	(0.7)	–	(0.7)
Recognition of share-based payment costs	29	–	–	2.0	–	–	2.0	–	2.0
Transfer of reserve on share award		–	–	(0.2)	–	0.2	–	–	–
Derecognition of put liability		–	–	–	1.3	(1.3)	–	–	–
Recognition of liabilities with non-controlling interests		–	–	–	3.7	–	3.7	(3.7)	–
Dividends paid	10	–	–	–	–	(13.9)	(13.9)	–	(13.9)
At 29 January 2023		4.7	0.9	3.4	0.1	259.7	268.8	–	268.8

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 JANUARY 2024

Company	Note	Share capital £m	Share premium account £m	Share options reserve £m	Other reserves £m	Retained earnings £m	Total £m
At 29 January 2023		**4.7**	**0.9**	**3.3**	**0.1**	**259.0**	**268.0**
Profit for the year		**–**	**–**	**–**	**–**	**35.3**	**35.3**
Other comprehensive (expense)/income		**–**	**–**	**–**	**(0.2)**	**0.5**	**0.3**
Total comprehensive (expense)/income for the year		**–**	**–**	**–**	**(0.2)**	**35.8**	**35.6**
Company shares purchased for use by employee benefit trusts	28	**–**	**–**	**–**	**–**	**(3.6)**	**(3.6)**
Proceeds on disposal of shares by employee benefit trusts		**–**	**–**	**–**	**–**	**1.3**	**1.3**
Recognition of share-based payment costs	29	**–**	**–**	**2.1**	**–**	**–**	**2.1**
Transfer of reserve on share award		**–**	**–**	**(1.5)**	**–**	**1.5**	**–**
Deferred tax on items taken direct to reserves	25	**–**	**–**	**0.1**	**–**	**–**	**0.1**
Dividends paid	10	**–**	**–**	**–**	**–**	**(14.7)**	**(14.7)**
At 28 January 2024		**4.7**	**0.9**	**4.0**	**(0.1)**	**279.3**	**288.8**
At 30 January 2022		4.7	0.9	1.5	(0.1)	229.3	236.3
Profit for the year		–	–	–	–	45.0	45.0
Other comprehensive income/(expense)		–	–	–	0.2	(0.9)	(0.7)
Total comprehensive income for the year		–	–	–	0.2	44.1	44.3
Company shares purchased for use by employee benefit trusts	28	–	–	–	–	(0.7)	(0.7)
Recognition of share-based payment costs	29	–	–	2.0	–	–	2.0
Transfer of reserve on share award		–	–	(0.2)	–	0.2	–
Dividends paid	10	–	–	–	–	(13.9)	(13.9)
At 29 January 2023		4.7	0.9	3.3	0.1	259.0	268.0

CASH FLOW STATEMENTS FOR THE YEAR ENDED 28 JANUARY 2024

	Note	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Operating activities					
Profit for the period before tax		**51.3**	44.4	**44.9**	53.7
Adjustments for:					
Interest and dividends receivable	7	**(1.4)**	(0.5)	**(8.4)**	(22.5)
Interest payable	7	**0.2**	1.4	**0.2**	0.3
Impairment of investment in associate	16	**0.7**	–	**0.7**	–
Write off of loans and receivables		**1.5**	–	**1.5**	–
Contingent consideration	24	**(0.8)**	0.8	**(0.8)**	0.8
Revaluation of put liability		**–**	(2.7)	**–**	–
Depreciation of property, plant and equipment	3	**11.2**	9.8	**10.6**	9.3
Amortisation of intangible assets	3	**1.1**	1.2	**1.1**	1.2
Share-based payment costs		**2.1**	2.0	**2.1**	2.0
Gain on sale of property, plant and equipment		**(0.5)**	(1.0)	**(0.5)**	(1.0)
Operating cash flows before movements in working capital		**65.4**	55.4	**51.4**	43.8
Increase in inventories		**(1.8)**	(4.5)	**(5.4)**	(1.7)
Increase in receivables		**(3.4)**	(7.6)	**(6.3)**	(7.5)
Increase in payables		**–**	4.3	**9.9**	15.7
Difference between employer pension contributions and amounts recognised in the income statement		**–**	(4.9)	**–**	(4.9)
Cash generated by operations		**60.2**	42.7	**49.6**	45.4
Tax paid		**(11.7)**	(6.8)	**(11.2)**	(6.8)
Net cash from operating activities		**48.5**	35.9	**38.4**	38.6
Investing activities					
Acquisition of subsidiary (net of cash acquired)	15	**(12.3)**	(18.6)	**(12.3)**	(23.3)
Dividends received		**–**	–	**–**	8.0
Loans made		**–**	–	**(0.8)**	(1.8)
Purchase of property, plant and equipment		**(17.8)**	(14.6)	**(17.7)**	(14.6)
Proceeds on sale of property, plant and equipment		**0.6**	1.6	**0.6**	1.6
Funds placed on fixed term deposit	17	**(20.0)**	(40.0)	**(20.0)**	(40.0)
Funds returned from fixed term deposit	17	**40.0**	–	**40.0**	–
Interest received		**1.4**	0.1	**1.4**	0.1
Net cash used in investing activities		**(8.1)**	(71.5)	**(8.8)**	(70.0)
Financing activities					
Acquisition of minority interest	15	**–**	(3.4)	**–**	–
Loans made		**5.0**	–	**5.0**	–
Loans repaid	21	**(5.7)**	(0.3)	**(5.0)**	–
Lease payments	21	**(1.9)**	(1.7)	**(1.7)**	(1.5)
Purchase of Company shares by employee benefit trusts	28	**(3.6)**	(0.7)	**(3.6)**	(0.7)
Proceeds from disposal of Company shares by employee benefit trusts	28	**1.3**	–	**1.3**	–
Dividends paid	10	**(14.7)**	(13.9)	**(14.7)**	(13.9)
Interest paid		**(0.1)**	(0.2)	**–**	(0.1)
Net cash used in financing activities		**(19.7)**	(20.2)	**(18.7)**	(16.2)
Net increase/(decrease) in cash and cash equivalents		**20.7**	(55.8)	**10.9**	(47.6)
Cash and cash equivalents at beginning of year		**12.9**	68.7	**11.5**	59.1
Cash and cash equivalents at end of year		**33.6**	12.9	**22.4**	11.5

Cash and cash equivalents per the Group cash flow statements above comprises cash and cash equivalents per the statement of financial position of £33.6m (2023: £13.6m), net of bank overdrafts of £nil (2023: £0.7m) for the year ended 28 January 2024. Company only cash and equivalents comprise cash and cash equivalents per the statement of financial position of £22.4m (2023: £11.5m).

Non-cash transactions

During the year the Company received a £7.0m (2023: £14.0m) dividend from Rubicon Drinks Limited, another Group company. This was satisfied by way of a dividend in specie using the intercompany balance due by the Company to Rubicon Drinks Limited.

1. Accounting Policies

General information

A.G. BARR p.l.c. (the 'Company') and its subsidiaries (together the 'Group') manufacture, distribute and sell a range of beverages. The Group has manufacturing sites in the UK and sells mainly to customers in the UK with some international sales.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in Scotland. The address of its registered office is Westfield House, 4 Mollins Road, Cumbernauld, G68 9HD.

The financial year represents the 52 weeks ended 28 January 2024 (prior financial year 52 weeks ended 29 January 2023).

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated and parent Company financial statements of A.G. BARR p.l.c. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK. They have been prepared under the historical cost accounting rules except for the derivative financial instruments and the assets of the Group pension scheme which are stated at fair value and the liabilities of the Group pension scheme which are valued using the projected unit credit method.

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks.

This assessment was undertaken through modelling of a number of reasonably possible downside scenarios that could impact the business (both individually and cumulatively) over the period until January 2027. These scenarios include a major brand issue which impacts reputation and consumer purchasing, a cyber attack and a global pandemic. In each scenario the Group continues to be cash generative throughout the forecast horizon, resulting in our liquidity headroom being maintained.

Our experience through the Covid-19 pandemic has given us confidence that the Group can remain profitable and cash-generative through prolonged disruption.

The most significant potential financial impact would be due to a significant reduction in sales. The revenue and operational leverage impact of such a volume loss would have a negative impact on Group profitability, however the scenario modelling would indicate that the Group would remain profitable over the next 12 months and we would anticipate a recovery in the following years.

The Group has £20m of committed and unutilised credit facilities providing the business with a secure funding platform. The facility expires in February 2026. Throughout these severe but plausible downside scenarios, the Group continues to have significant liquidity headroom on existing facilities and against the revolving credit facilities financial covenants.

The directors believe that the Group is well placed to manage its financing and other business risks satisfactorily, and have a reasonable expectation that the Group and parent Company will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed on page 128.

The directors have taken advantage of the exemption available under s408 of the Companies Act 2006 and have not presented a separate income statement or statement of comprehensive income for the Company.

Climate change considerations

The Group continuously takes steps to reduce its environmental footprint as part of the wider transition to a low carbon, climate-resilient economy. The Group has set near and long-term science-based emission reduction targets, including net-zero by 2050.

The Group has considered the impact of these targets on its financial statements. Actions taken to date or planned for the future, including increasing the use of recycled materials in our products and reducing the energy intensity of our operations, require changes to the way we work but at present aren't expected to significantly alter the Group's cost base.

The financial impact of climate-related matters has been reflected in the Group's business plan for future years, which, for example, are used in the Group's impairment tests for goodwill and intangibles. Medium to longer term climate related risks have been assessed with the potential financial impact being between 3% and 10% of turnover or profit on moderate impact risks and between 10% and 25% for major impact risks respectively. For further details, see the TCFD and CFD disclosures on pages 33 to 41 for more information.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following standards:

- IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules;
- IFRS 17 Insurance Contracts;
- Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies; and
- Amendments to IAS 8 Accounting Policy Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments listed above do not have a material impact on the results for the current and prior reporting periods.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 29 January 2024 and not adopted early

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 28 January 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

Consolidation – subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date over which control commences until the date on which control ceases.

On the acquisition of a business, identifiable assets and liabilities acquired are measured at their fair value. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued. Any contingent consideration is recognised at fair value at the acquisition date and subsequently until it is settled. The cost of the acquisition in excess of the Group's interest in the net fair value of the identifiable net assets acquired is recorded as goodwill.

Non-controlling interests represent the portion of comprehensive income and equity in subsidiaries that is not attributable to the parent Company shareholders and is presented separately from the parent shareholders' equity in the Consolidated Balance Sheet.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in net assets are also eliminated. Accounting policies of subsidiaries are consistent with those adopted by the Group.

1. Accounting Policies continued

Revenue recognition

Revenue is recognised when control of the goods has passed to the buyer. All revenue is recognised on a point of time basis being primarily the point of delivery to customers' sites. The majority of goods are dispatched by the Group's own distribution network and delivery often occurs on the day of dispatch although some are a few days later therefore revenue is recognised on delivery to the customer site. None of the Group's contractual arrangements lead to revenue being recognised over time.

Revenue is the net invoiced sales value, after deducting promotional sales related discounts invoiced by customers, including: brand support costs; customer incentives; and exclusive of value added tax of goods and services supplied to external customers during the year. Brand support costs are investments in customer promotional activities. Sales are recorded based on the price specified in the sales invoices, net of any agreed discounts and rebates. Brand support accruals are included in the statement of financial position.

Sales related discounts and rebates are calculated based on the expected amounts necessary to meet the claims of the Group's customers in respect of these discounts and rebates. When the Group expects to grant a discount or rebate to a customer, this is treated as variable consideration and adjustments are made to the transaction price using the expected value method. This variable consideration is only included to the extent that it is highly probable the inclusion will not result in a significant revenue reversal in the future.

Excise tax

For the cocktail business, excise duties become payable on alcoholic products when goods are moved from bonded warehouses. This duty is effectively a production tax, borne by the Group and passed on in full to customers through pricing. Excise duty on our own-produced goods are included within cost of goods sold and net revenue as all sales are delivered duty paid.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. Segment results that are reported to the Board and senior executives (as chief operating decision makers) include items directly attributable to a segment as well as those that can be allocated on a consistent basis.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in £ Sterling, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement in the same line in which the transaction is recorded.

Intangible assets

Goodwill

Goodwill represents the excess of the consideration of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment charges. Impairment charges on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

An intangible asset acquired as part of a business combination is recognised outside of goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Brands
Separately acquired brands are recognised at cost at the date of purchase. Brands acquired in a business combination are recognised at fair value at the acquisition date. Brands acquired separately or through a business combination are assessed at the date of acquisition as to whether they have an indefinite life. The assessment includes whether the brand name will continue to trade, and the expected lifetime of the brand. All brands acquired to date have been assessed as having an indefinite life as they are expected to continue to contribute to the long-term future of the Group. The brands are reviewed annually for impairment, being carried at cost less accumulated impairment charges.

The fair value of a brand at the date of acquisition is based on the Relief from Royalties method, which is a valuation model based on discounted cash flows.

Customer relationships
Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.

The fair value of the customer relationships at the acquisition date was based on the Multiple Excess Earnings Method (MEEM) which is a valuation model based on discounted cash flows. The useful lives of customer relationships are based on the churn rate of the acquired portfolio and are up to 10 years corresponding to a yearly amortisation of between 10% and 33%. The useful lives of all intangible assets are reviewed annually and amended, as required, on a prospective basis.

Software costs
Software expenditure is recognised as an intangible asset only after its technical feasibility and commercial viability can be demonstrated. Acquired computer software licences and software developed in-house are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs include resources focused on delivery of capital projects where the choice has been made to use internal resources. These costs are amortised using the straight-line method over the expected useful life of the software, which is 10 years.

Property, plant and equipment
Land and buildings comprise mainly factories, distribution sites and offices. All property, plant and equipment is stated at historical cost less accumulated depreciation and impairments. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the assets. The purchase price of an asset will include the fair value of the consideration paid to acquire the asset. Borrowing costs directly attributable to acquisition, construction and/or production of assets that take a substantial time to complete are capitalised.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation is charged from the date that assets, other than land, are available for use. It is calculated using the straight-line method to allocate the cost to the residual values of the related assets using the following rates:

Buildings – 1%
Leasehold buildings – Term of lease
Plant, equipment and vehicles – 10% to 33%

Property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at each year end date. The carrying value of the property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the recoverable amount may be less than the carrying value.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised on disposal or where no future economic benefits are expected to arise from the continued use of the asset.

1. Accounting Policies continued

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are recognised within administration costs in the income statement.

Government grants

The Group recognises government grants in accordance with IAS 20. Grants received by the Group are recognised in the income statement and matched against the costs that the grant are intended to compensate for and are therefore shown net.

Leases

The Group as lessee

For any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as any contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct the use of the identified assets through the period of use. The Group assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment where such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets (less than £1,000) using the practical expedients. Instead of recognising the right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the balance sheet, right-of-use assets and lease liabilities have been disclosed separately.

Investment in associates

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. The investment is recognised initially in the statement of financial position at cost, and is adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. On acquisition, any excess of the cost of the investments over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in which the investment is acquired.

Impairment of non-financial assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment charge is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that is based on current market assessments of the time value of money and risks specific to the asset for which the future cash flow estimates have not been adjusted.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the impairment loss was recognised although any reversal cannot result in a carrying amount that would exceed the carrying amount that would have been recognised, net of depreciation, had no impairment loss been recognised in prior years.

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, short-term investments, loans receivable, trade and other receivables, cash and cash equivalents, loans and borrowings, contingent consideration and trade payables.

Trade receivables
Trade receivables are recognised initially at transaction price. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less an allowance for expected credit losses (ECL). The Group always recognises lifetime ECL for trade receivables. The expected credit loss on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The carrying amount of the asset is reduced by the allowance for expected credit losses and the amount of the loss is recognised in the income statement within administration costs.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments
Investments in subsidiaries are carried at cost less impairment in the parent Company accounts.

Short-term investments
Short-term investments are interest-bearing deposits. They are recognised initially at fair value plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The Group always recognises 12-months ECL for trade short-term investments as they are low credit risk.

Financial assets classification
The Group classifies its financial assets at amortised costs if both the following criteria are met:
- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give risk to cash flows that are solely payments of principal and interest on principal outstanding

Recognition and derecognition of financial instruments
Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market-place (regular way trades) are recognised at the trade date, i.e. the date that the Group commits to purchase or sell the asset. All other financial assets and financial liabilities are recognised at trade date.

1. Accounting Policies continued

Financial assets are derecognised when the rights to receive cash flows from the contractual assets have expired or have been transferred and the Group has transferred all the risks and rewards of ownership.

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, on demand deposits with banks and other short-term, highly liquid investments with maturities of three months or less, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, bank overdrafts repayable on demand that form an integral part of the Group's cash management are included as components of cash and cash equivalents.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Contingent consideration

Contingent consideration resulting from business combinations, is measured at fair value using the income approach. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value of contingent consideration is based on cash flows and is classified as a non-current liability in the balance sheet.

Derivative financial instruments and hedging activities

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks using foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in Note 14.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value. The gain or loss on remeasurement is recognised in the income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. The impact of hedging on the Group's financial position is disclosed in Note 14. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Cash flow hedges

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk in cash flow hedges, including hedges of foreign exchange risk on firm commitments.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship (The Group does not consider credit risk to be material but will monitor on an ongoing basis)
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

The Group designates the full change in the fair value of a forward contract as the hedging instruments for all of its hedging relationships.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within administration costs. Amounts accumulated in equity are recycled through the income statement in the period when the hedged item affects profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completing production and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their primary distribution location and condition. This includes direct labour costs and an appropriate share of overheads based on normal operating activity.

Company shares held by employee benefit trusts

Company shares are purchased on behalf of employee benefit trusts to satisfy the liability of various employee share schemes. The amount of the consideration paid, including directly attributable costs, is recognised as a charge in equity. Purchased shares are classified as Company shares held by employee benefit trusts, and presented as a deduction from retained earnings.

Current and deferred income tax

Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is charged in the income statement except where it relates to tax on items recognised directly in equity, in which case it is charged to equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the year end date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts, in the consolidated financial statements.

The following temporary differences are not provided for:

- The initial recognition of goodwill
- Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the year end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Employee benefits

Retirement benefit plans

The Group operates two pension schemes, as detailed in Note 27. The schemes are generally funded through payments to trustee-administered funds. The Group has both defined benefit and defined contribution plans.

Defined contribution pension plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Obligations for contributions are recognised as an expense in the income statement as they fall due. The Group has no further payment obligations once the contributions have been paid.

1. Accounting Policies continued

Defined benefit pension plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability/surplus recognised in the statement of financial position in respect of defined benefit pension plans is the present value of plan assets less the fair value of the defined benefit obligation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

The Group's defined benefit plan was closed to future accrual on 1 May 2016.

Share-based compensation

The Group grants equity-settled share-based payments to certain employees. These are measured at fair value (excluding the effect of non market-based vesting conditions) at the grant date. The fair value of the equity-settled share-based payment determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured using the Black-Scholes pricing model.

The Group also provides employees with the ability to purchase the Company's ordinary shares at a discount to the current market value through payroll.

The Group records as an expense the fair value of the discount on the shares purchased by the employee as a charge to the income statement and a credit to the share options reserve.

At each year end date, the entity revises its estimates of the number of options that are expected to vest based on the non market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to the share options reserve.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for various bonuses based on formulae that take into consideration the profit attributable to the Company's shareholders after certain adjustments.

The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Provisions

A provision is recognised if, as the result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

A restructuring provision is recognised when the Group has approved a detailed and formal restructuring plan which has been either announced or has commenced. Future operating costs are not provided for.

Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Share repurchase programme

Any share repurchase programmes would result in the cancellation of repurchased shares and the transfer of the relevant permanent capital into a Capital Redemption Reserve. The Capital Redemption Reserve is included in "Other reserves" within equity. Refer to Note 28.

Alternative performance measures

Alternative performance measures (APMs) are tracked by management to assess the Group's operating performance and to inform financial, strategic and operating decisions. These are therefore presented within the Annual Report and Accounts. Definitions of APMs and reconciliation to GAAP measures can be found in the Glossary on pages 180 to 184.

Adjusting items

The Group excludes adjusting items from its non-GAAP measures because of their size, frequency and nature to allow shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess trends in financial performance more readily. These items are primarily non-operational.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make assumptions and estimates that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. Due to the nature of estimation, the actual outcomes may well differ from these estimates.

The directors do not consider there to be any critical accounting judgements. The key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are:

Estimates

Retirement benefit obligations

The determination of any defined benefit pension scheme surplus/obligation is based on assumptions determined with independent actuarial advice. The assumptions used include discount rate, inflation, pension increases, salary increases, the expected return on scheme assets and mortality assumptions. The material estimations are those for which a sensitivity analysis is provided in Note 27. The directors consider that those sensitivities provided in Note 27 represent the range of possible outcomes that could reasonably be expected to occur in the next 12 months.

Sales related rebates and discounts

The Group agrees to pay customers various amounts in the form of sales related rebates and discounts. Accruals are made for each individual promotion or rebate based on the specific terms and conditions of the customer agreement. Management make estimates on an ongoing basis to assess customer performance and sales volume to calculate the total amounts earned to be deducted from revenue. Based on total rebate and discount spend in the year, 5% of spend would need to be omitted to result in a material error in the value of accruals made at year end.

2. Segment reporting

The Board and senior executives have been identified as the Group's chief operating decision-makers, who review the Group's internal reporting in order to assess performance and allocate resources.

The performance of the operating segments is assessed by reference to their gross profit.

Year ended 28 January 2024	Soft drinks £m	Cocktail solutions £m	Other £m	Total £m
Total revenue	**346.6**	**42.9**	**10.5**	**400.0**
Gross profit	**135.6**	**15.4**	**3.2**	**154.2**

Year ended 29 January 2023	Soft drinks £m	Cocktail solutions £m	Other £m	Total £m
Total revenue	266.6	42.8	8.2	317.6
Gross profit	109.6	16.2	2.3	128.1

There are no material intersegment sales. All revenue is in relation to product sales, which is recognised at a point in time, upon delivery to the customer.

All of the assets and liabilities of the Group are managed on a central basis rather than at a segment level. As a result, no reconciliation of segment assets and liabilities to the statement of financial position has been disclosed for either of the periods presented.

Included in revenues arising from the above segments are revenues of approximately £68.0m, which arose from sales to the Group's largest customer (2023: £60.3m). No other single customers contributed 10% or more to the Group's revenue in either 2023 or 2024.

All of the segments included within "Soft drinks" and "Cocktail solutions" meet the aggregation criteria set out in IFRS 8 Operating Segments.

Geographical information

The Group operates predominantly in the UK with some worldwide sales. All of the operations of the Group are based in the UK.

Revenue	2024 £m	2023 £m
UK	**383.0**	303.7
Rest of the world	**17.0**	13.9
	400.0	317.6

The rest of the world revenue includes sales to the Republic of Ireland and international wholesale export houses.

All of the assets of the Group are located in the UK.

3. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	**2024 £m**	2023 £m
Depreciation of property, plant and equipment	12	**9.4**	8.2
Depreciation of right-of-use assets	13	**1.8**	1.6
Amortisation of intangible assets	11	**1.1**	1.2
Cost of inventories charged in cost of sales		**245.8**	189.5
Trade receivables impairment movement	20	**(0.1)**	0.1
Staff costs	4	**69.5**	55.6

R&D costs for the year totalled £1.5m (2023: £1.4m), with elements of these costs included in the table above.

Included within administration costs (Note 6) is the auditor's remuneration, including expenses for audit and non-audit services.

The cost includes services from the Group's auditor:

	2024 £'000	2023 £'000
Statutory audit services		
Fees payable to the auditor of the parent Company and consolidated accounts	**354**	229
Audit-related assurance services	**37**	35
Other services	**–**	6

4. Employees and directors

	2024	2023
Average monthly number of people employed by the Group (including executive directors)		
Production and distribution	**653**	644
Administration	**384**	293
	1,037	937

Staff costs for the Group for the year

	2024 £m	2023 £m
Wages and salaries	**56.6**	44.2
Social security costs	**6.3**	5.4
Share-based payments	**2.1**	2.0
Pension costs – defined contribution plans	**4.5**	4.0
	69.5	55.6

5. Other income

	2024 £m	2023 £m
Gain on sale of property	–	1.3
	–	1.3

The gain on sale in the prior year has been included as an adjusting item. See adjusted income statement on page 181.

6. Operating expenses

	2024 £m	2023 £m
Distribution costs (including selling costs)	**53.2**	48.7
Administration costs	**50.9**	35.4
	104.1	84.1

7. Net finance costs

Finance income	2024 £m	2023 £m
Interest on short-term deposits	**1.3**	0.5
Finance income relating to defined benefit pension plans	**0.1**	–
	1.4	0.5

Finance costs		
Interest payable	**0.1**	0.2
Lease interest	**0.1**	0.1
Unwind of discount	–	1.1
	0.2	1.4

8. Taxation

Group	2024 £m	2023 £m
Charge/(credit) to the income statement		
Current tax on profits for the year	**11.5**	7.0
Adjustments in respect of prior years	**0.2**	0.7
Total current tax expense	**11.7**	7.7
Deferred tax		
Origination and reversal of:		
Temporary differences	**1.4**	3.5
Adjustments in respect of prior years	**(0.3)**	(0.7)
Total deferred tax expense (Note 25)	**1.1**	2.8
Total tax expense	**12.8**	10.5

In addition to the above movements in deferred tax, a deferred tax credit of £0.1m (2023: debit of £0.6m) has been recognised in other comprehensive income and a debit of £0.1m (2023: credit of £0.2m) has been taken direct to reserves (Note 25).

The tax on the Group's profit before tax differs from the amount that would arise using the tax rate applicable to the consolidated profits of the Group as follows:

	2024 £m	2024 %	2023 £m	2023 %
Profit before tax	**51.3**		44.4	
Tax at 24.0% (2023: 19.0%)	**12.3**	**24.0**	8.4	19.0
Tax effects of:				
Items that are not deductible in determining taxable profit	**0.6**	**1.2**	2.1	4.6
Current tax adjustment in respect of prior years	**0.2**	**0.4**	0.7	1.6
Deferred tax adjustment in respect of prior years	**(0.3)**	**(0.6)**	(0.7)	(1.6)
Total tax expense	**12.8**	**25.0**	10.5	23.6

The weighted average tax rate was 25.0% (2023: 23.6%).

The standard rate of corporation tax applied to reported profit is 24.03% (2023: 19%). The applicable rate has changed following the UK Government's announcement that the corporation tax rate would increase from 19% to 25% effective from 1 April 2023. The 24.03% for the year ending 28 January 2024 comprises two months at 19% and ten months at 25%.

9. Earnings per share

Basic earnings per share has been calculated by dividing the earnings attributable to equity holders of the parent by the weighted average number of shares in issue during the year, excluding shares held by the employee share scheme trusts.

	2024	2023
Profit attributable to equity holders of the Company (£m)	**38.5**	33.9
Weighted average number of ordinary shares in issue	**111,289,068**	111,258,209
Basic earnings per share (pence)	**34.59**	30.47

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. The number of shares as calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2024	2023
Profit attributable to equity holders of the Company (£m)	**38.5**	33.9
Weighted average number of ordinary shares in issue	**111,289,068**	111,258,209
Adjustment for dilutive effect of share options	**1,159,537**	920,512
Diluted weighted average number of ordinary shares in issue	**112,448,605**	112,178,721
Diluted earnings per share (pence)	**34.24**	30.22

10. Dividends

Dividends paid in the financial year were as follows:

	2024 per share	2023 per share	2024 £m	2023 £m
Final dividend	**10.60p**	10.00p	**11.8**	11.1
Interim dividend	**2.65p**	2.50p	**2.9**	2.8
	13.25p	12.50p	**14.7**	13.9

The directors have proposed a final dividend in respect of the year ended 28 January 2024 of 12.40p per share. It will be paid on 7 June 2024 to all shareholders who are on the Register of Members on 10 May 2024.

Dividends payable in respect of the financial year were as follows:

	2024 per share	2023 per share
Final dividend	**12.40p**	10.60p
Interim dividend	**2.65p**	2.50p
Total dividend payable	**15.05p**	13.10p

11. Intangible assets

Group	Goodwill £m	Brands £m	Customer relationships £m	Water rights £m	Software development costs £m	Total £m
Cost						
At 30 January 2022	40.0	65.5	3.9	0.7	11.8	121.9
Additions	1.9	16.9	–	–	–	18.8
At 29 January 2023	41.9	82.4	3.9	0.7	11.8	140.7
Additions	3.3	12.0	–	–	–	15.3
At 28 January 2024	**45.2**	**94.4**	**3.9**	**0.7**	**11.8**	**156.0**
Amortisation						
At 30 January 2022	3.6	7.3	3.9	0.7	7.8	23.3
Amortisation for the year	–	–	–	–	1.2	1.2
At 29 January 2023	3.6	7.3	3.9	0.7	9.0	24.5
Amortisation for the year	–	–	–	–	1.1	1.1
At 28 January 2024	**3.6**	**7.3**	**3.9**	**0.7**	**10.1**	**25.6**
Carrying amounts						
At 28 January 2024	**41.6**	**87.1**	**–**	**–**	**1.7**	**130.4**
At 29 January 2023	38.3	75.1	–	–	2.8	116.2

In October 2023, the Group acquired a 100% interest in Rio Tropical Limited ('Rio Tropical'). Details of brand and goodwill recognised on acquisition are included in Note 15.

During the year ended 29 January 2023, the Group acquired a 100% interest in Boost Drinks Holdings Limited ('Boost'). In addition the Group acquired the remaining 38.2% interest in MOMA Foods Ltd ('MOMA') having acquired a 61.8% controlling interest in the prior year. Details of brand and goodwill recognised on acquisition are included in Note 15.

The remaining goodwill and brands recognised relate primarily to the acquisition of Rubicon Drinks Limited and FUNKIN Limited. The software development costs represent internally generated software development costs and third party consultancy costs in relation to the Business Process Redesign project implemented in 2015.

The customer relationships cost represents intangible assets recognised on the acquisition of Rubicon Drinks Limited and FUNKIN Limited. These costs were amortised over the assets' expected useful lives and are now fully amortised.

The amortisation costs for the year to 28 January 2024 have been included in the income statement as administration costs.

Company	Goodwill £m	Brands £m	Customer relationships £m	Water rights £m	Software development costs £m	Total £m
Cost						
At 30 January 2022	1.9	7.3	1.0	0.7	11.8	22.7
At 29 January 2023	1.9	7.3	1.0	0.7	11.8	22.7
At 28 January 2024	**1.9**	**7.3**	**1.0**	**0.7**	**11.8**	**22.7**
Amortisation						
At 30 January 2022	1.9	7.3	1.0	0.7	7.9	18.8
Amortisation for the year	–	–	–	–	1.2	1.2
At 29 January 2023	1.9	7.3	1.0	0.7	9.1	20.0
Amortisation for the year	–	–	–	–	1.1	1.1
At 28 January 2024	**1.9**	**7.3**	**1.0**	**0.7**	**10.2**	**21.1**
Carrying amounts						
At 28 January 2024	**–**	**–**	**–**	**–**	**1.6**	**1.6**
At 29 January 2023	–	–	–	–	2.7	2.7

The goodwill and brands recognised in the Company relate to the acquisition of the Strathmore Water business. The software development costs represent internally generated software development costs and third party consultancy costs incurred in relation to the Business Process Redesign project.

Impairment tests for goodwill and brands

For impairment testing, goodwill and brands are allocated to the cash-generating unit (CGU) representing the lowest level at which goodwill is monitored for internal management purposes. The Group tests whether there has been any impairment of intangible assets on an annual basis or when there is an indication of impairment. The recoverable amount of a CGU is based on value in use calculations. These calculations use pre-tax cash flow projections based on financial forecasts approved by management which cover a five-year period. Cash flows beyond five years are extrapolated using the growth rates and other key assumptions noted below.

11. Intangible assets continued

The aggregate carrying amounts of goodwill allocated to each CGU are:

At 28 January 2024	Goodwill £m	Brands £m	Total £m
Rubicon	**21.0**	**43.0**	**64.0**
FUNKIN	**14.4**	**6.8**	**21.2**
MOMA	**1.0**	**8.4**	**9.4**
Boost	**1.9**	**16.9**	**18.8**
Rio Tropical	**3.3**	**12.0**	**15.3**
Total	**41.6**	**87.1**	**128.7**

At 29 January 2023	Goodwill £m	Brands £m	Total £m
Rubicon	21.0	43.0	64.0
FUNKIN	14.4	6.8	21.2
MOMA	1.0	8.4	9.4
Boost	1.9	16.9	18.8
Total	38.3	75.1	113.4

Key assumptions for each CGU:

	2024		2023	
	Long-term growth rate %	**Discount rate %**	Long-term growth rate %	Discount rate %
Rubicon	**3.0**	**10.7**	3.0	9.5
FUNKIN	**3.0**	**10.7**	3.0	9.5
MOMA	**3.0**	**10.7**	3.0	9.5
Boost	**3.0**	**10.7**	2.3	9.5
Rio Tropical	**1.9**	**14.4**	–	–

Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- Volume growth rates – reflect management expectations of volume growth based on growth achieved to date, current strategy and expected market trends, and will vary according to each CGU.
- Marginal contribution – being revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Marginal contribution is based on approved financial budgets. Key assumptions are made within these budgets about pricing, discounts and costs based on historical data, current strategy and expected market trends.
- Advertising and promotional spend – financial budgets approved by management are used to determine the value assigned to advertising and promotional spend. This is based on planned spend for year one and strategic intent thereafter.
- Raw material price, production and distribution costs, selling costs and other overhead inflation – based on approved financial budgets, which incorporate current material coverage, current strategy and expected market trends.
- The discount rate reflects management's estimate of post-tax cost of capital adjusted for the specific risks impacting on each operating unit. The estimated pre-tax cost of capital is based on guidance provided by an independent third party to the Group.

Sensitivity analysis was carried out on the above calculations to review possible levels of impairment under a range of different assumptions, e.g. adjusting discount rates. At a pre-tax rate of 17.5%, or a reduction in long-term growth of 1%, there would be no impairment. Whilst cash flow projections used within the impairment reviews are subject to inherent uncertainty, a pre-tax rate of 17.7%, or a reduction in the long term growth rate of 1.5% could result in an impairment of MOMA. Reasonably possible changes to the key assumptions applied in assessing the value in use calculation would not result in a change in the impairment conclusions reached in the other CGUs.

12. Property, plant and equipment

Group	Land and buildings Freehold £m	Land and buildings Long leasehold £m	Plant, equipment and vehicles £m	Assets under construction £m	Total £m
Cost or deemed cost					
At 30 January 2022	65.5	0.4	113.2	3.9	183.0
Additions	0.4	–	4.0	12.6	17.0
Transfer from assets under construction	0.3	–	0.3	(0.6)	–
Disposals	(0.3)	–	(6.9)	–	(7.2)
At 29 January 2023	65.9	0.4	110.6	15.9	192.8
Additions	0.1	–	2.6	13.2	15.9
Transfer from assets under construction	0.4	–	13.0	(13.4)	–
Disposals	–	–	(8.9)	–	(8.9)
At 28 January 2024	**66.4**	**0.4**	**117.3**	**15.7**	**199.8**
Depreciation					
At 30 January 2022	8.1	0.4	80.7	–	89.2
Amount charged for year	0.8	–	7.4	–	8.2
Disposals	(0.1)	–	(7.0)	–	(7.1)
At 29 January 2023	8.8	0.4	81.1	–	90.3
Amount charged for year	0.7	–	8.7	–	9.4
Disposals	–	–	(8.9)	–	(8.9)
At 28 January 2024	**9.5**	**0.4**	**80.9**	**–**	**90.8**
Net book value					
At 28 January 2024	**56.9**	**–**	**36.4**	**15.7**	**109.0**
At 29 January 2023	57.1	–	29.5	15.9	102.5

12. Property, plant and equipment continued

Company	Land and buildings Freehold £m	Land and buildings Long leasehold £m	Plant, equipment and vehicles £m	Assets under construction £m	Total £m
Cost or deemed cost					
At 30 January 2022	42.6	0.3	112.3	3.9	159.1
Additions	0.4	–	3.9	12.6	16.9
Transfer from assets under construction	0.3	–	0.3	(0.6)	–
Disposals	(0.3)	–	(7.0)	–	(7.3)
At 29 January 2023	43.0	0.3	109.5	15.9	168.7
Additions	0.1	–	2.5	13.2	15.8
Transfer from assets under construction	0.4	–	13.0	(13.4)	–
Disposals	–	–	(8.9)	–	(8.9)
At 28 January 2024	**43.5**	**0.3**	**116.1**	**15.7**	**175.6**
Depreciation					
At 30 January 2022	4.5	0.3	79.9	–	84.7
Amount charged for year	0.5	–	7.2	–	7.7
Disposals	(0.1)	–	(6.9)	–	(7.0)
At 29 January 2023	4.9	0.3	80.2	–	85.4
Amount charged for year	0.5	–	8.5	–	9.0
Disposals	–	–	(8.9)	–	(8.9)
At 28 January 2024	**5.4**	**0.3**	**79.8**	**–**	**85.5**
Net book value					
At 28 January 2024	**38.1**	**–**	**36.3**	**15.7**	**90.1**
At 29 January 2023	38.1	–	29.3	15.9	83.3

At 28 January 2024, the Group and the Company had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £8.7m (2023: £8.7m).

13. Leases

This note provides information for leases where the Group is a lessee. The Group is not a lessor.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Right-of-use assets				
Buildings	**1.6**	1.8	**18.8**	18.9
Plant, equipment and vehicles	**3.6**	3.6	**3.6**	4.1
	5.2	5.4	**22.4**	23.0
Lease liabilities				
Current	**1.8**	1.5	**3.1**	2.9
Non-current	**3.1**	3.6	**17.0**	18.4
	4.9	5.1	**20.1**	21.3

Company only right-of-use assets and lease liabilities relate to assets leased under the asset-backed funding arrangements, as outlined in Note 27.

Additions to the right-of-use assets during 2024 were £1.6m (2023: £2.9m) for the Group and £1.3m (2023: £1.4m) for the Company.

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2024 £m	2023 £m
Depreciation charge of right-of-use assets		
Buildings	**0.5**	0.6
Plant, equipment and vehicles	**1.3**	1.0
	1.8	1.6
Interest expense (including finance cost)	**0.1**	0.1
Expense related to short-term leases (included in cost of goods sold and administrative expenses)	**0.1**	0.1
The total cash outflow for leases	**1.9**	1.7

At 28 January 2024 the Group has no commitments for short-term leases.

There are no expenses in relation to variable lease payments not included in the measurement of the lease liabilities or income from sub-leasing right-of-use assets.

13. Leases continued

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 10 years, but may have extension options as described in (iv).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However for leases for real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases
- Makes adjustments specific to the lease, e.g. term, country, currency and security

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles, and all leases of low-value assets, are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(iv) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options are exercisable only by the Group and not by the respective lessor.

(v) Residual value guarantees

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases.

The Group initially estimates and recognises amounts expected to be paid under residual value guarantee as part of the lease liability. Typically, the expected residual value at lease commencement is equal to or higher than the guaranteed amount, so the Group does not expect to pay anything under the guarantees.

14. Financial instruments

	2024 £m	2023 £m
Derivative financial assets – current		
Derivatives that are designated and effective as hedging instruments carried at fair value:		
Foreign currency forward contracts	–	0.1
Derivative financial liabilities – current		
Derivatives that are designated and effective as hedging instruments carried at fair value:		
Foreign currency forward contracts	**0.3**	0.1

It is the policy of the Group to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated purchase transactions out to 18 months. This is hedged on a sliding scale basis where the nearer the time of the purchase, the greater the amount hedged will be.

For the hedges of highly probable forecast purchases, as the critical terms (i.e. the notional amount, life and underlying contracts) of the foreign exchange forward contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates. The Group assesses the ineffectiveness by comparing past changes in the fair value of the foreign exchange forward contracts with changes in the fair value of a hypothetical derivative.

The main sources of hedge ineffectiveness in these hedging relationships are foreign currency basis spread and the effect of the counterparty and the Group's own credit risk on the fair value of the forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. Both items are not material to the Group. No other sources of ineffectiveness emerged from these hedge relationships.

The cumulative amount of gains and losses on effective hedging instruments are held within the cash flow reserve in "Other reserves".

14. Financial instruments continued

The following table details the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Foreign currency forward contract assets and liabilities are presented in the line "Derivative financial instruments" (either as assets or as liabilities) within the statement of financial position. All of the currency forward contracts are designated as cash flow hedges.

	Average exchange rate		Notional value: Foreign currency		Notional value: Local currency		Carrying amount of the hedging instruments liabilities	
	2024	2023	**2024 €m**	2023 €m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Buy EUR								
Less than 3 months	**1.15**	1.15	**7.2**	4.3	**6.2**	3.8	**(0.1)**	0.1
3 to 6 months	**1.15**	1.14	**6.6**	3.5	**5.7**	3.1	**(0.1)**	–
6 to 12 months	**1.14**	1.13	**8.0**	2.5	**7.0**	2.2	**(0.1)**	–
over 12 months	**1.13**	1.12	**2.8**	0.4	**2.4**	0.4	**–**	–
	2024	2023	**2024 $m**	2023 $m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Buy USD								
Less than 3 months	**1.27**	1.22	**1.7**	1.7	**1.3**	1.4	**–**	(0.1)
3 to 6 months	**–**	1.22	**–**	1.3	**–**	1.1	**–**	–
							(0.3)	–

Group and Company

Fair value hierarchies 1 to 3 are based on the degree to which fair value is observable:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The fair value of the forward foreign exchange contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted accordingly as relevant.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			
Group At 28 January 2024	Fair value – hedging instruments £m	Other financial assets at amortised cost £m	Other financial liabilities at amortised cost £m	Total £m
Financial assets – Current				
Trade receivables	–	59.8	–	59.8
Short-term investments	–	20.0	–	20.0
Cash and cash equivalents	–	33.6	–	33.6
	–	113.4	–	113.4
Financial liabilities – Non-current				
Lease liabilities	–	–	3.1	3.1
	–	–	3.1	3.1
Financial liabilities – Current				
Foreign exchange contracts used for hedging	0.3	–	–	0.3
Lease liabilities	–	–	1.8	1.8
Accruals	–	–	30.0	30.0
Trade payables	–	–	36.1	36.1
	0.3	–	67.9	68.2

14. Financial instruments continued

Group At 29 January 2023	Fair value – hedging instruments £m	Other financial assets at amortised cost £m	Other financial liabilities at fair value through profit and loss £m	Other financial liabilities at amortised cost £m	Total £m
	Carrying amount				
Financial assets – Non-current					
Loan receivable	–	0.5	–	–	0.5
Loan receivable from associate	–	1.0	–	–	1.0
	–	1.5	–	–	1.5
Financial assets – Current					
Foreign exchange contracts used for hedging	0.1	–	–	–	0.1
Trade receivables	–	55.8	–	–	55.8
Short-term investments	–	40.0	–	–	40.0
Cash and cash equivalents	–	13.6	–	–	13.6
	0.1	109.4	–	–	109.5
Financial liabilities – Non-current					
Contingent consideration	–	–	0.8	–	0.8
Lease liabilities	–	–	–	3.6	3.6
	–	–	0.8	3.6	4.4
Financial liabilities – Current					
Bank borrowings	–	–	–	0.7	0.7
Foreign exchange contracts used for hedging	0.1	–	–	–	0.1
Lease liabilities	–	–	–	1.5	1.5
Accruals	–	–	–	27.2	27.2
Trade payables	–	–	–	37.2	37.2
	0.1	–	–	66.6	66.7

The contingent consideration is carried at fair value and classified as Level 3 fair value in the fair value hierarchy. The main unobservable input was whether or not the profit targets for the pay-out are expected to be met. The performance targets were expected to be met and the fair value of this contingent consideration earned was estimated to be £0.8m at 29 January 2023. This was reassessed in the year ended 28 January 2024 and the balance released.

The loans receivable balances at 29 January 2023 were reviewed during the year ended 28 January 2024 and it was assessed that there was no reasonable expectation of recovery and the balances were written off.

Company At 28 January 2024	Carrying amount Fair value – hedging instruments £m	 Other financial assets at amortised cost £m	 Other financial liabilities at amortised cost £m	 Total £m
Financial assets – Non-current				
Loans to subsidiaries	–	2.6	–	2.6
	–	2.6	–	2.6
Financial assets – Current				
Trade and other receivables and amounts due from subsidiary companies	–	59.8	–	59.8
Short-term investments	–	20.0	–	20.0
Cash and cash equivalents	–	22.4	–	22.4
	–	102.2	–	102.2
Financial liabilities – Non-current				
Lease liabilities	–	–	17.0	17.0
	–	–	17.0	17.0
Financial liabilities – Current				
Foreign exchange contracts used for hedging	0.3	–	–	0.3
Lease liabilities	–	–	3.1	3.1
Accruals	–	–	24.4	24.4
Trade payables and amounts due to other subsidiary companies	–	–	32.4	32.4
	0.3	–	59.9	60.2

14. Financial instruments continued

Company At 29 January 2023	Carrying amount Fair value – hedging instruments £m	Other financial assets at amortised cost £m	Other financial liabilities at amortised cost £m	Total £m
Financial assets – Non-current				
Loan receivable	–	0.5	–	0.5
Loan receivable from associate	–	1.0	–	1.0
	–	1.5	–	1.5
Financial assets – Current				
Foreign exchange contracts used for hedging	0.1	–	–	0.1
Trade and other receivables and amounts due from subsidiary companies	–	39.0	–	39.0
Short-term investments	–	40.0	–	40.0
Cash and cash equivalents	–	11.5	–	11.5
	0.1	90.5	–	90.6
Financial liabilities – Non-current				
Contingent consideration	–	0.8	–	0.8
Lease liabilities	–	–	18.4	18.4
	–	0.8	18.4	19.2
Financial liabilities – Current				
Foreign exchange contracts used for hedging	0.1	–	–	0.1
Lease liabilities	–	–	2.9	2.9
Accruals	–	–	20.6	20.6
Trade payables and amounts due to other subsidiary companies	–	–	33.0	33.0
	0.1	–	56.5	56.6

All financial instruments at fair value sit within Level 2 of the fair value hierarchy with the exception of the contingent consideration that sits within Level 3.

The carrying amount of the other financial assets and liabilities approximates to the fair value due to the short-term to maturity and/or not bearing interest.

The cumulative amount of gains and losses on effective hedging instruments are held within the cash flow hedge reserve in “Other reserves”.

15. Investment in subsidiaries

	Company	
	2024 £m	2023 £m
Opening investment in subsidiaries	**113.6**	90.3
Investments made in the year	**12.3**	23.3
Closing investment in subsidiaries	**125.9**	113.6

On 24 October 2023 the Group acquired 100% of the shares and voting rights in Rio Tropical Limited ('Rio') granting it control. The Group has concluded that, together, the acquired inputs and processes are a business that will create value by generating revenue in the soft drinks category, supported by the Group's brand building capability.

The directors have reviewed the Company's investments for impairment at 28 January 2024 and concluded no impairment is required. See Note 11.

For the four months ended 28 January 2024, Rio contributed income of £0.5m, and a similar impact on profit. Had Rio been a subsidiary for the full financial year, it would have contributed c.£1.4m income to the Group and c.£1.4m profit.

The value of the identifiable assets and liabilities of Rio Tropical at the date of acquisition were:

	£m
Intangible assets	12.0
Deferred tax	(3.0)
Total identifiable net assets acquired	**9.0**
Goodwill	3.3
Value on acquisition	**12.3**
Total consideration	**12.3**
Represented by:	
Cash	**12.3**

On 5 December 2022, the Group acquired 100% of the shares and voting interests in Boost Drinks Holdings Limited ('Boost') granting it control. Included in the identifiable assets and liabilities of Boost are inputs (inventories, receivables and payables) and an experienced workforce with technical expertise. The Group has concluded that, together, the acquired inputs and processes are a business that will create value by generating revenue in the soft drinks category, supported by the Group's brand building capability.

For the two months ended 29 January 2023, Boost contributed revenue of £7.3m and had an immaterial impact on profit. Had Boost been a subsidiary for the full financial year, it would have contributed c.£50m revenue to the Group and c.£1.0m profit.

15. Investment in subsidiaries continued

The value of the identifiable assets and liabilities of Boost at the date of acquisition were:

	£m
Property, plant and equipment	0.2
Right-of-use assets	0.3
Intangible assets	16.9
Inventory	6.0
Trade receivables	8.5
Cash and cash equivalents	1.3
Trade payables	(7.1)
Accruals	(2.8)
Lease creditors	(0.3)
Other taxes and social security	(0.7)
Current tax	(0.2)
Deferred tax	(4.1)
Total identifiable net assets acquired	**18.0**
Goodwill	1.9
Value on acquisition	**19.9**
Total consideration	**19.9**
Represented by:	
Cash	**19.9**

On 20 December 2022 the Group acquired the remaining 38.2% equity stake in MOMA Foods Ltd ('MOMA') for a total cash consideration of £3.4m.

Acquisition-related costs

The Group incurred acquisition-related costs of £0.1m (year to 29 January 2023 £1.2m) on legal fees and due diligence costs. These costs have been included in 'Administrative expenses'.

The principal subsidiaries are as follows:

Principal subsidiary	Principal activity	Country of incorporation	Country of principal operations
FUNKIN Limited	Distribution and selling of cocktail solutions	England	UK
FUNKIN USA Limited	Distribution and selling of cocktail solutions	England	UK
Rubicon Drinks Limited	Distribution of fruit based soft-drinks	England	UK
MOMA Foods Ltd	Distribution and selling of oat drinks and cereals	England	UK
Boost Drinks Limited	Distribution and selling of soft-drinks	England	UK
Rio Tropical Limited	Distribution of soft-drinks	England	UK

A.G. BARR p.l.c. holds 100% of the equity and votes of the subsidiaries (Year ended 29 January 2023: 100%). The subsidiaries have the same year end as A.G. BARR p.l.c. and have been included in the Group consolidation. The companies listed are the trading subsidiaries. Refer to Note 31 for a full list of subsidiary companies.

16. Investment in associates

In June 2019, the Group made a £1m investment in Elegantly Spirited Limited, acquiring a 20% stake in the business. In November 2020, a £1m loan was provided as disclosed in Note 14.

The following entities have been included in the consolidated financial statements using the equity method:

		% of ownership interest		Carrying amount	
Name of entity	Country of incorporation and principal place of business	**2024 %**	2023 %	**2024 £m**	2023 £m
Elegantly Spirited Limited	UK	**20**	20	**–**	0.7

The primary business of Elegantly Spirited Limited is a brand builder, marketing and selling a range of zero proof distilled spirits. The address of its registered office is 19 Langham Street, London, England, W1W 6BP. This investment is consistent with our strategy of building a branded portfolio of products across both alcohol and non-alcohol beverages. The investment is not considered a material associate and therefore disclosures are limited to the section below.

Aggregate information of associates that are not individually material

	2024 £m	2023 £m
Carrying amount of individually immaterial associates	**–**	0.7
Aggregate amounts of the Group's share of:		
Loss from continuing operations	**–**	–
Total comprehensive expense	**–**	–

	2024 £m	2023 £m
Opening balance at start of year	**0.7**	0.7
Share of operating losses	**–**	–
Impairment of investment	**(0.7)**	–
Closing balance at end of year	**–**	0.7

During the year ended 28 January 2024 an impairment review was undertaken on the investment in associate resulting in the impairment of the full investment.

17. Short-term investments

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Short-term investments	**20.0**	40.0	**20.0**	40.0

These deposits are made for durations of three months to no more than six months. These investments are due to mature at various dates by the end of June 2024 with accrued interest receivable on maturity.

18. Cash and cash equivalents

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Cash and cash equivalents	**33.6**	13.6	**22.4**	11.5

Cash and cash equivalents in the table above are included in the cash flow statements.

19. Inventories

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Materials	**11.6**	9.8	**11.6**	9.8
Finished goods	**24.9**	24.9	**16.5**	12.9
	36.5	34.7	**28.1**	22.7

20. Trade and other receivables

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Trade receivables	**59.9**	56.0	**43.3**	39.1
Less: loss allowance	**(0.1)**	(0.2)	**(0.1)**	(0.1)
Trade receivables – net	**59.8**	55.8	**43.2**	39.0
Prepayments	**4.0**	4.6	**3.7**	3.8
Amounts due by subsidiary companies	**–**	–	**2.3**	1.9
	63.8	60.4	**49.2**	44.7

Trade receivables

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience on the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The Group writes off a trade receivable when there is information that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceeding. None of the trade receivables that have been written off are subject to enforcement activities.

The maximum exposure for both the Group and the Company to credit risk for trade receivables are the balances in the table above.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

The Group's and Company's most significant customer, a UK major customer, accounts for £15.0m of the trade receivables carrying amount at 28 January 2024 (29 January 2023: £9.1m).

	Trade receivables – days past due					
Group – 28 January 2024	**Not past due £m**	**<30 £m**	**31–60 £m**	**61–90 £m**	**>90 £m**	**Total £m**
Expected credit loss rate	**0.1%**	**0.2%**	**5.6%**	**1.8%**	**3.2%**	
Expected total gross carrying amount at default	**56.7**	**1.9**	**0.6**	**0.2**	**0.5**	
Lifetime ECL	**0.1**	**–**	**–**	**–**	**–**	**0.1**

	Trade receivables – days past due					
Group – 29 January 2023	Not past due £m	<30 £m	31–60 £m	61–90 £m	>90 £m	Total £m
Expected credit loss rate	0.1%	0.1%	0.6%	42.4%	6.0%	
Expected total gross carrying amount at default	48.9	4.2	1.5	–	1.4	
Lifetime ECL	0.1	–	–	–	0.1	0.2

	Trade receivables – days past due					
Company – 28 January 2024	**Not past due £m**	**<30 £m**	**31–60 £m**	**61–90 £m**	**>90 £m**	**Total £m**
Expected credit loss rate	**0.1%**	**0.8%**	**14.2%**	**28.5%**	**35.6%**	
Expected total gross carrying amount at default	**42.9**	**0.2**	**0.2**	**–**	**–**	
Lifetime ECL	**0.1**	**–**	**–**	**–**	**–**	**0.1**

	Trade receivables – days past due					
Company – 29 January 2023	Not past due £m	<30 £m	31–60 £m	61–90 £m	>90 £m	Total £m
Expected credit loss rate	0.1%	1.4%	19.9%	39.2%	50.3%	
Expected total gross carrying amount at default	39.0	–	–	–	0.1	
Lifetime ECL	–	–	–	–	0.1	0.1

The carrying amount of the Group and Company's external trade and other receivables are denominated in the following currencies:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
UK Sterling	**63.2**	59.5	**48.9**	44.3
Euro	**0.4**	0.5	**0.3**	0.4
US Dollar	**0.2**	0.4	**–**	–
	63.8	60.4	**49.2**	44.7

21. Loans and other borrowings

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Current				
Bank borrowings	**–**	0.7	**–**	–
Lease liabilities	**1.8**	1.5	**3.1**	2.9
Non-current				
Lease liabilities	**3.1**	3.6	**17.0**	18.4
Total borrowings	**4.9**	5.8	**20.1**	21.3

All of the Group's borrowings are denominated in UK Sterling.

As disclosed in Note 15, the Group made an investment in Boost in the year ended 29 January 2023. The bank borrowing at the year end represents the overdraft of Boost at the year end date.

As at 28 January 2024, the Group had access to £20m of revolving credit facilities over a period of three years with Royal Bank of Scotland plc. This facility is due to expire in February 2026.

Arrangement fees associated with loan facilities are included in the finance costs line in the income statement.

During the year to 26 January 2014, certain property assets were transferred into A.G. BARR Scottish Limited Partnership and are being leased back to the Company under a 21-year lease agreement. Further details are included within Note 27.

The maturity analysis of the lease liabilities are shown in the table below:

	Group Lease liabilities		Company Lease liabilities	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Less than one year	**1.8**	1.5	**3.1**	2.9
One to two years	**1.5**	1.4	**2.9**	2.8
Two to three years	**1.2**	1.1	**2.6**	2.6
Three to four years	**0.4**	0.8	**2.0**	2.3
Four to five years	**–**	0.3	**1.8**	1.8
Later than five years	**–**	–	**12.9**	14.4
	4.9	5.1	**25.3**	26.8
Less: Unearned interest	**–**	–	**(5.2)**	(5.5)
	4.9	5.1	**20.1**	21.3

The movements in the Group borrowings are analysed as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Opening borrowings balance	**5.8**	4.4	**21.3**	21.9
Net lease movements	**(0.2)**	1.0	**(1.2)**	(0.6)
Bank overdraft utilised	**–**	0.7	**–**	–
Borrowings acquired/drawn-down	**5.0**	–	**5.0**	–
Repayments of borrowings	**(5.7)**	(0.3)	**(5.0)**	–
Closing borrowings balance	**4.9**	5.8	**20.1**	21.3

Reconciliation to net funds:

	2024 £m	2023 £m	**2024 £m**	2023 £m
Closing borrowings balance	**(4.9)**	(5.8)	**(20.1)**	(21.3)
Short-term investments (Note 17)	**20.0**	40.0	**20.0**	40.0
Cash and cash equivalents (Note 18)	**33.6**	13.6	**22.4**	11.5
Net funds	**48.7**	47.8	**22.3**	30.2

The facilities at 28 January 2024 were as follows:

	Total facility £m	**Drawn £m**	**Undrawn £m**
Revolving credit facility – five years, expires February 2026	**20.0**	**–**	**20.0**
	20.0	**–**	**20.0**

The facilities at 29 January 2023 were as follows:

	Total facility £m	Drawn £m	Undrawn £m
Revolving credit facility – five years, expires February 2026	20.0	–	20.0
Overdraft	1.0	0.7	0.3
	21.0	0.7	20.3

21. Loans and other borrowings continued

The table below details changes in the Group and Company's liabilities arising from financing activities, including both cash and non-cash changes.

Group	At 29 January 2023 £m	Interest charged £m	Lease liability unwind £m	New leases £m	Financing cash flows £m	At 28 January 2024 £m
Borrowings	0.7	–	–	–	(0.7)	**–**
Interest paid	–	0.1	–	–	(0.1)	**–**
Lease liabilities (Note 13)	5.1	(0.1)	–	1.6	(1.9)	**4.7**
Total liabilities from financing activities	5.8	–	–	1.6	(2.7)	**4.7**

Company	£m	£m	£m	£m	£m	£m
Lease liabilities (Note 13)	21.3	0.1	(0.9)	1.3	(1.7)	**20.1**
Total liabilities from financing activities	21.3	0.1	(0.9)	1.3	(1.7)	**20.1**

22. Trade and other payables

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Current				
Trade payables	**36.1**	37.2	**28.4**	27.3
Other taxes and social security costs	**4.2**	3.6	**2.8**	3.0
Accruals	**30.0**	31.5	**24.4**	24.5
Amounts due to subsidiary companies	**–**	–	**4.0**	5.7
	70.3	72.3	**59.6**	60.5

Trade payables have decreased by £1.1m (2023: increase by £21.4m) as a result of the phasing of the January 2024 supplier payment runs.

Trade payables and amounts due to subsidiaries are repayable within six months.

23. Provisions

Group	Business reorganisation £m	Customer related provisions £m	Repairs/ Dilapidations £m	Supplier related commitments £m	Total £m
Opening provision at 30 January 2022	0.6	0.4	0.5	0.5	2.0
Provision created during the year	0.3	0.1	0.2	–	0.6
Provision utilised during the year	(0.6)	(0.4)	(0.3)	(0.5)	(1.8)
Closing provision at 29 January 2023	0.3	0.1	0.4	–	0.8
Provision created during the year	**–**	**–**	**–**	**–**	**–**
Provision utilised during the year	**(0.3)**	**–**	**–**	**–**	**(0.3)**
Closing provision at 28 January 2024	**–**	**0.1**	**0.4**	**–**	**0.5**

Company	Business reorganisation £m	Customer related provisions £m	Repairs/ Dilapidations £m	Supplier related commitments £m	Total £m
Opening provision at 30 January 2022	0.6	0.4	0.3	0.5	1.8
Provision created during the year	0.3	0.1	–	–	0.4
Provision utilised during the year	(0.6)	(0.4)	(0.1)	(0.5)	(1.6)
Closing provision at 29 January 2023	0.3	0.1	0.2	–	0.6
Provision created during the year	**–**	**–**	**–**	**–**	**–**
Provision utilised during the year	**(0.3)**	**–**	**–**	**–**	**(0.3)**
Closing provision at 28 January 2024	**–**	**0.1**	**0.2**	**–**	**0.3**

The provisions above primarily relate to customer related provisions, and for any known obligations for substantial repairs. The majority of the provisions are expected to be utilised within 12 months.

24. Other non-current liabilities

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Contingent consideration	**–**	0.8	**–**	0.8
	–	0.8	**–**	0.8

The acquisition of Boost Drinks Holding Limited in December 2022 comprised both an initial payment of £19.9m and a potential future consideration of up to £12.0m depending on the successful delivery of future performance during an earn-out period and an accrual was made in the year ended 29 January 2023 in relation to this.

In the year ending 28 January 2024, the conditions associated with the earn-out have not been met and the prior year accrued consideration has been released.

25. Deferred tax assets and liabilities

Group	Retirement benefit obligations £m	Share-based payments £m	Cash flow hedge £m	Accelerated tax depreciation £m	Total deferred tax liability £m	Net deferred tax liability £m
At 30 January 2022	(4.9)	0.3	–	(16.9)	(21.5)	(21.5)
Credit to the income statement (Note 8)	(1.2)	(0.3)	–	(1.5)	(3.0)	(3.0)
Charge to other comprehensive income	0.6	–	–	–	0.6	0.6
Arising on acquisition	–	–	–	(4.3)	(4.3)	(4.3)
At 29 January 2023	(5.5)	–	–	(22.7)	(28.2)	(28.2)
Credit to the income statement (Note 8)	**–**	**0.4**	**–**	**(1.5)**	**(1.1)**	**(1.1)**
(Credit)/charge to other comprehensive income	**(0.2)**	**–**	**0.1**	**–**	**(0.1)**	**(0.1)**
Arising on acquisition	**–**	**–**	**–**	**(3.0)**	**(3.0)**	**(3.0)**
Charge to equity	**–**	**0.1**	**–**	**–**	**0.1**	**0.1**
At 28 January 2024	**(5.7)**	**0.5**	**0.1**	**(27.2)**	**(32.3)**	**(32.3)**

Company	Retirement benefit obligations £m	Share-based payments £m	Cash flow hedge £m	Accelerated tax depreciation £m	Total deferred tax liability £m	Net deferred tax liability £m
At 30 January 2022	(4.9)	0.2	–	(4.4)	(9.1)	(9.1)
Credit to the income statement	(1.2)	(0.3)	–	(1.8)	(3.3)	(3.3)
Charge to other comprehensive income	0.6	–	–	–	0.6	0.6
At 29 January 2023	(5.5)	(0.1)	–	(6.2)	(11.8)	(11.8)
Credit to the income statement	**–**	**0.4**	**–**	**(1.5)**	**(1.1)**	**(1.1)**
(Credit)/charge to other comprehensive income	**(0.2)**	**–**	**0.1**	**–**	**(0.1)**	**(0.1)**
Charge to equity	**–**	**0.1**	**–**	**–**	**0.1**	**0.1**
At 28 January 2024	**(5.7)**	**0.4**	**0.1**	**(7.7)**	**(12.9)**	**(12.9)**

No deferred tax asset is recognised in the statement of financial position for unused capital losses within the Company of £4.0m (2023: £4.0m).

26. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Board has delegated the management of the Group's overall financial risk programme to the Treasury and Commodity Committee; this risk programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out in accordance with policies approved by the Board of Directors. Management identifies, evaluates and manages financial risks in close cooperation with the Group's business units. The Board provides guidance on overall market risk management, including use of derivative financial instruments and investment of excess liquidity.

In addition, the Treasury and Commodity Committee deals with a range of other treasury matters, details of which are provided in the Corporate Governance Report.

Market risk

Foreign exchange risk

The Group operates internationally. The Group primarily buys and sells in Sterling but does make purchases and sales denominated in US Dollars and Euros. Due to the hedging arrangements that have been in place for the year ended 28 January 2024, if Sterling had weakened/strengthened by 5% against the US Dollar or Euro, with all other variables held constant, there would not have been a material effect on post-tax profit (year ended 29 January 2023: no material impact on post-tax profit). See also Note 14 for information regarding hedging.

The Group periodically enters into option contracts to purchase foreign currencies where the value and volume of trading purchases is known. The Treasury and Commodity Committee assesses whether hedge accounting should be applied for each FX option contract.

Price risk

The Group is not exposed to equity securities price risk because no such investments are held by the Group other than within pension scheme assets.

The Group purchases a wide range of commodities in the ordinary course of business. Exposure to changes in the market price of certain of these commodities, including sugar, plastic, aluminium and mango, is managed through the use of forward physical supply contracts, primarily to convert floating or indexed prices to fixed prices. The use of such contracts to hedge commodity exposures is governed by the Group's risk policies and is continually monitored by the Treasury and Commodity Committee. Commodity derivatives also provide a way to meet customers' pricing requirements whilst achieving a price structure consistent with the Group's overall pricing strategy.

All of the Group's commodity derivatives are treated as "own use" contracts, which are outside the scope of IFRS 9, since they are both entered into, and continue to be held, for the purposes of the Group's ordinary operations, and are not net settled (the Group takes physical delivery of the commodity concerned). "Own use" contracts do not require accounting entries until the commodity purchase crystallises.

The majority of the Group's forward physical contracts and commodity derivatives have original maturities of less than one year.

As all of the commodity contracts qualify for the "own use" treatment, no sensitivity analysis has been carried out.

26. Financial risk management continued

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings and short-term investments. Borrowings and investments are obtained at fixed rates reducing the Group's exposure to cash flow interest rate risk.

For the year ended 28 January 2024, if interest rates on Sterling-denominated borrowings at that date had been 1.0% higher/lower, with all other variables held constant, there would have been an immaterial change in the post-tax profit for the year (year ended 29 January 2023: immaterial impact on post-tax profit).

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to major and direct to store customers, including outstanding receivables and committed transactions.

For banks and financial institutions where the company holds cash and cash equivalents, short-term investments and borrowing, only independently rated parties with a minimum rating of "A" are accepted. If major customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control processes assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set by senior management, based on internal or external ratings. The utilisation of credit limits is regularly monitored. Sales to direct to store customers are largely settled in cash in order to manage credit risk from smaller, independent stores.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by maintaining sufficient cash reserves and the availability of borrowing facilities. See Note 21 for disclosures of committed facilities.

Management monitors rolling forecasts of the Group's liquidity reserve (which comprises undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows. This is carried out at a Group level and involves projecting forward cash flows and considering the level of liquid assets necessary to meet excesses of expenditure relative to income.

The Group and Company also enters into forward commodity contracts that are not held on the balance sheet. Commitments are shown in the table below, all of which are payable within one year.

	Total contractual outflow	
Group and Company	**2024 £m**	2023 £m
Forward commodity contracts	**26.2**	13.8

The undiscounted contractual cash flows of financial liabilities are presented in the table below:

Year ended 28 January 2024 **Group**	**Within 1 year** **£m**	**1 – 2 years** **£m**	**2 – 3 years** **£m**	**3 – 4 years** **£m**	**4 – 5 years** **£m**	**5 years +** **£m**	**Total contractual outflow** **£m**
Trade and other payables	**36.1**	**–**	**–**	**–**	**–**	**–**	**36.1**
Accruals	**30.0**	**–**	**–**	**–**	**–**	**–**	**30.0**
Leases	**1.8**	**1.5**	**1.2**	**0.4**	**–**	**–**	**4.9**
Borrowings	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Derivatives	**20.2**	**2.4**	**–**	**–**	**–**	**–**	**22.6**
	88.1	**3.9**	**1.2**	**0.4**	**–**	**–**	**93.6**
Company							
Trade and other payables	**28.4**	**–**	**–**	**–**	**–**	**–**	**28.4**
Amounts due to subsidiary companies	**4.0**	**–**	**–**	**–**	**–**	**–**	**4.0**
Accruals	**24.4**	**–**	**–**	**–**	**–**	**–**	**24.4**
Leases	**3.1**	**2.9**	**2.6**	**2.0**	**1.8**	**12.9**	**25.3**
Derivatives	**20.2**	**2.4**	**–**	**–**	**–**	**–**	**22.6**
	80.1	**5.3**	**2.6**	**2.0**	**1.8**	**12.9**	**104.7**

Year ended 29 January 2023 Group	Within 1 year £m	1 – 2 years £m	2 – 3 years £m	3 – 4 years £m	4 – 5 years £m	5 years + £m	Total contractual outflow £m
Trade and other payables	37.2	–	–	–	–	–	37.2
Accruals	31.5	–	–	–	–	–	31.5
Contingent consideration	–	0.8	–	–	–	–	0.8
Leases	1.5	1.4	1.1	0.8	0.3	–	5.1
Borrowings	0.7	–	–	–	–	–	0.7
Derivatives	11.5	0.4	–	–	–	–	11.9
	82.4	2.6	1.1	0.8	0.3	–	87.2
Company							
Trade and other payables	27.3	–	–	–	–	–	27.3
Amounts due to subsidiary companies	5.7	–	–	–	–	–	5.7
Accruals	24.5	–	–	–	–	–	24.5
Contingent consideration	–	0.8	–	–	–	–	0.8
Leases	2.9	2.8	2.6	2.3	1.8	14.4	26.8
Derivatives	11.5	0.4	–	–	–	–	11.9
	71.9	4.0	2.6	2.3	1.8	14.4	97.0

26. Financial risk management continued

Capital risk management

The Group defines "capital" as being net debt (including lease liabilities) plus equity.

The Group's objective when managing capital is to maintain an appropriate capital structure to balance the needs of the Group, whilst operating within its bank covenants.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group has a number of options available to it, including modifying dividend payments to shareholders, returning capital to shareholders or issuing new shares. In this way, the Group balances returns to shareholders between long-term growth and current returns whilst maintaining capital discipline in relation to investing activities and taking any necessary action on costs to respond to the current environment.

The Group monitors existing equity in issuance on the basis of the net debt/EBITDA ratio. Net debt is calculated as being the net of cash and cash equivalents, interest-bearing loans and borrowings. The net debt/EBITDA ratio enables the Group to plan its capital requirements in the medium term. The Group uses this measure to provide useful information to financial institutions and investors. The Group believes that the current net debt/EBITDA ratio together with existing shares in issuance provides a secure capital structure with a strong level of financial flexibility to enable the Group to take advantage of opportunities that may arise.

For the year ended 28 January 2024, there was a net cash surplus of £53.6m (year ended 29 January 2023: net cash surplus of £52.9m) with cash and cash equivalent balances of £33.6m, short-term investments of £20.0m and no bank borrowings (year ended 29 January 2023: £13.6m, £40.0m, £0.7m respectively).

The Group monitors capital efficiency on the basis of the return on capital employed ratio (ROCE). In the financial year ended 28 January 2024, ROCE remained strong at 18.7% (2023: 18.0%).

27. Retirement benefit obligations

During the year the Company operated the A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme (the '2008 Scheme'). The 2008 Scheme comprises a funded defined benefit section based on final salary and a defined contribution section. The defined benefit section was closed to future accrual from 1 May 2016. The defined contribution section of the 2008 Scheme was closed to new entrants and new contributions from 30 June 2021 and all defined contribution assets were transferred to the A.G. Barr Retirement Plan, an outsourced master trust pension arrangement, in September 2021. Under the defined benefit section of the 2008 Scheme, employees are entitled to retirement benefits based on final pensionable pay. No other post-retirement benefits are provided.

Defined benefit scheme: Actuarial valuation

The assets of the defined benefit section of the 2008 Scheme are held separately from those of the Company and are invested in managed funds. A full valuation of the defined benefit section of the 2008 Scheme was conducted as at 5 April 2023 using the attained age method and a surplus of £3.2m was determined at that date.

The defined benefit section of the 2008 Scheme exposes the Group to actuarial risks such as longevity risk, interest rate risk and market investment risk.

Responsibility for governance of the plans, including investment decisions and contribution schedules, lies jointly with the Company and the board of pension trustees. The board of trustees is composed of representatives from the Company scheme members and an independent trustee in accordance with the 2008 Scheme's rules.

Defined benefit scheme: IAS 19 information

The full actuarial valuation carried out at 5 April 2023 was updated to 28 January 2024 by a qualified independent actuary.

The valuation used for the defined benefit schemes has been based on market conditions as at the Company year end.

The amounts recognised in the statement of financial position are as follows:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Present value of funded obligations	**(69.3)**	(76.9)	**(69.3)**	(76.9)
Fair value of scheme assets	**72.5**	79.3	**72.5**	79.3
Deficit recognised under IAS 19	**3.2**	2.4	**3.2**	2.4
Company contribution made to pension scheme in the year to 26 January 2014	**–**	–	**14.4**	15.3
Surplus recognised in the statement of financial position	**3.2**	2.4	**17.6**	17.7

The movement in the defined benefit obligation over the year is as follows:

Group and Company	Fair value of plan assets £m	Present value of obligation £m	Total £m
At 29 January 2023	**79.3**	**(76.9)**	**2.4**
Current and past service cost	**–**	**–**	**–**
Interest income/(expense)	**3.4**	**(3.3)**	**0.1**
Total cost recognised in income statement	**3.4**	**(3.3)**	**0.1**
Remeasurements			
– changes in demographic assumptions	**–**	**2.4**	**2.4**
– changes in financial assumptions	**–**	**5.7**	**5.7**
– experience	**–**	**(1.4)**	**(1.4)**
– actuarial return on assets excluding amounts recognised in net interest	**(6.0)**	**–**	**(6.0)**
Total remeasurements recognised in other comprehensive income	**(6.0)**	**6.7**	**0.7**
Cash flows			
Employer contributions	**–**	**–**	**–**
Benefits paid	**(4.2)**	**4.2**	**–**
Total cash outflow	**(4.2)**	**4.2**	**–**
At 28 January 2024	**72.5**	**(69.3)**	**3.2**

This table excludes the Company contribution made to the pension scheme through the asset-backed funding arrangement as described below and reconciled in the table above.

27. Retirement benefit obligations continued

On 1 May 2016, the defined benefit section of the 2008 Scheme was closed to future accrual following a negotiated agreement between the Company and the board of trustees.

The Company made a £1.0m contribution to the defined benefit section of the 2008 Scheme each year in May 2016 through May 2022. A further contribution of £1.0m was due to be paid in May 2023 but this was prepaid in the year ended 29 January 2023 to support the 2008 Scheme's liquidity during a period of stock market turbulence.

The movement in the defined benefit obligation in the year to 29 January 2023 was as follows:

Group and Company	Fair value of plan assets £m	Present value of obligation £m	Total £m
At 30 January 2022	113.9	(114.9)	(1.0)
Current service cost and past service cost	–	–	–
Interest income/(expense)	2.4	(2.4)	–
Total cost recognised in income statement	2.4	(2.4)	–
Remeasurements			
– changes in demographic assumptions	–	4.4	4.4
– changes in financial assumptions	–	34.5	34.5
– experience	–	(3.3)	(3.3)
– actuarial return on assets excluding amounts recognised in net interest	(37.1)	–	(37.1)
Total remeasurements recognised in other comprehensive income	(37.1)	35.6	(1.5)
Cash flows			
Employer contributions	4.9	–	4.9
Benefits paid	(4.8)	4.8	–
Total cash outflow	0.1	4.8	4.9
At 29 January 2023	79.3	(76.9)	2.4

This table excludes the Company contribution made to the 2008 Scheme through the asset-backed funding arrangement as described below and reconciled in the table above.

Asset-backed funding arrangement

During the year to 26 January 2014, the Company established the A.G. BARR Scottish Limited Partnership (the 'Partnership') and through the Partnership has entered into a long-term pension funding arrangement with the 2008 Scheme.

Under this arrangement certain property assets were transferred into the Partnership and are being leased back to A.G. BARR p.l.c. under a 21-year lease agreement, generating an income stream of £1.1m per annum for the 2008 Scheme, increasing annually in line with inflation.

The Partnership is controlled by A.G. BARR p.l.c. and its results are consolidated by the Group. The value of the properties transferred into the Partnership remains included on the Group's and Company's balance sheet at carrying values at the date of transfer with the Group and Company retaining full operational control over these properties.

At the end of the term of the relevant lease, or earlier if the 2008 Scheme becomes fully funded to the extent that the members' benefits can be secured with an insurance company, the Company has the option to repurchase the properties in the Partnership for an agreed fixed price.

A "structured entity" is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate only to administrative tasks and the relevant activities are directed by means of contractual arrangements. As outlined above, during a prior year, certain freehold properties were transferred to a limited Partnership (a structured entity) established by the Group, the main purpose of which is to lease these properties to a Group company and, as a result, to provide the Group's 2008 Scheme with a distribution of profits in the Partnership.

The distribution is subject to discretion exercisable by the Group in certain circumstances; however, given that the Group has the ability to control the limited Partnership by making an additional contribution into the 2008 Scheme, it is the view of the directors that the Group controls the limited Partnership and therefore it is treated as a consolidated entity.

The carrying value of the properties sold to the Partnership and leased back to the Company remain included on the Group's and Company's balance sheet and continue to be depreciated in line with the Group's and Company's accounting policies with the Group and Company retaining full operational control over these properties.

The Group has taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 and has, therefore, not appended the accounts of this qualifying partnership to these financial statements. Separate accounts for the Partnership are not required to be, and have not been, filed at UK Companies House.

As part of the funding arrangement, the Company made a one-off payment to the 2008 Scheme of £20.4m to allow it to invest in the Partnership and in prior years this has been treated as a reduction in the carrying value of the retirement benefit obligation.

As the Partnership results are consolidated within the Group results, no balances are recognised in the consolidated statement of financial position.

Financial assumptions

	2024	2023
Discount rate	**5.0%**	4.4%
Inflation assumption	**3.1%**	3.2%

Mortality assumptions

	2024	2023
Average future life expectancy (in years) for a male pensioner aged 65	**22**	22
Average future life expectancy (in years) for a female pensioner aged 65	**23**	23
Average future life expectancy (in years) at age 65 for a male non-pensioner aged 45	**23**	23
Average future life expectancy (in years) at age 65 for a female non-pensioner aged 45	**25**	25

The mortality tables adopted in finalising the fair value of the liabilities are the 2022 VITA tables based on the member's year of birth.

This assumes that the expected age at death for males is 87 to 88 and for females is 88 to 90, depending on their age at 28 January 2024.

27. Retirement benefit obligations continued

The fair value of scheme assets at the year end dates is analysed as follows:

	2024		2023	
	Quoted* £m	Unquoted £m	Quoted* £m	Unquoted £m
Equities	**6.5**	**–**	2.3	–
Bonds	**17.0**	**–**	19.2	–
Debt	**8.1**	**–**	15.2	–
Cash	**–**	**8.7**	–	7.1
Buy-in policy	**–**	**32.2**	–	35.5
Total market value of scheme assets	**31.6**	**40.9**	36.7	42.6

* Quoted prices for identical assets or liabilities in active markets.

Sensitivity review

The sensitivity of the overall pension liability to changes in the principal assumptions is:

Year ended 28 January 2024	Change in assumption	Impact on overall liabilities
Discount rate	**Increase/decrease by 2%**	**Decreases/increases liabilities by £20.5m**
Rate of inflation	**Increase/decrease by 1%**	**Increases/decreases liabilities by £3.5m**
Life expectancy	**Increase/decrease by one year**	**Increases/decreases liabilities by £2.8m**

Year ended 29 January 2023	Change in assumption	Impact on overall liabilities
Discount rate	Increase/decrease by 2%	Decreases/increases liabilities by £24.2m
Rate of inflation	Increase/decrease by 1%	Increases/decreases liabilities by £4.0m
Life expectancy	Increase/decrease by one year	Increases/decreases liabilities by £3.1m

Methods and assumptions used in preparing the sensitivity analyses

The sensitivities disclosed were calculated using approximate methods taking into account the duration of the 2008 Scheme's liabilities. They have been calculated consistently with last period's disclosures, however these change over time with financial conditions and assumptions.

Risks to which the 2008 Scheme exposes the Company

The nature of the 2008 Scheme exposes the Company to the risk of paying unanticipated additional contributions to the 2008 Scheme in times of adverse experience. The most financially significant risks are likely to be:

– Asset volatility

The 2008 Scheme's liabilities are calculated using a discount rate set with reference to corporate bond yields in line with the requirements of IAS 19R. If the 2008 Scheme assets underperform this yield, this will create a deficit. The plan holds investments in a diversified portfolio, primarily equity and bonds, which are expected to outperform corporate bonds in the long term but provide volatility and risk in the short term.

The board of pension trustees have made a number of steps to control the level of investment risk within the 2008 Scheme. The Trustee and the Company agreed to purchase an annuity policy with Canada Life in April 2016 to cover all future pension payments to certain members of the 2008 Scheme. This policy was purchased at a cost of £34.7m and secures the total amount of future pension payments for 100 of the 2008 Scheme's pensioner members. A second annuity contract was purchased with Canada Life in September 2019 at a cost of £22.7m and secures the total amount of future pension payments for 82 of the 2008 Scheme's pensioner members. The board of pension trustees will continue to review the risk exposures in light of the longer-term objectives of the 2008 Scheme.

– Changes in bond yields

A decrease in corporate bond yields will increase the 2008 Scheme's liabilities. In the event of a reduction in the corporate bond yields, there will be an increase in the value of the 2008 Scheme's bond holdings.

– Inflation risk

The Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The majority of the 2008 Scheme's assets are either unaffected by inflation (fixed interest bonds) or loosely correlated with inflation (equities), meaning that an increase in inflation will also increase the deficit.

– Life expectancy

The 2008 Scheme's obligation is to provide benefits for the life of the members. An increase in life expectancy will result in an increase in the 2008 Scheme's liabilities.

Policy for recognising gains and losses

The Company recognises actuarial gains and losses immediately, through the remeasurement of the net defined benefit liability.

Asset-liability matching strategies used by the 2008 Scheme or the Company

Excluding insurance policies held within the 2008 Scheme the Trustee's target allocation to growth assets and return seeking income focused assets is c.30%, with the remaining c.70% in liability matching bonds including corporate bonds, with the aim of striking a balance between:

- maximising the returns on the 2008 Scheme's assets; and
- minimising the risks associated with the lower than expected returns on the 2008 Scheme's assets.

The Trustee has entered into a Liability Driven Investment (LDI) mandate with Legal & General Investment Management. This has resulted in interest rate and inflation hedging levels of over 50% of liabilities (excluding insurance policies and the asset-backed funding arrangement). The LDI funds are invested in a mix of levered gilts, levered index-linked gilts and cash, with the aim of matching, as closely as possible, the 2008 Scheme's liability cash flows.

Description of funding arrangements and funding policy that affect future contributions

The Schedule of Contributions dated March 2018 sets out the current contributions payable by the Company to the 2008 Scheme to eliminate the Scheme deficit. This is in addition to the rental income stream from the asset-backed funding arrangement, that is a commitment which will offset the requirement for future deficit contributions.

27. Retirement benefit obligations continued

Expected contributions over the next accounting period

A.G. BARR p.l.c. expects to contribute £2.0m to the A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme for the year to 26 January 2025 in respect of commitments in relation to the Schedule of Contributions agreed post year end, and the 2008 Scheme expects to receive further contributions of approximately £1.2m from the asset-backed funding arrangement in which the 2008 Scheme holds an interest.

The weighted average duration of the defined benefit obligation is 13 years.

The expected maturity analysis of the undiscounted defined benefit pension benefit, estimated on the 2008 Scheme's funding is as follows:

	Less than one year	One to two years	Two to five years	Greater than five years
Proportion of total pension benefits to be paid as at 5 April 2023	**2%**	**3%**	**8%**	**87%**
Proportion of total pension benefits to be paid as at 5 April 2022	2%	2%	7%	89%

Note the above disclosure is given as at the date of the last signed financial statements for the 2008 Scheme, and for the comparative year.

Defined contribution scheme

The pension costs for the defined contribution schemes are as follows:

	2024 £m	2023 £m
Defined contribution costs	**4.5**	4.0

28. Share capital

	2024		2023	
	Shares	**£m**	Shares	£m
Authorised, issued and fully paid	**112,028,871**	**4.7**	112,028,871	4.7

The Company has one class of ordinary shares which carry no right to fixed income. The shares have a nominal value of 4 1/6 pence.

During the year to 28 January 2024, the Company's employee benefit trusts purchased 732,534 shares (2023: 141,890) shares. The total amount paid to acquire the shares has been deducted from shareholders' equity and is included within retained earnings. At 28 January 2024, the shares held by the Company's employee benefit trusts represented 1,048,677 (2023: 887,553) shares at a purchased cost of £5.4m (2023: £5.2m).

Share repurchase programme

During the year ended 25 January 2020, the Group completed a share repurchase programme, purchasing 1,915,772 shares at a total cost of £30.0m. The permanent capital has been replaced through the creation of a Capital Redemption Reserve, which is included in "Other reserves" within equity in the table below.

The cash flow hedge reserve is also included in "Other reserves" in equity and records the effective portion of movements in the fair value of forward foreign exchange contracts that have been designated as part of a cash flow hedge relationship.

Other reserves	Cash flow hedge reserve £m	Capital redemption reserve £m	Total £m
At 29 January 2023	**(0.1)**	**0.2**	**0.1**
Movement on cash flow hedge reserve	**(0.2)**	**–**	**(0.2)**
At 28 January 2024	**(0.3)**	**0.2**	**(0.1)**

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses.

29. Share-based payments

As disclosed in the Directors' Remuneration Report, the Group runs a number of share award plans and share option plans:

- Savings Related Share Option Scheme which is open to all employees in participating companies
- LTIP options which are granted to executive directors and senior executives
- AESOP awards that are available to all employees in participating companies

Share-based payment costs and related deferred and current tax charges are recognised within the share option reserve.

Savings Related Share Option Scheme (SAYE)

All SAYEs outstanding at 28 January 2024 and 29 January 2023 have no performance criteria attached other than the requirement for the employee to remain in the employment of the Company and to continue contributing to the plan. Options granted under the SAYE must be exercised within six months of the relevant award vesting date.

The SAYE is open to all qualifying employees in employment at the date of inception of the scheme. Options are normally exercisable after three years from the date of grant. The price at which options are offered is not less than 80% of the average of the middle-market price of the five dealing days immediately preceding the date of invitation.

29. Share-based payments continued

The movements in the number of share options outstanding and their related weighted average exercise prices determined using the Black-Scholes valuation model are as follows:

	2024		2023	
	Options	Average exercise price in pence per share	Options	Average exercise price in pence per share
At start of the year	**672,550**	**530p**	679,758	486p
Granted in the year	**289,475**	**463p**	160,830	506p
Forfeited	**(89,961)**	**442p**	(165,721)	529p
Exercised	**(300,054)**	**428p**	(2,317)	428p
At end of the year	**572,010**	**470p**	672,550	530p

The weighted average fair value of the share awards made during the period was determined using the Black-Scholes valuation model. The significant inputs to the model were as follows:

Date of grant	SAYE 5 May 2023
Number of share awards granted	289,475
Share price at date of grant	514p
Contractual life in years	3
Dividend yield	3%
Expected outcome of meeting performance criteria (at grant date)	70%
Fair value determined at grant date	113p

None of the options listed above were exercisable at the respective year end dates. The outstanding options at the year end had exercise prices of £4.28, £4.59, £5.06, and £4.63 (2023: £7.45, £4.28, £4.59 and £5.06).

The weighted average share price on the dates that options were exercised in the year to 28 January 2024 was £4.78.

The weighted average remaining contractual life of the outstanding share options at the year end is two years (2023: two years).

LTIP
During the year, an award of shares was made to the executive directors and senior executives.

The weighted average fair value of the share awards made during the period was determined using the Black-Scholes valuation model. The significant inputs to the model were as follows:

Date of grant	LTIP 11 April 2023
Number of share awards granted	438,318
Share price at date of grant	502p
Contractual life in years	3
Dividend yield	3%
Expected outcome of meeting performance criteria (at grant date)	100%
Fair value determined at grant date	469p

AESOP
As described in the Directors' Remuneration Report, there are two elements to the AESOP.

The partnership share element provides that for every two shares (year to 29 January 2023: two shares) that a participant purchases in A.G. BARR p.l.c., up to a maximum contribution of £150 per month, the Company will purchase one matching share. The matching shares purchased are held in trust in the name of the individual. There are various rules as to the period of time that the shares must be held in trust but after five years, the shares can be released tax free to the participant.

The second element of free shares allows participants to receive shares to the value of a common percentage of their earnings, related to the performance of the Group. The maximum value of the annual award is £3,600 and the shares awarded are held in trust for five years.

Under the terms of the AESOP rules, any award of free shares to employees is made by the Trustee of the AESOP subject to the Company's consent.

30. Related party transactions
Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Company and related parties are as follows:

	Purchase of goods and services	
	2024 £m	2023 £m
Rubicon Drinks Limited	**7.4**	6.4
FUNKIN Limited	**2.6**	1.6
Boost Drinks Limited	**1.1**	–

30. Related party transactions continued

The amounts disclosed in the table below are the amounts owed to and due from subsidiary companies that are trading subsidiaries.

The balances are unsecured and are due on demand. The difference between the total of these balances and the amounts disclosed as amounts due by (Note 20) and to subsidiary companies (Note 22) are balances due by and due to dormant subsidiary companies.

	Amounts owed by related parties		Amounts due to related parties	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Rubicon Drinks Limited	**–**	–	**3.7**	4.5
FUNKIN Limited	**–**	–	**–**	2.2
Boost Drinks Limited	**1.6**	–	**0.2**	–
MOMA Foods Ltd	**2.6**	1.8	**–**	–

The amounts disclosed in the table below were the amounts owed from investments in associates from an interest-free equity convertible loan note.

	Amounts due by related parties	
	2024 £m	2023 £m
Loans to associates		
Opening balance	**1.0**	1.0
Amounts written off	**(1.0)**	–
Closing balance	**–**	1.0

As disclosed in Note 14, the loans to associates balances at 29 January 2023 were reviewed during the period to 28 January 2024 and it was assessed that there was no reasonable expectation of recovery and the balances were written off.

Compensation of key management personnel

The remuneration of the executive directors, non-executive directors and senior executives during the year was as follows:

	2024 £m	2023 £m
Salaries and short-term benefits	**6.8**	4.9
Post employment benefits	**0.4**	0.5
Share-based payments	**–**	–
	7.2	5.4

The Directors' Remuneration Report can be found on pages 77 to 92.

Retirement benefit plans

The Group's retirement benefit plans are administered by an independent third party service provider. During the year, the service provider charged the Group £0.3m (2023: £0.5m) for administration services in respect of the retirement benefit plans. At the year end, £nil (2023: £nil) was outstanding to the service provider on behalf of the retirement benefit plans.

31. Subsidiaries

The Group's subsidiaries at 28 January 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

			Ownership interest held by the Group		
Name of entity	Place of business/ country of incorporation	Address	**2024** %	2023 %	Principal activities
FUNKIN Limited*	UK	Milton Keynes	**100**	100	Distribution and selling of cocktail solutions
FUNKIN USA Limited*	USA	Milton Keynes	**100**	100	Distribution and selling of cocktail solutions
Rubicon Drinks Limited*	UK	Milton Keynes	**100**	100	Distribution of fruit based soft-drinks
A.G. BARR Capital Partner Limited*	UK	Milton Keynes	**100**	100	Investment holding company
A.G. BARR General Partner Limited*	UK	Cumbernauld	**100**	100	Investment holding company
A.G. BARR Pension Trustee Limited	UK	Cumbernauld	**100**	100	Investment holding company
A.G. BARR Scottish Limited Partnership	UK	Cumbernauld	**100**	100	Investment holding company
Robert Barr Limited	UK	Cumbernauld	**100**	100	Non-trading entity
Mandora St Clements Limited	UK	Milton Keynes	**100**	100	Non-trading entity
Tizer Limited	UK	Milton Keynes	**100**	100	Non-trading entity
A.G. BARR (Ireland) Limited	Republic of Ireland	Dublin	**100**	100	Non-trading entity
MOMA Foods Limited*	UK	Milton Keynes	**100**	100	Distribution and selling of oat drinks and cereals
Boost Drinks Holdings Limited*	UK	Milton Keynes	**100**	100	Investment holding company
Boost Drinks Limited*	UK	Milton Keynes	**100**	100	Distribution and selling of soft-drinks
Rio Tropical Limited*	UK	Milton Keynes	**100**	–	Distribution of soft-drinks

* **Under section 479A of the Companies Act 2006 the Group is claiming exemption from audit for the subsidiary company with an "*" in the table above. The parent undertakings, A.G. BARR p.l.c., registered number SC005653, guarantees all outstanding liabilities to the which the subsidiary company is subject at the end of the financial year (being the year ended 28 January 2024 for each company). The guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.**

The full address for Cumbernauld is: Westfield House, 4 Mollins Road, Cumbernauld, Scotland, G68 9HD.

The full address for Milton Keynes is: Crossley Drive, Magna Park, Milton Keynes, England, MK17 8FL.

The full address for Dublin is: 25-28 North Wall Quay, Dublin 1, Dublin, Ireland.

32. Subsequent events

On 14th March 2024 the Group announced its intention to reorganise the business in two areas.

Firstly, changing the route to market in the symbols and independent retail channel. This will involve moving the current direct to store delivery model to an enhanced field sales operation with brands supplied directly through existing wholesale channels.

Secondly, integrating the Boost Drinks business into Barr Soft Drinks which would result in a reduction in duplicated activities and access to the wider Barr Soft Drinks sales channels and organisation.

The proposals are subject to full and proper consultation with impacted employees over the coming months.

Whilst the proposals are at an early stage, should they go ahead it is estimated that one-off reorganisation costs of c.£5m will be incurred in the 2024/25 year, with expectations of a 2-3 year payback.

GLOSSARY

Non-GAAP measures are provided because they are tracked by management to assess the Group's operating performance and to inform financial, strategic and operating decisions.

Definition of non-GAAP measures used are provided below:

Adjusted basic earnings per share is a non-GAAP measure calculated by dividing adjusted profit attributable to equity holders by the weighted average number of shares in issue.

Adjusted EBITDA is a non-GAAP measure and is defined as adjusted operating profit before depreciation and amortisation.

Adjusted EBITDA margin is a non-GAAP measure and is calculated as adjusted EBITDA divided by revenue.

Adjusted operating margin is a non-GAAP measure and is calculated by dividing adjusted operating profit by revenue.

Adjusted operating profit is a non-GAAP measure calculated as operating profit after adjusting items.

Adjusted profit before tax is non-GAAP measure calculated as reported profit before tax after adjusting entries as disclosed in the adjusting entries accounting policy.

B Corp status is a certification designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.

Cash capital expenditure is a non-GAAP measure and is defined as the cash outflow on purchases of property, plant and equipment, and is disclosed in the cash flow statement.

EBITDA is a non-GAAP measure and is defined as operating profit before depreciation and amortisation.

EBITDA margin is a non-GAAP measure and is calculated as EBITDA divided by revenue.

Full year dividend is a non-GAAP measure and is defined as the total dividends declared for the financial year.

Gross margin is a non-GAAP measure calculated by dividing gross profit by revenue.

Like-for-like revenue growth is a non-GAAP measure comparing adjusted revenue in the current year to the prior year excluding Boost revenues in each year.

Net cash at bank is a non-GAAP measure and is defined as the net of cash and cash equivalents plus short-term investments less loans and other borrowings as shown in the statement of financial position.

Operating margin is a non-GAAP measure calculated by dividing operating profit by revenue.

Profit to cash conversion ratio is a non-GAAP measure and is defined as net cash from operating activities divided by adjusted profit before tax.

Return on capital employed (ROCE) is a non-GAAP measure and is defined as reported profit before tax as a percentage of invested capital. Invested capital is a non-GAAP measure defined as period end non-current plus current assets less current liabilities excluding all balances relating to any provisions, financial instruments, interest-bearing liabilities and cash or cash equivalents.

Revenue growth is a non-GAAP measure calculated as the difference in revenue between two reporting periods divided by the revenue of the earlier reporting period.

RECONCILIATION OF NON-GAAP MEASURES

Adjusted Consolidated Income Statements

	Year ended 28 January 2024			Year ended 29 January 2023					
	Reported £m	Boost earn-out accrual write back £m	Adjusted £m	Reported £m	MOMA acquisition impact £m	Gain on sale of property £m	Boost acquisition fees £m	Boost earn-out £m	Adjusted £m
Revenue	**400.0**	**–**	**400.0**	317.6	–	–	–	–	317.6
Cost of sales	**(245.8)**	**–**	**(245.8)**	(189.5)	–	–	–	–	(189.5)
Gross profit	**154.2**	**–**	**154.2**	128.1	–	–	–	–	128.1
Other income	**–**	**–**	**–**	1.3	–	(1.3)	–	–	–
Operating expenses	**(104.1)**	**(0.8)**	**(104.9)**	(84.1)	(2.7)	–	1.2	0.8	(84.8)
Operating profit	**50.1**	**(0.8)**	**49.3**	45.3	(2.7)	(1.3)	1.2	0.8	43.3
Finance income	**1.4**	**–**	**1.4**	0.5	–	–	–	–	0.5
Finance costs	**(0.2)**	**–**	**(0.2)**	(1.4)	1.1	–	–	–	(0.3)
Profit before tax	**51.3**	**(0.8)**	**50.5**	44.4	(1.6)	(1.3)	1.2	0.8	43.5
Tax on profit	**(12.8)**	**–**	**(12.8)**	(10.5)	–	–	–	–	(10.5)
Profit for the period	**38.5**	**(0.8)**	**37.7**	33.9	(1.6)	(1.3)	1.2	0.8	33.0

Adjusting entries:

MOMA acquisition impact – the remeasurement and release of the contingent consideration in respect of MOMA Foods Ltd following the Group's acquisition of the remaining 38.2% minority interest in December 2022.

Gain on sale of property – the gain on the disposal of the Newcastle distribution site in the year to 29 January 2023.

Boost acquisition fees – the acquisition fees incurred on the successful acquisition of Boost Drinks Holdings Limited

Boost earn-out – an £0.8m accrual related to the potential payment associated with the acquisition of Boost Drinks Holdings Limited earn-out was made in the year to 29 January 2023 that was subsequently reversed in the year to 28 January 2024.

Like-for-like revenue growth	£m
Revenue for year to 28 January 2024	**400.0**
Less Boost	**(64.8)**
	335.2
Revenue for year to 29 January 2023	**317.6**
Less Boost	**(7.3)**
	310.3
Movement	**24.9**
Revenue growth	**8.0%**

RECONCILIATION OF NON-GAAP MEASURES CONTINUED

EBITDA

	2024 £m	2023 £m
Operating profit reported	**50.1**	45.3
Depreciation and amortisation	**12.3**	11.0
EBITDA	**62.4**	56.3

EBITDA margin

	2024 £m	2023 £m
Revenue	**400.0**	317.6
EBITDA	**62.4**	56.3
EBITDA margin	**15.6%**	17.7%

Adjusted EBITDA

	2024 £m	2023 £m
Operating profit adjusted	**49.3**	43.3
Depreciation and amortisation	**12.3**	11.0
Adjusted EBITDA	**61.6**	54.3

Adjusted EBITDA margin

	2024 £m	2023 £m
Adjusted revenue	**400.0**	317.6
Adjusted EBITDA	**61.6**	54.3
Adjusted EBITDA margin	**15.4%**	17.1%

Adjusted basic EPS

	2024	2023
Adjusted profit attributable to equity holders of the Company £m	**37.7**	33.0
Weighted average number of shares in issue	**111,289,068**	111,258,209
Adjusted basic EPS (p)	**33.88**	29.66

Full year dividend

	2024 pence	2023 pence
Interim dividend paid	**2.65**	2.50
Final dividend declared	**12.40**	10.60
Full year dividend	**15.05**	13.10

Gross margin

	2024 £m	2023 £m
Revenue	**400.0**	317.6
Gross profit	**154.2**	128.1
Gross margin	**38.6%**	40.3%

Net cash at bank

	2024 £m	2023 £m
Cash and cash equivalents	**33.6**	13.6
Short-term investments	**20.0**	40.0
Loans and other borrowings	**–**	(0.7)
Net cash at bank	**53.6**	52.9

Operating margin

	2024 £m	2023 £m
Revenue	**400.0**	317.6
Reported operating profit	**50.1**	45.3
Operating margin	**12.5%**	14.3%

Adjusted operating margin

	2024 £m	2023 £m
Revenue	**400.0**	317.6
Adjusted operating profit	**49.3**	43.3
Adjusted operating margin	**12.3%**	13.6%

Profit to cash conversion ratio

	2024 £m	2023 £m
Net cash from operating activities	**48.5**	35.9
Adjusted profit before tax	**50.5**	43.5
Profit to cash conversion ratio	**96.0%**	82.5%

ROCE

	2024 £m	2023 £m
Profit before tax	**51.3**	44.4
Intangible assets	**130.4**	116.2
Property, plant and equipment	**109.0**	102.5
Right-of-use assets	**5.2**	5.4
Investment in associates	**–**	0.7
Inventories	**36.5**	34.7
Trade and other receivables	**63.8**	60.4
Current tax	**(0.7)**	(0.7)
Trade and other payables	**(70.3)**	(72.3)
Invested capital	**273.9**	246.9
ROCE	**18.7%**	18.0%

NOTICE OF ANNUAL GENERAL MEETING

THE FOLLOWING INFORMATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any matter referred to in this report or as to the action you should take, you should seek your own personal financial advice from: (i) a stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom; or (ii) another appropriately authorised independent financial adviser if you are not resident in the United Kingdom.

If you have sold or otherwise transferred all of your shares in A.G. BARR p.l.c., please pass this report, together with the accompanying documents (except the accompanying personalised form of proxy), as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice is hereby given that the one hundred and twentieth Annual General Meeting of A.G. Barr p.l.c. (the '**Company**') will be held at the offices of Ernst and Young LLP, G1 Building, 5 George Square, Glasgow, G2 1DY on Friday 31 May 2024 at 12.00 p.m. to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 14 (inclusive) will be proposed as ordinary resolutions and Resolutions 15 and 16 will be proposed as special resolutions. Voting on each of the resolutions will be conducted by way of a poll.

1. To receive and approve the audited accounts of the group and the Company for the year ended 28 January 2024 together with the directors' and auditor's reports thereon.

2. To receive and approve the annual statement by the chair of the remuneration committee and the directors' remuneration report as set out on pages 74 to 76 and pages 77 to 92 respectively of the Company's annual report and accounts for the year ended 28 January 2024.

3. To declare a final dividend of 12.40 pence per ordinary share of 4 1/6 pence for the year ended 28 January 2024.

4. To re-elect Mr Mark Allen OBE as a director of the Company.

5. To re-elect Mr Stuart Lorimer as a director of the Company.

6. To re-elect Ms Susan Verity Barratt as a director of the Company.

7. To re-elect Ms Zoe Louise Howorth as a director of the Company.

8. To re-elect Mr Nicholas Barry Edward Wharton as a director of the Company.

9. To re-elect Ms Julie Anne Barr as a director of the Company.

10. To elect Ms Louise Helen Smalley as a director of the Company.

11. To elect Mr Euan Angus Sutherland as a director of the Company.

12. To re-appoint Deloitte LLP as the Company's auditor, to hold office until the conclusion of the next general meeting at which accounts are laid, and to authorise the audit and risk committee of the board of directors of the Company to fix their remuneration.

13. THAT the draft new Share Savings Scheme (the '**2024 SAYE**') produced at the meeting (and, for the purposes of identification, initialled by the Chair), a summary of which is set out at 193 to 195 of the Company's annual report and accounts for the year ended 28 January 2024, be and hereby is approved and adopted and the Company be and hereby is authorised to grant options under and otherwise operate the 2024 SAYE in accordance with its terms until the date which is ten years from the date it is adopted, and it is further resolved that no further options shall be granted under the A.G. BARR p.l.c. Share Savings Scheme 2014.

14. THAT the board of directors of the Company (the '**Board**') be and it is hereby generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the '**2006 Act**') to exercise all the powers of the Company to allot shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company:
(a) up to an aggregate nominal amount of £1,555,956.54; and
(b) up to a further aggregate nominal amount of £1,555,956.54 provided that: (i) they are equity securities (within the meaning of section 560 of the 2006 Act); and (ii) they are offered by way of a rights issue in favour of the holders of shares (excluding the Company in its capacity as a holder of treasury shares) on the register of members of the Company on a date fixed by the Board where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as practicable) to the respective numbers of shares held by them on that date subject to such exclusions or other arrangements as the Board deems necessary or expedient to deal with: (i) equity securities representing fractional entitlements; (ii) treasury shares; and / or (iii) legal or practical problems arising in any overseas territory, the requirements of any regulatory body or any stock exchange or any other matter whatsoever, provided that this authority shall expire on the earlier of 31 July 2025 and the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Board may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

15. THAT, subject to the passing of resolution 14 set out in the notice of the annual general meeting of the Company convened for 31 May 2024 ('**Resolution 14**'), the board of directors of the Company (the '**Board**') be and it is hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the '**2006 Act**'), to allot equity securities (within the meaning of section 560 of the 2006 Act) (including the grant of rights to subscribe for, or to convert any securities into, ordinary shares of 4 1/6 pence each in the capital of the Company ('**Ordinary Shares**')), wholly for cash either pursuant to the authority conferred on them by Resolution 14 or by way of a sale of treasury shares (within the meaning of section 560(3) of the 2006 Act) as if section 561(1) of the 2006 Act did not apply to any such allotment or sale, provided that this power shall be limited to:
(a) the allotment of equity securities, for cash, in connection with a rights issue, open offer or other pre-emptive offer in favour of holders of Ordinary Shares (excluding the Company in its capacity as a holder of treasury shares) on the register of members of the Company on a date fixed by the Board where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as practicable) to the respective numbers of Ordinary Shares held by them on that date subject to such exclusions or other arrangements in connection with the rights issue, open offer or other offer as the Board deem necessary or expedient to deal with: (i) equity securities representing fractional entitlements; (ii) treasury shares; and / or (iii) legal or practical problems arising in any overseas territory, the requirements of any regulatory body or any stock exchange or any other matter whatsoever; and
(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £466,786.96, provided that this authority shall expire on the earlier of 31 July 2025 and the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of this authority and the Board may allot equity securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

16. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the '**2006 Act**') to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of ordinary shares of 4 1/6 pence each in the capital of the Company ('**Ordinary Shares**'), on such terms and in such manner that the directors think fit, provided that:
(a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 11,202,887;
(b) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to the higher of: (i) 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five dealing days immediately preceding the day on which the Ordinary Share is purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out;
(c) the minimum price which may be paid for an Ordinary Share is an amount equal to its nominal value (in each case exclusive of associated expenses);
(d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the earlier of 31 July 2025 and the conclusion of the next annual general meeting of the Company after the passing of this resolution, but a contract to purchase Ordinary Shares may be made before such expiry which will or may be completed wholly or partly thereafter, and a purchase of Ordinary Shares may be made in pursuance of any such contract; and
(e) an Ordinary Share so purchased shall be cancelled or, if the directors so determine and subject to the provisions of applicable laws or regulations of the Financial Conduct Authority, held as a treasury share.

By order of the Board

Neil C. MacLennan

Neil C. MacLennan
Company Secretary
23 April 2024

Registered Office
A.G. BARR p.l.c., Westfield House, 4 Mollins Road, Cumbernauld, G68 9HD. Registered in Scotland SC005653.

Shareholders should also read the notes to this Notice of Annual General Meeting which are set out on pages 190 to 192 of this report. Those notes provide further information about shareholders' entitlement to attend, speak and vote at the Annual General Meeting (and their ability to appoint another person to do so on their behalf).

Explanatory Notes

The following notes provide an explanation of the resolutions to be considered at the one hundred and twentieth annual general meeting (the 'AGM') of A.G. BARR p.l.c. (the 'Company').

The board of directors of the Company (the '**Board**') considers that all the resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of them.

Resolutions 1 to 14 (inclusive) will be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 15 and 16 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1 – Receive and approve the reports and accounts

Shareholders are being asked to receive and approve the audited accounts of the group and the Company (as audited by Deloitte LLP) for the year ended 28 January 2024 together with the associated reports of the directors and auditor.

Resolution 2 – Directors' remuneration

The directors' remuneration report is divided into three parts: the annual statement by the chair of the remuneration committee, the directors' remuneration policy and the directors' remuneration report.

- The annual statement by the chair of the remuneration committee (which is set out on pages 74 to 76 of this report) provides a summary of the directors' remuneration policy and the directors' remuneration report.
- The directors' remuneration policy (which is set out on pages 93 to 105 of this report) sets out the Company's future policy on directors' remuneration.
- The directors' remuneration report (which is set out on pages 77 to 92 of this report) gives details of the payments and share awards made to the directors in connection with their and the Company's performance during the year ended 28 January 2024. It also details how the Company's policy on directors' remuneration will be operated in the coming year.

Resolution 2 invites shareholders to approve the annual statement by the chair of the remuneration committee and the directors' remuneration report (other than the directors' remuneration policy which was approved at the annual general meeting of the Company held in 2023 and is expected not to be voted on again until the annual general meeting to be held in 2026) for the year ended 28 January 2024. This resolution is an advisory vote and will not affect the way in which the Company's remuneration policy has been implemented. Each year, shareholders will be given an advisory vote on the implementation of the directors' remuneration policy in relation to the payments and share awards made to directors during the year under review.

Resolution 3 – Final dividend

Shareholders are being asked to approve a final dividend of 12.40 pence per ordinary share of 4 1/6 pence for the year ended 28 January 2024. If shareholders approve the recommended final dividend, it will be paid on 7 June 2024 to all shareholders on the Company's register of members on 10 May 2024.

Resolutions 4 to 11 inclusive – Re-election and election of directors
The Company's Articles of Association require that all newly appointed directors retire at the first annual general meeting following their appointment. Consequently, Ms Louise Helen Smalley and Mr Euan Angus Sutherland will retire and offer themselves for election at the AGM.

The Board complies with the provisions of the UK Corporate Governance Code whereby all directors are subject to annual re-election. Accordingly, all other directors of the Company are retiring and, with the exception of Mr Jonathan David Kemp and Mr David James Ritchie, offering themselves for re-election.

Biographical details of the directors are set out on pages 56 to 57 of this report. The Board has confirmed that, following formal performance evaluation, all of the directors continue to perform effectively and demonstrate commitment to their roles. The Board therefore unanimously recommends the proposed re-election (or election in the case of Ms Louise Helen Smalley and Mr Euan Angus Sutherland) of the directors.

Resolution 12 – Re-appointment of auditor
The Company is required to appoint an auditor at each general meeting at which accounts are presented to shareholders and Deloitte LLP have indicated their willingness to continue in office. Accordingly, shareholders are being asked to approve the re-appointment of Deloitte LLP as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the audit and risk committee of the Board to fix their remuneration.

Resolution 13 – Adoption of new Share Savings Scheme
Under the terms of the A.G. BARR p.l.c. Share Savings Scheme 2014 (the '2014 SAYE'), which was approved by the Company in general meeting on 27 May 2014, the Company can grant options to employees and executive directors who enter into a savings arrangement over a number of years, with the savings eventually used to fund the option exercise price. No further options may be granted under the 2014 SAYE after 26 May 2024. For this reason, the Board has recommended that a new SAYE (the '2024 SAYE') be adopted this year. The 2024 SAYE would replace the 2014 SAYE for any future options granted. Resolution 13, which approves the adoption of the 2024 SAYE, is proposed as an ordinary resolution. The terms of the 2024 SAYE are summarised in pages 193 to 195 of this report.

Resolution 14 – Authority to allot shares
The directors may not allot shares in the Company unless authorised to do so by shareholders in general meeting. Sub-paragraph (a) of Resolution 14, if passed, will authorise the directors to allot shares having an aggregate nominal value of up to £1,555,956.54, representing approximately one third of the Company's issued share capital as at 17 April 2024 (being the latest practicable date prior to the publication of this report). The directors have no present intention to exercise this authority.

In line with guidance issued by the Investment Association, sub-paragraph (b) of Resolution 14, if passed, will authorise the directors to allot additional shares in connection with a rights issue having an aggregate nominal value of up to £1,555,956.54, representing approximately one third of the Company's issued share capital as at 17 April 2024 (being the latest practicable date prior to the publication of this report). The directors have no present intention to exercise the authority sought under sub-paragraph (b) of Resolution 14. However, if such authority is obtained, it will give the Company greater flexibility to allot additional shares for the purpose of a pre-emptive rights issue. This authority will be used when the directors consider it to be in the best interests of shareholders.

The authorities sought under Resolution 14 will expire on the earlier of 31 July 2025 (being the latest date by which the Company must hold its annual general meeting in 2025) and the conclusion of the annual general meeting of the Company held in 2025.

Resolution 15 – Disapplication of statutory pre-emption rights
If the directors wish to allot new shares for cash, the Companies Act 2006 states that the shares must be offered first to existing shareholders in proportion to their existing shareholdings. For legal, regulatory and practical reasons, it might not be possible or desirable for shares allotted by means of a pre-emptive offer to be offered to certain shareholders, particularly those resident overseas. Furthermore, it might, in some circumstances, be in the Company's interests for the directors to be able to allot some shares for cash without having to offer them first to existing shareholders. To enable this to be done, shareholders' statutory pre-emption rights must be disapplied. Accordingly, Resolution 15, if passed, will empower the directors to allot a limited number of new equity securities without shareholders' statutory pre-emption rights applying to such allotment. The authority conferred by Resolution 15 would also cover the sale of treasury shares for cash.

Sub-paragraph (a) of Resolution 15 will, if passed, confer authority on the directors to make any arrangements which may be necessary to deal with any legal, regulatory or practical problems arising on a rights issue, an open offer or any other pre-emptive offer in favour of ordinary shareholders, for example, by excluding certain overseas shareholders from such issue or offer.

Sub-paragraph (b) of Resolution 15 will, if passed, disapply shareholders' statutory pre-emption rights by empowering the directors to allot equity securities for cash on a non pre-emptive basis but only new equity securities having a maximum aggregate nominal value of £466,786.96, representing approximately 10% of the Company's issued share capital as at 17 April 2024 (being the latest practicable date prior to the publication of this report).

The authority sought under Resolution 15 will expire on the earlier of 31 July 2025 (being the latest date by which the Company must hold an annual general meeting in 2025) and the conclusion of the annual general meeting of the Company held in 2025.

Resolution 16 – Purchase of own shares

The Companies Act 2006 permits a company to purchase its own shares provided the purchase has been authorised by shareholders in general meeting.

Resolution 16, if passed, will give the Company the authority to purchase any of its own issued ordinary shares at a price of not less than an amount equal to the nominal value of an ordinary share and not more than the higher of: (i) 5% above the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five dealing days before any purchase is made; and (ii) the higher of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

The authority will enable the purchase of up to a maximum of 11,202,887 ordinary shares, representing approximately 10% of the Company's issued ordinary share capital as at 17 April 2024 (being the last practicable date prior to the publication of the report), and will expire on the earlier of 31 July 2025 (being the latest date by which the Company must hold an annual general meeting in 2025) and the conclusion of the annual general meeting of the Company held in 2025.

The directors will only exercise this buy back authority after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall position of the Company. Purchases would be financed out of distributable profits and shares purchased would either be cancelled (and the number of shares in issue reduced accordingly) or held as treasury shares.

The Company operates two share option schemes under which awards may be satisfied by the allotment or transfer of ordinary shares to a scheme participant. However, in practice, the Company has always satisfied awards to participants by the transfer of ordinary shares from the trustee of each of the schemes.

As at 17 April 2024 (being the latest practicable date prior to the publication of this report), options had been granted over 1,339,277 ordinary shares (the '**Option Shares**') representing approximately 1.19% of the Company's issued share capital at that date. If the authority to purchase the Company's ordinary shares (as described in Resolution 16) was exercised in full, the Option Shares would have represented approximately 1.32% of the Company's issued share capital as at 17 April 2024. As at 17 April 2024, the Company did not hold any treasury shares.

NOTES

1. Attending the Annual General Meeting in person

If you wish to attend the Annual General Meeting ('**AGM**') in person, you should arrive at the venue for the AGM in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, Equiniti Limited (the '**Registrar**'), prior to being admitted to the AGM.

2. Appointment of a proxy

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying proxy form.

If a member wishes a proxy to speak on their behalf at the AGM, the member will need to appoint their own choice of proxy (not the Chair of the AGM) and give their instructions directly to them. Such an appointment can be made using the proxy form accompanying this notice of AGM, electronically, through CREST, or through Proxymity.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA.

A member may instruct their proxy to abstain from voting on a particular resolution to be considered at the AGM by marking the "Withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the resolution.

The appointment of a proxy will not prevent a member from attending the AGM and voting in person if he or she wishes.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint a proxy under the procedures set out in these notes and should read note 9 below.

3. Appointment of a proxy using a proxy form or electronically

A proxy form for use in connection with the AGM is enclosed. To be valid, any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA, or submitted electronically at **www.shareview.co.uk** at least 48 hours before the time of the AGM or any adjournment of that meeting.

If you do not have a proxy form and believe that you should have one, or you require additional proxy forms, please contact the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA.

4. Appointment of a proxy through CREST

CREST members who wish to appoint a proxy through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to: www.euroclear.com. CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a '**CREST Proxy Instruction**') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA19) no later than 48 hours before the time of the AGM or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting system provider(s) are referred to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Appointment of a proxy through Proxymity

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12.00 p.m. on 29 May 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions.
It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

6. Appointment of a proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

7. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

8. Entitlement to attend and vote

To be entitled to attend and vote at the AGM (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.30 p.m. on 29 May 2024 (or, if the AGM is adjourned, at 6.30 p.m. on the day two days prior to the adjourned meeting). Any changes to the Company's register of members after the relevant deadline will be disregarded in determining the rights of any person to vote at the AGM.

9. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the '2006 Act') to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

10. Website giving information regarding the AGM

Information regarding the AGM, including information required by section 311A of the 2006 Act, and a copy of this notice of AGM is available from **www.agbarr.co.uk**.

11. Audit concerns

Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

12. Voting rights

As at 17 April 2024 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 112,028,871 ordinary shares of 4 1/6 pence each, carrying one vote each. As at 17 April 2024, the Company did not hold any treasury shares. Therefore, the total voting rights in the Company as at 17 April 2024 were 112,028,871 votes.

13. Shareholder questions

Shareholders have the right to ask questions related to the business of the meeting. Shareholders can submit questions related to the business of the meeting by email to **agm2024@agbarr.co.uk**. Answers to shareholder questions will be sent to individual shareholders as soon as practically possible after the AGM.

14. Voting at the AGM

Shareholders are able to vote in advance of the meeting using their proxy form enclosed. The proxy form covers all resolutions to be proposed at the AGM.

Shareholders are being encouraged to submit their votes as early as possible and by no later than 48 hours before the time of the AGM. Votes can be submitted either by returning the proxy form in the post (postage is pre-paid), or electronically by following the instructions set out on the proxy form.

Voting on all resolutions at the AGM will be conducted by way of a poll. The results of the poll will be announced to the London Stock Exchange as soon as possible after the conclusion of the AGM and will be published on our website.

15. Notification of shareholdings

Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the AGM as his/her proxy will need to ensure that both he/she, and his/her proxy, comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

16. Further questions and communication

Under section 319A of the 2006 Act, the Company must cause to be answered any question relating to the business being dealt with at the AGM put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members who have any general queries about the AGM should contact the Company Secretarial Department by email to: **companysecretarialdepartment@agbarr.co.uk**.

Members may not use any electronic address provided in this report or in any related documents (including the accompanying proxy form) to communicate with the Company for any purpose other than those expressly stated.

17. Documents available for inspection

The following documents will be available for inspection on the day of the AGM at the offices of Ernst and Young LLP, G1 Building, 5 George Square, Glasgow, G2 1DY from 11.45 a.m. until the conclusion of the AGM:

17.1 copies of the service contracts of the Company's executive directors;
17.2 copies of the letters of appointment of the Company's non-executive directors; and
17.3 the draft rules of the A.G. BARR p.l.c. 2024 Share Savings Scheme (the '**2024 Share Savings Scheme**').

The 2024 Share Savings Scheme will also be available for inspection on the National Storage Mechanism at **https://data.fca.org.uk/#/nsm/nationalstoragemechanism** from the date of sending this document.

APPENDIX 1
SUMMARY OF PRINCIPAL TERMS OF THE A.G. BARR P.L.C. SHARE SAVINGS SCHEME (THE '2024 SAYE')

The principal terms of the 2024 SAYE are summarised below.

Background and operation

The proposed 2024 SAYE will replace (for new options granted) the Company's current scheme (the A.G. BARR p.l.c. Share Savings Scheme 2014) (the '**2014 SAYE**').

The 2014 SAYE expires in 2024. The Company wishes to continue to grant SAYE options, to incentivise and retain employees.

The last share options granted under the 2014 SAYE were granted on 24 May 2024 and become exercisable on either 24 May 2027 or 24 May 2029, depending on whether the relevant employee chose a three or five year savings arrangement. The board of directors of the Company (the '**Board**') has recommended that this is an appropriate time for a new scheme, which will run for ten years, to be adopted.

The 2024 SAYE scheme rules contain no material differences from the 2014 SAYE scheme rules.

As with the 2014 SAYE, the Board will supervise the operation of the 2024 SAYE.

The 2024 SAYE allows the Company to grant U.K. tax-advantaged options under the SAYE legislation. In broad terms, a SAYE scheme allows the Company to grant to employees and executive directors who enter into a savings arrangement over a number of years (either three or five, at the employees' option), with the savings eventually used to fund the option exercise price (which may be set at a permitted discount with no income tax on the gain, provided the terms of the legislation and the relevant scheme are complied with).

Any reference in this summary or in the 2024 SAYE to "approval" is a reference to approval by the shareholders (and the "approval date" occurs when each of the following have occurred: (a) the shareholders have approved the adoption of the 2024 SAYE; and (b) any conditions to which that approval was subject have been met).

Eligibility

Any employee or executive director of the Company (subject to meeting any qualifying period of service set by the Board, not to exceed five years) will be eligible to participate in the 2024 SAYE.

Grant of options

The board may issue invitations to apply for options to acquire ordinary shares in the Company within six weeks following the Company's announcement of its results for any period. The Board may also issue invitations to apply for options within six weeks of the approval date of the 2024 SAYE.

If at any such time as mentioned above, the Board would be prohibited from granting options due to any statute, regulation or directive, the Company may issue invitations within six weeks of that prohibition ceasing.

In the case of applications exceeding the number of shares the Board has determined will be available shares, the Board will scale back applications following the process in the 2024 SAYE rules before granting options.

Options may not be granted more than 10 years after the approval date of the 2024 SAYE.

No payment is required for the grant of an option. Options are not transferable or pensionable.

Individual participation

An individual's maximum monthly contribution to all savings contracts cannot exceed the maximum permitted by SAYE legislation from time to time (currently £500 per month) and an individual's proposed contributions may be scaled back by the Board in the case of applications exceeding available shares.

Option price

The price per ordinary share payable upon exercise of an option is to be set by the Board when invitations are issued and must not be less than 80% of the market value of a share (determined from the average of the middle market quotations of a share on the five dealing days immediately before the invitation date, as derived from the London Stock Exchange Daily Official List). If the option is to be satisfied by way of issue of shares, the exercise price cannot be set at less than the nominal value of a share.

Exercise of options

Options will normally become capable of exercise within six months of the maturity of the three or five year savings contract, and provided the participant remains employed in the Company's group. Options will usually lapse six months after the maturity of the savings contract, or sooner on the occurrence of certain corporate events or in the event that the participant ceases to hold employment within the Company's group (subject to certain exceptions, details of which are set out in the following paragraphs). Options will lapse if a person ceases to (or fails on seven occasions to) make the monthly contributions under the savings contract or is adjudicated bankrupt.

Leaving employment

As a general rule, an option will lapse upon a participant ceasing to hold employment within the Company's group. However, if, after holding the option for at least three years, a participant ceases (for any reason) to be an employee in the Company's group, the participant may exercise the option within six months. If, regardless of how long the option has been held, employment ceases by reason of injury, disability, redundancy, retirement or his or her employing company or the business for which he or she works being sold out of the Company's group, then the option becomes exercisable for a period of six months.

The 2024 SAYE provides that retirement (at whatever age) is an exercise trigger.

If the cessation of employment is due to a participant's death, the legal personal representatives of the participant may exercise the option within either:
(a) twelve months of the date of death; or (b) twelve months of the maturity date of the savings contract (if the savings contract has matured as at the date of death).

Corporate events

On a takeover by way of general offer or a scheme of arrangement, reconstruction or amalgamation or voluntary winding up of the Company, options will be exercisable for a period of six months.

The six month period for exercise will be shortened if during the process of a take-over by general offer, a person becomes bound or entitled to acquire shares in the Company; in such a case the option will only be exercisable for the period that the person is so bound or entitled.

An option may be exercised up to seven days before a change of control by way of a general offer occurs. An option may also be exercised if as a result of the change of control of the Company, the shares under option will cease to meet the SAYE legislative requirements; a seven day exercise window is allowed in such cases.

In the event of a takeover by way of general offer or a scheme of arrangement, reconstruction or amalgamation, options may (at the choice of the option holder and with the agreement of the acquiring company) be replaced by equivalent options over shares in the acquiring company provided this is done within six months.

Any option not exercised (or replaced) on the occurrence of such corporate events will lapse.

Adjustment of options

On a variation in the Company's share capital, the Board may adjust the number or description of shares under the option and the price payable per share.
The adjustments must be such that the total amount to be paid under the option and the value of the shares to be acquired (judged as at the time of adjustment) is the same before and after the adjustments. In the event that the exercise price is less than the nominal value of any new issue shares required for the 2024 SAYE, the difference must be capitalised from reserves.

Overall 2024 SAYE limits

The 2024 SAYE may operate over newly issued ordinary shares, treasury shares or ordinary shares purchased in the market or transferred from one of the Company's employee benefit trusts. In practice, the Board currently anticipates that the shares required to satisfy the options will be transferred from an employee benefit trust.

In any 10 year period, the Company may not grant options giving a right to subscribe for shares which would exceed 10% of the issued shares of the Company (as at the date of option grant) when the total number of shares under those options and under all other share option or share acquisition schemes operated by the Company which have been granted (other than any which have lapsed) are taken into account.

Adjustments to the 2024 SAYE

The Board may amend the rules of the 2024 SAYE, or, as necessary, make regulations for the administration of the 2024 SAYE.

Shareholders in general meeting must give prior approval to amendments to the 2024 SAYE if the amendment would be to the advantage of existing or future participants. However, no such approval is needed for amendments to benefit the administration of the 2024 SAYE, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the Company or any members of its group.

Prior consent or sanction of the participants who hold options is required (applying the provisions in the Articles regarding the alteration of class rights to determine the form of the consent or sanction required) for any amendments to the 2024 SAYE if the amendment would materially prejudice their interests.

No consent (of shareholders or participants) is required if the amendment is necessary or desirable to comply with or take account of legislation, a take-over, reconstruction or winding up.

No amendments can be made if they are to key features of the 2024 SAYE and the effect of such amendment would be to cause the 2024 SAYE to cease to qualify under the legislation governing SAYE schemes.

The Board has discretion to decide not to issue any further invitations or options or to terminate the 2024 SAYE at any time, without prejudice to existing options.

NOTES

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